

Total No. of Printed Pages: 4

**T.Y.B.Com Semester VI (CBCS) Ordinance  
EXAMINATION APRIL 2024  
Accounting Major VII - Accounting II**

[Time: 2:00 Hours]

[Max. Marks:80]

- Instructions:**
1. Question No. 1 is compulsory
  2. Answer any **THREE** questions from Question No.2 to Question No.6.
  3. Figures to the right indicate marks to the question/ sub- question.

- Q1** On 01/04/2020 Honeybell Ltd., issued 5000, 13% Debentures of Rs 100 each at par **20**  
redeemable at a premium of 2% after 4 years on 31/03/24. It was decided to create a debenture redemption fund for the redemption of debentures. Investments are expected to earn interest at 10% p.a.

Reference to the sinking fund table shows that Re.0.2155 invested annually at 10% compound interest amounts to Re. 1 at the end of 4 years. On 31/03/2024 investments were sold at 1% less than the book value and the debentures were redeemed. Prepare the following ledger accounts:

- a) Sinking Fund, A/c
- b) Sinking Fund Investments A/c

- Q2** The following figures are extracted from the books of Mr. Usgaonkar, a solicitor, on 31th March, 2023: **20**

Particular	Amount
Profit cost	923100
Amount owing by clients for Bills of Costs delivered	246000
Clients' disbursements	95100
Amounts received from clients on account of matters pending	184500
Sundry amounts owing	7500
Capital	375000
Work in progress on March 31, 2023	45000
Salary	300000
Rent paid	75000

Offline expenses	168000
Furniture	95000
Library	100000
Bank (office)	246000
Bank (clients)	165000

Further Information:

Capital includes Reserve amounting to Rs. 1,35,000.

Sundry small disbursements debited to Office Expenses Account, are included in the Bills of Costs delivered to clients. On 31st March, 2023, items on the debit side of client's disbursement A/c amounting to Rs 116100 had been charged to clients in bills of cost. Out of this Rs 4500 had been received and credited to their a/c.

Depreciate furniture @ 15% and library books @10%.

Prepare Profit & Loss a/c for the year ended 31-3-2023 and Balance Sheet as at that date.

- Q3 On 1st April, 2022; 200, 6% debentures of Rs 100 each of Excellent Ltd. were held as investment by Mr. Tushar at a cost of Rs 18,200. 20

Excellent Ltd. pays interest on 1st May and 1st November every year.

The following other transactions were entered by him during the year ended 31<sup>st</sup> March, 2023 in regard to these debentures:

Date	No. Of Debentures	Transaction	Rate
1 <sup>st</sup> April 2022	100	Sale	Rs 98 cum-interest
1 <sup>st</sup> October 2022	100	Purchase	Rs 104 ex-interest
1 <sup>st</sup> December 2022	200	Purchase	Rs 97 cum-interest
1 <sup>st</sup> February 2023	100	Sale	Rs 97 ex-interest
1 <sup>st</sup> March 2023	200	Purchase	Rs 101 cum-interest

Prepare investment in 6% debenture in Excellent Ltd A/c for the year ended 31<sup>st</sup> March 2023.

Q4 Torant Ltd. Issued 3500 12% Debentures of Rs. 100 each at par on 01/04/2020. The terms of the issue of debentures provided that the Company provide a Sinking fund for the redemption of debentures on 31/03/2024. The Company decided to take out an insurance policy to provide the necessary cash to facilitate the redemption of Debentures. The Annual Insurance premium payable to the Insurance company works out to Rs. 80,000. Prepare the following ledger accounts: 20

- a) 12% Debenture Account
- b) Debenture Redemption Fund Account
- c) Debenture Redemption Insurance Policy Account.

Q5 Shama Ltd. passed a resolution to wind up voluntarily on 30<sup>th</sup> June, 2023, when its Balance Sheet stood as under: 20

Liabilities	Rs	Assets	Rs
Share Capital:		Land and buildings	75,000
Authorised and subscribed		Plant & Machinery	1,80,000
1,500-8% Preference Shares of Rs.100 each	1,50,000	Furniture and fittings	45,000
4,500 Equity Shares of Rs.100 each, Rs.50 paid up	2,25,000	Moulds	1,50,000
<u>Secured Loan</u>	1,20,000	Stock at cost	75,000
6% Debentures (Floating Charge on all assets)			
Interest on Debentures	7,200	Sundry Debtors	37,500
Sundry Creditors (on Mortgage of Plant & Machinery)	90,000	Cash in hand	1,500
Preferential Creditors	9,300	Profit & Loss A/c	1,12,500
Unsecured Creditors	75,000		
	<u>6,76,500</u>		<u>6,76,500</u>

**Additional information:**

1. The Company went into voluntary liquidation as on the above Balance Sheet date.
2. Preference Dividend was in arrears for one year and as per the Articles of the Company, it was to be paid.
3. The Liquidator realised the assets as under:

Assets	Rs.
Land & Building	1,50,000
Plant & Machinery	1,65,000
Furniture & Fittings	18,000
Moulds	1,27,500
Stock	63,000
Debtors	31,500

4. Fittings were worthless.
5. The Liquidation Expenses amounted to Rs. 8190.
6. The Liquidator is entitled to remuneration at 2% on all the assets realised, 2% on the amount distributed to unsecured creditors and 10% on the amount returned to Equity Shareholders.
7. In addition to the above liabilities, the liquidator had to pay Rs. 2,700 as a repairs bill of Plant & Machinery.
8. The Liquidator made payments on 31<sup>st</sup> December 2023.

**Prepare Liquidators Final Statement of Account.**

**Q6** Answer ANY FOUR of the following:

**4x5=20**

- a) Explain the Hybrid System of Accounting maintained by the Professionals.
- b) Write a short note on Cum-Interest and Cum-Dividend.
- c) Write a short note on types of investments.
- d) Explain Redemption of Debentures by Sinking Fund Method.
- e) Explain Redemption of Debentures out of Profits.
- f) Distinguish between Winding Up and Dissolution.

Total No. of Printed Pages: 7

**T.Y.B.Com Semester VI (CBCS) Ordinance  
EXAMINATION APRIL 2024  
Accounting Major V-Advanced Company Accounts**

[Time: 02:00 Hours]

[Max. Marks: 80]

- Instructions:** 1) Question No.1 is compulsory.  
2) Answer any three questions from Q.No.2 to Q.No.6.  
3) Each question carries 20 marks.  
4) Figures to the right indicate the maximum marks allotted.  
5) All working notes to form the part of the answer.

Q.1 The following is the statement of assets and liabilities of Dunlop Limited as on 31st March 2023 20

LIABILITIES	Amount (Rs.)	ASSETS	Amount (Rs.)
Equity Share Capital; 20,000 Equity shares of Rs.10 each	2,00,000	Goodwill	40,000
12.5% Preference shares of Rs.100 each	40,000	Plant and Machinery	1,80,000
10% Debentures @ Rs.100 each	1,00,000	Inventory	58,000
Sundry creditors	1,00,000	Sundry Debtors	40,000
		Cash and Bank Balance	22,000
		Profit and loss account (Debit Balance)	1,00,000
<b>Total</b>	<b>4,40,000</b>	<b>Total</b>	<b>4,40,000</b>

The following scheme of reconstruction was sanctioned:

1. The equity shares will be reduced to Rs.5 per share.
2. 12.5% Preference shares to be reduced by Rs.30 per share.
3. 10% Debenture holders agreed to reduce their claims by Rs.25000 and the balance amount to be satisfied by issue of Equity shares of Rs.10 each fully paid.
4. Sundry creditors agree to reduce their claim by Rs. 20,000.
5. To write off profit and loss debit balance and intangible assets.

Pass the necessary Journal entries, prepare Capital Reduction account and draft the revised balance sheet after reconstruction.

- Q.2 The following are the balances of assets and liabilities extracted from the balance sheet for the year ended 31st March 2023 of Anand Logistics Limited. 20

LIABILITIES	Amount (Rs.)	ASSETS	Amount (Rs.)
Equity share capital	5,00,000	Land and buildings	3,50,000
Capital reserve	1,00,000	Plant and machinery	2,00,000
General reserve	70,000	Furniture	50,000
Secured loan	1,00,000	Stock	1,50,000
10% Debentures	1,00,000	Debtors 1,45,000 Less: R.D.D 20,000	1,25,000
Short term loan	1,00,000	Bills receivables	75,000
Creditors	50,000	Bank balance	50,000
		Preliminary expenses	10,000
		Underwriting Commission	10,000
<b>Total</b>	<b>10,20,000</b>	<b>Total</b>	<b>10,20,000</b>

The company's profits before taxation are as follows;

2018-19	-----	Rs.1,80,000
2019-20	-----	Rs.1,90,000
2020-21	-----	Rs.2,20,000
2021-22	-----	Rs.2,40,000
2022-23	-----	Rs.2,80,000

The companies engaged in similar type of business normally earn 15% p.a. The rate of income tax may be taken at 50%. It is to be assumed that current year's profit is withdrawn from the business.

Calculate the value of goodwill by following methods;

1. 4 years' purchase of super profit method.
2. Capitalisation of FMP method.
3. Capitalisation of super profit method.

Q.3 Following is the extract of the trial balance of Konark Trading Corporation Limited as on 31<sup>st</sup> March 2023: 20

PARTICULARS	AMOUNT (Rs.)
Salaries and wages	25,00,000
Audit fees	4,00,000
Bank charges	3,50,000
Opening stock of raw materials	2,80,000
Advertisement and publicity expenses	3,60,000
Purchases of raw materials	38,00,000
Carriage inward	2,00,000
Carriage outward	1,00,000
Rent paid	12,00,000
Interest on Bank loan	3,80,000
Interest on debentures	1,20,000
Bonus to employee	2,30,000
Interest on investments	8,00,000
Factory expenses	4,00,000
Motive power	80,000
Factory repair and maintenance	1,90,000
Factory supervision	3,00,000
Opening stock of finished goods	5,00,000
Sundry income	3,00,000
Transport charges	3,50,000
Travelling and conveyance	1,40,000
Printing and stationery	1,00,000
Rent received	10,00,000
Return inwards	2,00,000
Directors' remuneration	1,50,000
Purchases of stock in trade	10,00,000
Insurance	2,00,000
Depreciation on fixed assets	1,40,000
Sales during the year	2,82,00,000

Additional information;

1. Closing stock of raw materials and finished goods was Rs.8,00,000 and Rs.4,00,000 respectively.
2. Outstanding salaries and wages amounted to Rs.1,00,000.

3. Prepaid insurance was Rs. 50,000.
4. Make a provision of Rs.40,00,000 for tax.
5. Provide R.D.D to the extent of Rs.1,00,000.
6. Sundry income receivable amounted to Rs.2,00,000.

Prepare Statement of Profit & Loss for the year ended 31st March 2023 as per schedule III of Companies Act.

Q.4 The following is the statement of assets and liabilities of Symphony Limited for the year ended 31st March 2023;

LIABILITIES	Amount (Rs.)	ASSETS	Amount (Rs.)
12000 Equity shares of Rs.100 each	12,00,000	Cash at bank	1,00,000
1000 6% Debentures of Rs.100	10,00,000	Sundry debtors	1,60,000
Capital reserve	1,00,000	Stock	2,40,000
General reserve	40,000	Investments	2,00,000
Profit and loss account	40,000	Land and buildings	8,20,000
Sundry creditors	60,000	Furniture	1,20,000
Other Liabilities	20,000	Goodwill	1,40,000
		Plant and Machinery	6,80,000
Total	24,60,000	Total	24,60,000

All the assets except goodwill were valued at Rs.24,60,000. Goodwill however was independently value at Rs.2,40,000.

The company earned net profits after tax for the last five years as follows:

Year	Profit (Rs.)
2018-19	1,60,000
2019-20	1,68,000
2020-21	1,84,000
2021-22	1,76,000
2022-23	1,92,000

It was decided to set aside 15% of the profits towards General reserve. Looking at the

nature of business, 10% is considered to be a fair and normal rate of return for similar type of companies.

Find out the value of equity share of the company by the following methods;

1. Intrinsic value method.
2. Yield value method.
3. Fair value method.

Q.5 Sunrise Limited is absorbed by Starlite Limited. The statement of assets and liabilities of Sunrise Ltd. for the year ended 31<sup>st</sup> March 2023 is given below: 20

LIABILITIES	Amount (Rs.)	ASSETS	Amount (Rs.)
Share Capital: 2000 Equity shares of Rs.100 each fully paid	2,00,000	Goodwill	40,000
1000 Preference shares of Rs.100 each fully paid	1,00,000	Buildings	1,30,000
General reserve	50,000	Machinery	80,000
8% Debentures	20,000	Stock	60,000
Sundry creditors	10,000	Sundry Debtors	30,000
		Bills receivable	35,000
		Cash balance	5,000
Total	3,80,000	Total	3,80,000

Starlite Limited agrees:

1. To issue 6 preference shares of Rs.100 each in Starlite Ltd. for every 8 preference shares in Sunrise Limited.
2. To Issue to the debenture holders in Sunrise limited, Mortgage Debentures at Rs.96 in lieu of 8% debentures in Sunrise limited which are to be redeemed at a premium of 20%.
3. To pay Rs.25 per share in cash to equity shareholders.
4. To issue 5 equity shares of Rs.100 each in exchange for every 4 equity shares held in Sunrise limited.

5. To take over assets including cash balance and sundry creditors.  
You are required to prepare the following ledgers in the books on Sunrise Limited.
1. Realisation account.
  2. Starlite Ltd account.
  3. Equity shareholders account.
  4. Equity shares in Starlite Limited account.
  5. Cash account.

Q.6 The following is the statement of assets and liabilities of Reynold Limited as 31<sup>st</sup> March 2023;

LIABILITIES	Amount (Rs.)	ASSETS	Amount (Rs.)
Share Capital; 3500 Equity shares of Rs.100 each	3,50,000	Building	1,05,000
Trade payables	1,75,000	Machinery	1,57,500
		Goodwill	63,000
		Inventories	87,500
		Trade Receivables	59,500
		Profit and loss account (debit balance)	52,500
<b>Total</b>	<b>5,25,000</b>	<b>Total</b>	<b>5,25,000</b>

On the above date, the following scheme of reconstruction was agreed upon;

1. A new company to be formed called Rotomax Limited with an authorized capital of Rs 8,75,000 in shares of Rs.100 each to take over assets and liabilities of Reynold limited.
2. 3,500 equity shares of Rs.100 each, Rs.60 paid up in Rotomax limited to be issued to the equity shareholders in the old company.
3. The goodwill is to be written off fully and Machinery and inventories to be written down by 10% each.

4. The balance of Rs.40 per equity share to be paid in cash by the shareholders.
  5. The creditors to be satisfied by payment to them of Rs. 70,000 in cash and debentures to be issued for the remaining balance by Rotomax limited.
- Pass necessary Journal entries in the books of Rotomax Limited and prepare the opening balance sheet of the newly formed company as per schedule III of Companies act 2013.

Total No. of Printed Pages: 3

**T.Y.B.Com Semester VI (CBCS) Ordinance**  
**EXAMINATION APRIL 2024**  
**Cost & Management Accounting - Advanced Cost Accounting I**

[Time: 2:00 Hours]

[Max. Marks: 80 ]

- Instructions:**
1. Question number 1 is Compulsory
  2. Answer any three questions from Q2 to Q No. 6
  3. Give working notes wherever necessary
  4. Each question carries equal marks

- Q1** A factory uses Job costing. Following cost data is obtained from its books for the year ended 31st December 2023 **20**  
Direct Materials ₹ 90000, direct wages ₹ 75000, Profit ₹ 60900, Selling and distribution overheads ₹ 52500, Administrative overheads ₹ 42000 and Factory overheads ₹ 45000.
- a) Prepare a job cost sheet indicating prime cost, works cost, cost of production, cost of sale and sales value.
  - b) In 2024, the factory receives an order for a number of jobs. It is estimated that direct materials required will be ₹ 1,20,000 and direct labor will cost ₹ 75000. What should be the price of the job if the factory intends to earn the same rate of profit on sales assuming that selling and distribution overheads have gone up by 15%. The factory recovers factory overheads as a percentage of direct wages and administrative and selling and distribution overheads as a percentage of works cost, based on cost rates prevailing in the previous years.
- Q2** Miranda Transport Company operates a luxury bus, which runs between Delhi and Jaipur and back 10 days in a month. The distance between Delhi and Jaipur is 270 kms. The bus completes the trip from Delhi to Jaipur and comes back on the same day. The bus goes on Delhi - Agra trip for 10 days in a month. The distance from Delhi to Agra is 180 kms. This trip is also completed on the same day. For 4 days of its operations in the month it runs in the local city. Daily distance covered in the city is 85 kms. The other information is given below: **20**

Particulars	Amount (₹)
Cost of the bus	15,00,000
Depreciation	15% per annum
Salary of the driver	9,000 per month
Salary of the conductor	8,000 per month
Salary of part time accountant	4,500 per month
Insurance	10,800 per quarter
Diesel	49 per litre
Distance covered per litre	5 kms
Token tax	8,100 per quarter
Lubricant oil	300 per 100 kms
Repairs and maintenance	8,000 per month
Permit fees	13,050 per quarter
Normal capacity	50 passengers

The bus is generally occupied 90% of the capacity when it goes to Jaipur, and 80% when it goes to Agra. It is always full when it runs within the city. Calculate the rate the company should charge a passenger when it wants to earn a profit of 33.33% on its revenue.

- Q3 During the year ended 31st March 2023, a company's profit as per financial accounts prepared by the auditors disclose a profit of ₹ 16624. Prepare a reconciliation statement and arrive at the profit as per Cost Accounts using the additional information given. 20

Profit and Loss Account (For the year ended 31st March 2023)

Particulars	₹	Particulars	₹
To opening stock	2,47,179	By Sales	3,46,500
To Purchase	82,154	By Sundry income	316
To Direct wages	23,133	By Closing Stock	75,121
To Factory overhead	20,826		
To Administration o/h	9,845		
To Selling expenses	22176		
To Net Profit	<u>16,624</u>		
	<b>4,21,937</b>		<b>4,21,937</b>

Costing records show

1. Closing stock ₹ 78,197
2. Direct wages absorbed ₹ 24867
3. Factory overheads absorbed ₹ 19714
4. Administrative expenses calculated at 3% of sales
5. Selling expenses absorbed @ 5% of sales.

- Q4 a) A contractor has to supply 10,000 paper cones per day to a textile mill. The cost of holding a paper cone in stock for one year is 20 paise and the setting up cost of a production run is ₹18. Calculate the Economic batch quantity. 5
- b) A bus started from Goa to Kolhapur with 50 passengers on board. 20 passengers got off at Belgaum and the bus proceeded with the remaining passengers. In the evening the same bus left Kolhapur with 50 passengers and 10 passengers got off the bus at Belgaum and the bus resumed the journey with the remaining passengers. The distance between Goa and Kolhapur is 220 kms and the distance between Goa and Belgaum is 120 kms. Compute the cost per passenger km. 5
- c) Explain the need for reconciliation 5
- d) Explain the procedure for job costing. 5
- Q5 A. Distinguish between cost control and cost reduction 2x10=20
- B. What are the areas of cost reduction?
- Q6 Write short notes (Any four) 20
- a) Batch costing
  - b) Features of job costing
  - c) Five techniques of cost control
  - d) Hotel costing
  - e) Reasons for disagreement of profit between cost records and financial records.

Total No. of Printed Pages: 4

**T.Y.B.Com Semester VI (CBCS) Ordinance  
EXAMINATION APRIL 2024  
Cost Accounting - Advanced Cost Accounting II**

[Time: 2:00 Hours]

[Max. Marks: 80 ]

- Instructions:** a) Q1. Compulsory  
b) Any 3 to be answered from Q2 to Q6.  
c) Figures to the right indicate full marks.

- Q1** A certain product passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price (i.e. 25% on cost price). The output of process III is charged to finished stock account on similar basis. There was no work in progress at the beginning of the year and overheads have been ignored. Stock in each process has been valued at prime cost of the process. Following data is obtained at the end of 31<sup>st</sup> March 2024: **20**

Particulars	Process I (Rs)	Process II(Rs)	Process III(Rs)	Finished Stock(Rs)
Direct material	4000	6000	2000	-----
Direct wages	6000	4000	8000	-----
Stock on 31st March	2000	4000	6000	3000
Sale during the year	-----	-----	-----	36,000

From the above information prepare the Process Cost Accounts and the Finished Stock Account showing the profit element at each stage.

- Q2** Rex Ltd, Commenced a contract on 1st July 2023. The total contract price was for Rs.5,00,000 and was accepted by Rex Ltd for Rs.4,50,000. It was decided to estimate the total profit and to take to the credit of Profit and Loss A/C that proportion of estimated profit on cash basis which the work completed bore to the total contract. Actual expenditure till 31-12-2023 and estimated expenditure for 2024 are given to below; **20**

Particulars	Upto 31-12-2023 (Actual) Rs	Upto 30-09-2024 (Estimated) Rs.
Materials	75,000	1,30,000
Labour	55,000	60,000
Plant Purchased (original cost)	40,000	-----
Miscellaneous expense	20,000	35,500
Plant returned to store at original cost on 31-12-2023	10,000	25,000 (on 30-09-2024)
Materials at site	5,000	Nil
Work Certified	2,00,000	Full
Work Uncertified	7,500	Nil
Cash received	1,80,000	Full

The plant is subject to annual depreciation @ 20% of Original Cost. The contract is likely to be completed on 30th September 2024. Prepare the Contract Account for the year ended 31-12-2023 and determine the profit to be credited to Profit & Loss A/C for the year ended 31-12-2023.

Q3 The following are the cost ledger balances as on 1<sup>st</sup> Jan 2023:

20

Particulars	Debit (Rs)	Credit (Rs)
Cost Ledger Control A/C	-----	22,000
Stores Ledger Control A/C	8,500	-----
Work in Progress Control A/C	6,600	-----
Finished Goods Control A/C	7,000	-----
Works Overhead Control A/C	-----	100
	22,100	22,100

The operations during the year were as follows:

Particulars	Amount (Rs)
Purchases	40,000
Stores Issued: Production	38,000
Work repairs	750
Not Chargeable	250
Wages: Productive	45,000
Works Repairs	800
Unproductive	4,500
Works expense, including wages and materials	15,000

Works overhead recovered	21,000
Administrative expense	4,500
Administrative overhead recovered	5,000
Goods Sold	1,30,000
Finished Goods in Stock (Closing)	5,000
Work in progress at the end	3,100

You are required to prepare the General Ledger Adjustment A/C, Stores Ledger Control A/C, Work in Progress Control A/C, Finished Goods Control A/C under non-integrated costing system.

Q4 A) Journalize the following transactions in the integrated books of accounts:

10

Particulars	Amount(Rs)
Raw material purchase(credit)	12,00,000
Production wages paid	7,00,000
Stocks issued to production order	8,00,000
Works expenses charged to production	4,50,000
Finished goods transferred from production orders	18,00,000
Administrative expenses charged to production	1,50,000
Work expenses paid	4,60,000
Payment to creditors	1,20,000

B) 4000 units of basic material were introduced in Process A at a cost of Rs.11,600 in April 2023. The normal loss is estimated at 5% of input and has a realizable value of Rs.1 per unit. At the end of the month, 2800 units were completed and transferred to next process, 920 units were incomplete and 280 units had been scrapped. The degree of completion of closing work in progress was as follows:

10

Materials: 75%; Labour: 50%; Overheads: 50%

Process costs were as under:

Direct materials: Rs. 2,880

Direct Wages: Rs. 6,680

Overheads: Rs. 3,340

Units scrapped passed through the process and were 100% completed as regards material, labour and overhead.

You are required to prepare:

- 1) Statement of Equivalent Production
- 2) Statement of Cost Per Unit
- 3) Evaluation of Equivalent Production Units.

- Q5 A) Describe the pre-requisites to be considered while installing a uniform cost accounting system? 10
- B) Discuss the advantages and disadvantages of Inter-firm Comparison. 10
- Q6 Write short notes on any four: (4X5=20)
- a) Inter process profits
  - b) Escalation Clause
  - c) Scope of Activity Based Costing
  - d) Objectives of Uniform Costing
  - e) Benefits of Responsibility Accounting

Total No. of Printed Pages: 04

**T.Y.B.Com Semester VI (CBCS) Ordinance  
EXAMINATION APRIL 2024**

**Cost and Management Accounting - Advanced Management Accounting**

[Time: 2:00 Hours]

[Max. Marks: 80]

- Instructions:** 1) Question 1 is compulsory.  
 2) Answer ANY THREE questions from Question 2 to Question 6.  
 3) Each question carries 20 marks.  
 4) Mention working notes wherever necessary.  
 5) Figures to the right indicate maximum marks allotted.

- Q1** A company has established the following relationship of costs with sales at 100% capacity utilisation: 20

Factory cost	66.67% of sales
Prime cost	75% of factory cost
Selling cost (75% is variable)	20% of sales

The factory overhead at different capacity levels are estimated as under:

Capacity utilisation	Factory Overhead (Rs.)
120%	2,50,000
100%	2,00,000
80%	1,80,000
60%	1,65,000

Presently the company operates at 60% capacity utilization and the sales value at this level is Rs. 7,20,000 per annum.

The management receives an offer at a sales value of Rs. 1,65,000 per annum from a government department. This offer will occupy 40% of the company's capacity. The prime cost of this order is Rs. 1,00,000 and there will be an increase of selling costs of Rs. 8,000 only per annum on account of this order.

The sales department claims that the company's own sales will increase to 80% of capacity by the time the aforesaid government departments order materializes.

**Required:**

- 1) Present statements to show the profitability of the company at 60% and 80% operating levels.
  - 2) Show the calculation of the profitability of the order of the government department and advise whether it should be accepted or not.
- Q2** A lodging home is being run in a small hill station with 50 single rooms. The home offers concessional rates during six off-season months in a year. During this period, half of the full room rent is charged; the management's profit margin is 20

targeted as 20% of the room rent. The following are the cost estimates and other details for the year ending on 31st march 2006 (assume month to be of 30 days).

- 1) Occupancy during the season is 80% while in the off season it is 40% only.
- 2) **Expenses:**
  - Staff salary (excluding room attendants) Rs. 2,75,000.
  - Repairs to building Rs. 1,30,00.
  - Laundry and linen Rs. 40,000
  - Interior and tapestry Rs. 87,500
  - Sundry expenses: Rs. 95,400
- 3) Annual depreciation is to be provided for building @ 5% and on furniture and equipment's @ 15% on straight line basis.  
Room attendant are paid Rs.5 per room day on the basis of occupancy of the rooms in a month.  
Monthly lighting charges are Rs.120 per room except in four months in winter when it is Rs.30 per room and this cost on the basis of full occupancy for a month.  
Total investment in the home is Rs.100 lakhs of which Rs.80 lakhs relate to building and balance for furniture and equipment's.  
You are required to work out the room rent chargeable per day both during the season and the off-season month on the basis of forgoing information.

- Q3**
- a) Factory in manufacturing plastic buckets is working to 40% capacity and produces 10,000 buckets per annum. The present cost break up for one bucket is as under:
    - Material Rs. 10
    - Labour Rs.3
    - Overheads Rs.5 (60% fixed)
    - The Selling price is Rs.20 per bucket.
 If it is decided to work the factory at 50% capacity, the selling price falls by 3%.  
At 90% capacity, the selling price falls by 5% accompanied by a similar fall in the price of material.  
You are required to calculate the profit at 50% and 90% capacities.
 10
  - b) The iron and steel works which generates its own electricity for the purpose of using the same for running the factory, gives the following information:
    - 1) Fuel - coal consumed during the month 1,000 quintals @Rs. 12 per quintal.
    - 2) Oil 15 quintal @ Rs. 1,000 per quintal.10

- 3) Water 2,00,000 litres @ Re. 1.00 per 1,000 litres.
- 4) Cost of steam boiler Rs.50, 000 which has the residual value of Rs. 2,000 the life of steam boiler is 10 years.
- 5) Salaries and wages for the boiler house:
- 6) 20 men @Rs. 150 per month
- 7) 40 Women @ Rs. 60 per month
- 8) Share of administrative charges Rs. 1,050 per month.
- 9) Sale of ash Rs. 300
- 10) Generating plant cost Rs. 1,50,000. depreciation @10%
- 11) Repair and maintenance of steam boiler and generating plant Rs. 1,000.
- 12) Salaries and wages for generating plant:
  - a. 10 skilled workers @Rs. 300 per month
  - b. 15 unskilled workers @Rs. 100 per month.
- 13) No. of units generated 2,00,000.
- 14) 1/10 of units generated were used by generating department itself.

- Q4 a) Elaborate in detail the merits of Activity based costing. 10  
 b) The budgeted overheads and cost driver volumes of XYZ are as follows. 10

Cost Pool	Budgeted overheads (Rs.)	Cost driver	Budgeted volume
Material procurement	5,80,000	No. of orders	1,100
Material handling	2,50,000	No of movements	680
Set-up	4,15,000	No. of set ups	520
Maintenance	9,70,000	Maintenance hours	8,400
Quality control	1,76,000	No. of inspection	900
Machinery	7,20,000	No. of machine hours	24,000

The company has produced a batch of 2,600 components of AX-15, its material cost was Rs. 1,30,000 and labour cost Rs. 2,45,000. The usage activities of the said batch are as follows;

Material orders - 26, maintenance hours - 690, material movements -18, inspection - 28, set- ups-25, machine hours-1,800.

Calculate -cost driver rates that are used for tracing appropriate amount of overheads to the said batch and ascertain the cost of components using activity based costing.

- Q5 a) Explain the meaning and benefits of Just in time (JIT) system. 10  
b) Elaborate on the following concept: 10  
I. Environmental management accounting.  
II. Classification of Quality cost.
- Q6 Write short note on ANY FOUR of the following: (4×5=20)
- a. Meaning of Activity Based Costing.
  - b. Marginal Costing.
  - c. Meaning of Service Costing.
  - d. Concept of Strategic Cost management.
  - e. Kaizen Costing.
  - f. Total Quality Management (TQM).

Total No. of Printed Pages: 4

**T.Y.B.com Semester VI (CBCS) Ordinance**  
**EXAMINATION APRIL 2024**  
**Accounting - Corporate Accounting And Tax Planning**

[Time: 2:00 Hours]

[Max. Marks:80]

- Instructions:**
1. Question No. 1 is compulsory.
  2. Answer any **THREE** questions from Question No. 2 to Questions No. 6
  3. Figures to the right indicate maximum marks to the question.

**Q1** Following are the Balance Sheets of Bright Ltd. and Delight Ltd. as at December 31st 2023: **(20)**

Balance Sheets of Bright Ltd. and Delight Ltd. as at 31 <sup>st</sup> December 2023		
Particulars	Bright Ltd. (₹)	Delight Ltd. (₹)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders Funds:</b>		
(a) Share Capital - Equity shares of ₹ 10 each	2,50,000	1,00,000
(b) Reserves and surplus: General Reserve	75,000	30,000
Profit and Loss Account	70,000	60,000
(2) Share Application Money Pending Allotment	-----	-----
(3) Non-Current Liabilities	-----	-----
(4) Current Liabilities		
<b>(b) Trade Payables:</b>		
Creditors	50,000	20,000
Bills Payable	5,000	2,000
<b>TOTAL</b>	<b>4,50,000</b>	<b>2,12,000</b>
<b>II. ASSETS</b>		
<b>(1) Non-current Assets:</b>		
<b>(a) Fixed Assets</b>		
(i) Tangible Assets- Plant and Machinery	2,00,000	1,20,000
(ii) Intangible Assets-Goodwill	20,000	10,000
(b) Non-current Investments- 6,000 Equity Shares in Delight Ltd.	85,000	-----
<b>(2) Current Assets</b>		
(a) Current Investments	-----	-----
(b) Inventories-Stock	80,000	30,000

(c) Trade Receivables- Debtors	60,000	50,000
(d) Cash and Cash Equivalents- Cash in Hand	5,000	2,000
<b>TOTAL</b>	<b>4,50,000</b>	<b>2,12,000</b>

**Additional Information**

- 1) Shares in Delight Ltd. were acquired by Bright Ltd. on 1<sup>st</sup> July 2023
- 2) Delight Ltd. had on 01.01.2023 ₹ 18,000 in General Reserve and ₹ 14,000 in Profit and Loss Account
- 3) Included in the creditors of Delight Ltd. is ₹ 12,000 for goods supplied by Bright Ltd.
- 4) Included in the stock of Delight Ltd. are goods to the value of ₹ 6,000 which were supplied by Bright Ltd. at a profit of 25%

Prepare a Consolidated Balance Sheet as at 31.12.2023 showing necessary workings.

**Q2** DLF grants 1,250 options on 1<sup>st</sup> April, 2020 at ₹ 80 when the market price ₹ 200 and the face value is ₹ 10. The vesting period is 3 years. The maximum exercise period is one year. 800 options are exercised on 31<sup>st</sup> August, 2023. Pass necessary journal entries to record the above transactions. (20)

**Q3** Pears Limited wants to acquire an asset costing ₹ 1,00,000 and a residual value of ₹ 20,000 at the end of 5 years. The company has two alternatives that are currently available. The first alternative is to buy the asset by taking a loan of ₹ 1,00,000 repayable in five equal instalments at an interest of 10% p.a. The second alternative is to lease the asset at a rent of ₹ 30,000 up to 5 years. The Company earns a profit of ₹ 1,00,000 before depreciation, interest and tax before lease rent and tax. Rate of depreciation of the asset is 15% p.a. and income tax. The Present Value factors at 10% are as follows: (20)

Years	1	2	3	4	5
	0.909	0.826	0.751	0.683	0.621

Determine whether the Company should purchase the asset or take the asset on lease.

**Q4** Following are the Balance Sheets of Joy Limited and Toy Limited. (20)  
Balance Sheet of Joy Limited and Toy Limited as at 31<sup>st</sup> March 2023

Particulars	Joy Limited	Toy Limited
	(₹)	(₹)
<b>I. EQUITY AND LIABILITIES</b>		

(1) Shareholder's Funds:		
(a) Share Capital- Equity Share of ₹ 10 each	1,20,000	30,000
(b) Reserves and Surplus- General Reserve	25,000	6,000
Profit and Loss Account	12,000	9,000
(2) Share Application Money Pending Allotment:	-----	-----
(3) Non-current Liabilities:	-----	-----
(4) Current Liabilities:		
(a) Short-term Borrowings	-----	-----
(b) Trade Payables- Creditors	15,000	5,000
<b>TOTAL</b>	<b>1,72,000</b>	<b>50,000</b>
<b>II. ASSETS</b>		
(1) Non-current Assets:		
(a) Fixed Assets		
(i) Tangible Assets		
Building at Cost	72,000	25,000
Plant and Machinery (Net)	30,000	10,000
(b) Non-current Investments- 2,000 Equity Shares of Toy Limited of ₹ 10 each	25,000	-----
(2) Current Assets		
(a) Current Investments	-----	-----
(b) Inventories-stock	18,000	3,000
(c) Trade Receivables- Debtors	22,000	7,000
(d) Cash and cash equivalents-Bank	5,000	5,000
<b>TOTAL</b>	<b>1,72,000</b>	<b>50,000</b>

**Additional Information:**

(1) When Joy Limited acquired 2,000 shares in Toy Limited, the latter company had reserves amounting to ₹ 5,000- none of which has been distributed since then. Prepare a Consolidated Balance Sheets as at 31.03.2023.

- Q5** The Red Chillies Limited was incorporated on 1<sup>st</sup> August 2021 to take over the running Business of Gujarat Titans with effect from 1<sup>st</sup> April 2021. The company received the Certificate of commencement of business on 1<sup>st</sup> October 2021. The following Profit and Loss Account was prepared for the year ended 31<sup>st</sup> March 2022: (20)

Profit and Loss Account for the year ended 31 <sup>st</sup> March 2022:			
Dr.			
Particulars	₹	Particulars	₹
To Office salaries	21,000	By Gross Profit b/d	80,000
To Partner's salaries	6,000	By Share Transfer fee	1,000
To Advertisement	4,400		

To Printing and stationery	1,500		
To Travelling expenses	4,000		
To Office rent	9,600		
To Electricity charges	900		
To Auditors charges	600		
To Directors charges	1,000		
To Bad debts	1,200		
To Commission on Sales	4,000		
To Preliminary expenses	700		
To Debenture Interest	1,800		
To Interest on Capital	1,600		
To Depreciation	2,100		
To Net Profit	20,600		
	81,000		81,000

**Additional Information:**

- i. Total Sales for the year, which amounted to ₹ 8,00,000 arose evenly up to the date of certificate of commencement, where after they recorded an increase of  $\frac{2}{3}$  during the remaining period. Gross profit was an uniform rate of 10% of selling price throughout the year and a commission of 0.5% was paid on sales.
- ii. Office rent was paid @ ₹ 8,400 p.a. up to 30<sup>th</sup> September 2021 and thereafter it was paid @ ₹ 10,800 p.a.
- iii. Travelling expenses include ₹ 1,600 towards sales promotion.
- iv. Bad debts written off-
  - a) A debt of ₹ 400 taken over from the vendor;
  - b) A debt of ₹ 800 in respect of goods sold in September 2021
- v. Depreciation includes ₹ 600 for assets acquired in the post-incorporation period. Show the "pre" and "post" incorporation results and also state how the results of pre and post-incorporation is dealt with.

**Q6 Write short notes on the following.**

(4x5=20)

- i. Unrealized profit on Trading Stock.
- ii. Accounting Treatment of Pre-Incorporation Profit/Loss.
- iii. Eligibility to participate in the Employee Stock Option Scheme of a Company.
- iv. Tax Planning Relating to Capital Structure Decisions.

Total No. of Printed Pages: 2

T.Y.B.Com Semester VI (CBCS) Ordinance  
EXAMINATION APRIL 2024  
Human Resource Management

[Time: 2:00 Hours]

[Max. Marks: 80]

- Instructions:
- All questions are compulsory, however internal choice is available
  - Answer sub-questions under Question No. 1 and Question No. 2 in not more than 100 words each.
  - Answer Question No. 3 to Question No.6 in not more than 400 words each
  - Figures to the right indicate maximum marks assigned to the question/sub- question.

Q1 Write short notes on any FOUR of the following:

(4x4=16)

- Objectives of Human Resource Planning
- Work Simplification
- Selection
- Taylor's differential piece rate plan
- Barriers to employee empowerment
- Limitations of Profit sharing

Q2 Write short notes on any FOUR of the following:

(4x4=16)

- Employer as an agent of labour welfare.
- Functions of trade unions.
- Measures to minimise labour absenteeism
- Learning organizations
- Employee branding
- Competencies

Q3 A) Describe the methods of data collection in the context of job analysis

(12)

OR

X) Explain the sources of recruitment

(12)

Q4 A) Explain the essentials of a sound wage system

(12)

OR

X) Explain the forms of Workers Participation in Management

(12)

- Q5 A) Explain the weaknesses of Indian trade unions (12)  
OR  
X) Explain the causes of labour turnover (12)
- Q6 A) Explain the need for innovation (12)  
OR  
X) Explain the challenges before the Human Resource Manager (12)

Total No. of Printed Pages: 2

**T.Y.B.Com Semester VI (CBCS) Ordinance**  
**EXAMINATION APRIL 2024**  
**International Economics**

[Time: 2:00 Hours]

[Max. Marks:80]

- Instructions:** 1) All Questions are compulsory.  
 2) Answer sub-questions in Question 1 and Question 2 in not more than 100 words each.  
 3) Answer Question 3 to Question 6 each in not more than 400 words.  
 4) Figures to the right indicate marks to question/sub-question.

**Q1 Answer any four of the following:****4\*4=16**

- 1) Briefly explain the Heckscher-Ohlin Theorem as a determinant of International Trade.
- 2) Explain in brief the concept of Net Barter Terms of Trade.
- 3) Write a brief note on Tariffs.
- 4) Explain any two causes of disequilibrium in Balance of Payments.
- 5) Explain any two measures to correct disequilibrium in Balance of Payments.
- 6) Explain the concepts of Fixed and Flexible Exchange Rates.

**Q2 Answer any four of the following:****4\*4=16**

- 1) Illustrate and explain the concept of Arbitrage.
- 2) Write a short note on Licensing and Franchising as entry modes of MNC's.
- 3) Write a brief note on Foreign Institutional Investors.
- 4) Explain the impact of FPI on capital markets.
- 5) Write a brief note on the functions of WTO.
- 6) Write a brief note on European Union.

**Q3 A. Explain the gains of International Trade for the importing and exporting countries.****12****OR****B. Discuss the advantages of Protectionism****Q4 A. Evaluate the types of disequilibrium in Balance of Payments.****12****OR****B. Explain the functions of the foreign exchange market.**

