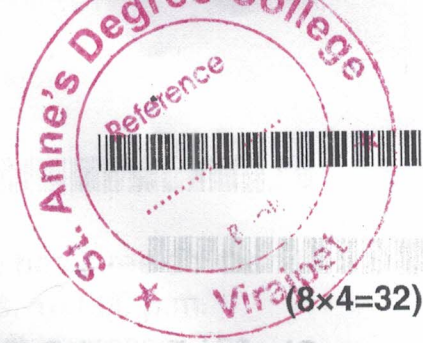


SECTION – B

Answer **any four** of the following questions.

7. How to determine the residential status of an individual assessee ?
8. Explain the provisions of Income Tax Act relating to Statutory Provident Fund and Recognised Provident Fund.
9. Define the term Income. Bring out its characteristics.
10. Mr. Sathya retired from service on 30th June 2020 after a service of 30 years 9 months and 23 days. His last drawn emoluments are as follows :
Basic salary Rs. 40,000 p.m., D.A. Rs. 10,000 p.m. (15% taken for retirement benefit).
Annual increment Rs. 1,000 falls due on 1st January every year. Gratuity received Rs. 7,28,000. Compute taxable gratuity.
a) When he is covered under the Act.
b) When he is not covered under the Act.
11. From the following details, compute the perquisite value of Rent Free Accommodation of Mr. Arjun.
a) Basic salary Rs. 30,000 p.m.
b) Bonus equal to one month salary.
c) Furnished accommodation provided by the company for which the actual rent paid by the company Rs. 12,000 p.a.
d) Rent recovered from the employee Rs. 15,000 p.a.
e) Furniture costing Rs. 50,000 is also provided for which the company pays a rent of Rs. 1,500 p.m.
f) Population of the city 12 lakh.
12. From the following particulars, compute deduction u/s 80C.
- | | |
|--|--------|
| a) Life insurance premium paid on own life (policy amount Rs. 80,000) (policy taken earlier to 1-4-2012) | 10,000 |
| b) Life insurance premium paid on mother's life | 5,000 |
| c) Contribution to Public Provident Fund | 10,000 |
| d) Contribution to Unrecognised Provident Fund | 12,000 |
| e) NSC VIII issue purchased | 30,000 |
| f) Interest received on NSC matured | 5,200 |
| g) Accrued interest on NSC | 4,200 |
| h) Fixed deposit for 5 years in SBI | 25,000 |
| i) Amount deposited in 2 years Postal Time Deposit Scheme | 20,000 |
| j) Contribution to Home loan Account of National Housing Bank | 25,000 |
| k) Repayment of housing loan (including interest of Rs. 32,000) | 50,000 |
| l) Tuition fees paid for children | 24,000 |



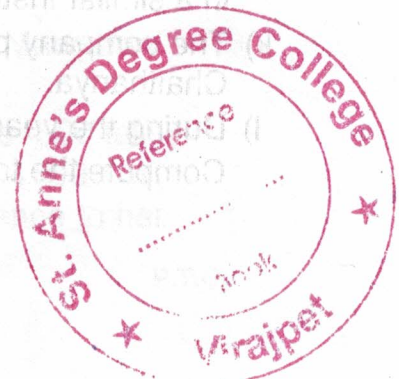


SECTION – C

Answer **any two** of the following questions.

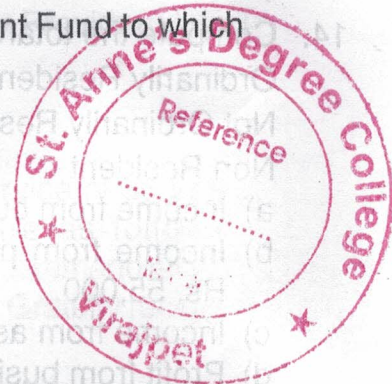
(16×2=32)

13. Explain the concept of Agricultural Income in detail.
14. Compute the total income of Mr. Suresh from the following particulars if he is :
 Ordinarily Resident
 Not Ordinarily Resident
 Non Resident
- Income from business in Hassan, managed from UK Rs. 1,25,000.
 - Income from pension for services rendered in India, received in Dubai Rs. 55,000.
 - Income from assets in Sri Lanka, received in India Rs. 10,000.
 - Profit from business in Singapore deposited in a bank there Rs. 95,000.
 - Income from profession in Canada received there. The profession was setup in India Rs. 85,000.
 - Interest on UK Government securities, half of which received in India Rs. 75,000.
 - Interest on England development bonds (1/5 received in India) Rs. 90,000.
 - Income from agriculture in America received there, but later on remitted to India Rs. 81,000.
 - Income from property in Sweden received outside India Rs. 2,40,000.
 - Income earned from business in Uganda which is controlled from Delhi (Rs. 1,25,000 received in India) Rs. 4,50,000.
 - Profit on sale of building in India but received in Pakistan Rs. 18,000.
 - Salary received in India for services rendered in London Rs. 80,000.
 - Income earned and received in Australia from Bank deposits there Rs. 50,000.
 - Income accrued in Bhopal but received in Singapore Rs. 6,000.
 - Income from agriculture in England, it is all spent on the education of children in London Rs. 5,000.
 - Past untaxed profit brought into India during the previous year Rs. 81,000.
15. Mr. Pranav furnishes the following details of his salary income :
- Basic salary Rs. 45,000 p.m.
 - Dearness allowance Rs. 28,000 per month (60% enters into retirement benefits)
 - Deputation allowance Rs. 800 p.m.
 - Entertainment allowance Rs. 1,200 p.m.
 - Commission on sales at 1% on sales of Rs. 30,00,000.
 - City Compensatory Allowance Rs. 1,400 p.m.
 - Medical allowance Rs. 1,000 p.m.





- h) Education allowance of Rs. 1,400 p.m. for each child (He has three children).
 i) HRA Rs. 15,200 p.m. The actual rent paid by him was Rs. 16,000 p.m.
 j) He is given with a car of 1.8 CC for both private and official purposes. The running and maintenance of this car is met by Pranav.
 k) He has contributed 13% of his salary to Statutory Provident Fund to which the company has made the equal contribution.
 l) He has made the following payments :
 Professional tax Rs. 200 p.m.
 LIC premium (own) paid Rs. 48,000
 Contribution to ULIP Rs. 24,000
 Repayment of housing loan, principal Rs. 36,400.
 Compute the taxable salary and deductions u/s 80 C.



16. Sri Chaithanya is the manager of company at Mangalore (Population 20 lakh). He furnishes the following particulars.
- Net salary Rs. 5,20,000 after deduction of Rs. 25,000 for income tax, Rs. 91,000 as contribution to the recognised provident fund and Rs. 61,000 as life insurance premium.
 - Bonus Rs. 50,000
 - T.A. for official duty Rs. 75,000, actual expenses being Rs. 60,000
 - Reimbursement of medical expenses Rs. 25,000.
 - He lived in a bungalow owned by the company. Its fair rental value is Rs. 20,000 p.m.
 - A gardener and a cook were also provided by the company, the salary paid being Rs. 1,000 p.m. and Rs. 500 p.m. respectively.
 - The company paid Rs. 25,000 as electricity charges and Rs. 2,500 as water charges on his behalf.
 - He owns a car of 2 CC and the company meets the entire expenses amounting to Rs. 2,600 p.m. The car is used for both official and personal purposes.
 - Employer contributes equally to recognised provident fund. The interest credited at 10% p.a. amounted to Rs. 60,000.
 - His two children are studying in the school run by the company. The cost in a similar institution in the locality is Rs. 1,500 p.m. per child.
 - The company paid Rs. 10,000 as premium on a policy taken on the life of Chaithanya.
 - During the year he paid Rs. 2,400 as professional tax.
- Compute the taxable salary.

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BCMCMC 234

**Choice Based Credit System III Semester B.Com. Degree Examination,
December 2021**

(2020 – 21 Batch Onwards)

COMMERCE

Group – I : Core Course

Cost and Management Accounting – I

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **any four** of the following questions.

(4×6=24)

1. Define Cost Accounting. Explain the objectives of Cost Accounting.
2. Explain the concept of Cost Centre and Cost Unit.
3. What is Overtime ? What are the causes of Overtime ?
4. Sun Rise Ltd. invited quotations for the supply of a chemical. The following quotation is submitted by a supplier

Lot price 200 kg Rs. 50 per kg
 400 kg Rs. 47.50 per kg
 600 kg Rs. 40.00 per kg

Trade discount is 25%. Freight and forwarding charges Rs. 200. One container is required for every 50 kg and each container is charged at Rs. 5. If the container is returned in two months, credit will be allowed at Rs. 3 per container. Calculate the purchase price of 600 kg of the chemical.

5. From the following information, calculate the earnings of A, B and C under Taylor's Differential Piece Rate System.

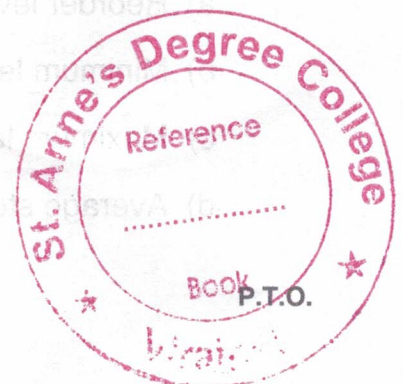
The working hours in a week consisted of 48 hours

Standard output : 4 units per hour

Time rate : Rs. 32 per hour

Actual output :

A – 175 units, B – 192 units, C – 200 units.





6. Medical Aids Co. manufactured a special product. The following particulars were collected for the year 2020.

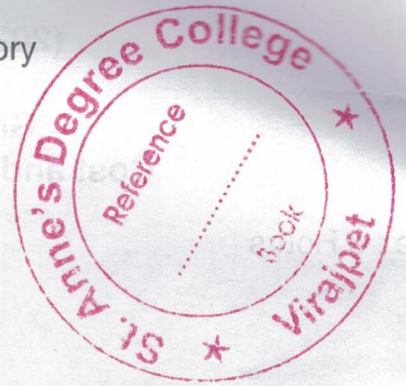
Cost of placing an order Rs. 60

Annual carrying cost per unit 10% of the inventory

Annual usage 6000 units

Cost of material per unit Rs. 20

Find the Economic Order Quantity.



SECTION - B

Answer **any four** of the following questions.

(4×12=48)

7. Explain the classification of cost on the bases of behaviour.

8. What are the limitations of Financial Accounting ?

9. Two component A1 and A2 are used as follows :

Average usage – 300 units per week each

Maximum usage – 450 units per week each

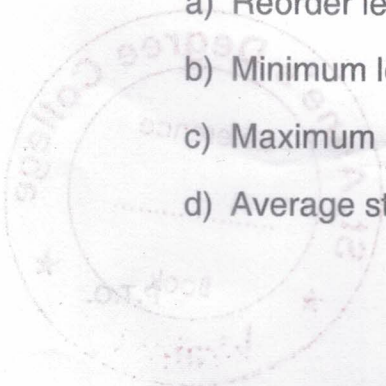
Minimum usage – 150 units per week each

Reorder quantity – A1 : 2400 units, A2 : 3600 units

Reorder period – A1 : 4 – 6 weeks, A2 : 2 to 4 weeks

Calculate for each component :

- a) Reorder level
- b) Minimum level
- c) Maximum level
- d) Average stock level.

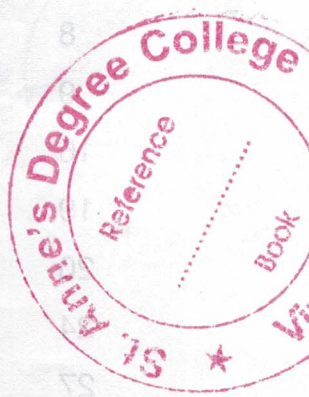




10. Prepare a Bin Card from the details given below for the month of September 2019.

Sept.
2019

1	Opening Balance	3000 units
2	Issued MRN No. 50	1750 units
5	Purchased GRN No. 100	5000 units
7	Issued MRN No. 51	4000 units
8	Received GRN No. 101	8000 units
10	Issued MRN No. 52	9000 units
18	Returned to stores	250 units
20	Purchased GRN No. 102	2500 units
25	Returned to vendor	2000 units
27	Issued MRN No. 53	1000 units
30	Purchased GRN No. 103	3000 units



On the 15th and 28th September, the stock verification office found a shortage of 100 and 200 units respectively.

For BIN No. 35 code number is AX-53, Maximum level – 5000 units; Minimum level 2000 units; Reorder level 3000 units and Reorder quantity 4000 units.

11. Calculate the total earnings of two workers A and B under

- a) Rowan system
- b) Halsey premium plan.

	A	B
Time allowed	70	60
Wage rate per unit	Rs. 2	Rs. 3
Hourly rate	Rs. 7	Rs. 8
Actual time taken (hours)	50	48
Actual units produced	200	150



10. Prepare a Bin Card from the details given below for the month of September 2019.

Sept.
2019

1	Opening Balance	3000 units
2	Issued MRN No. 50	1750 units
5	Purchased GRN No. 100	5000 units
7	Issued MRN No. 51	4000 units
8	Received GRN No. 101	8000 units
10	Issued MRN No. 52	9000 units
18	Returned to stores	250 units
20	Purchased GRN No. 102	2500 units
25	Returned to vendor	2000 units
27	Issued MRN No. 53	1000 units
30	Purchased GRN No. 103	3000 units

On the 15th and 28th September, the stock verification office found a shortage of 100 and 200 units respectively.

For BIN No. 35 code number is AX-53, Maximum level – 5000 units; Minimum level 2000 units; Reorder level 3000 units and Reorder quantity 4000 units.

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- b) Halsey premium plan.

	A	B
Time allowed	70	60
Wage rate per unit	Rs. 2	Rs. 3
Hourly rate	Rs. 7	Rs. 8
Actual time taken (hours)	50	48
Actual units produced	200	150



BCMCMC 234

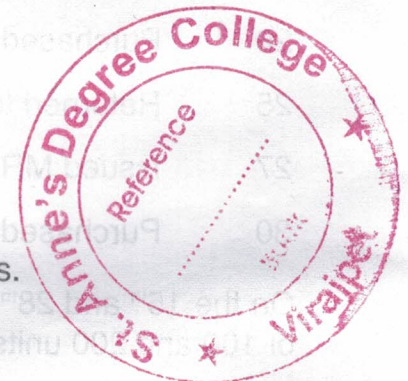


12. From the following details of stock receipts and issues of material "X" in a Manufacturing Unit, prepare the stores ledger using Weighted Average Method of valuing the issues.

2019 Nov.

- 1 Opening stock 2000 units at Rs. 5 each
- 3 Issued 1500 units to production
- 4 Received 4500 units at Rs. 6 each
- 8 Issued 1600 units to production
- 9 Returned to stores 100 units by production department, issued on Nov. 3
- 16 Received 2400 units at Rs. 6.50 each
- 19 Returned to supplier 200 units out of quantity received on Nov. 4
- 20 Received 1000 units at Rs. 7 each
- 24 Issued to production 2100 units
- 27 Received 1200 units at Rs. 7.50 each
- 29 Issued to production 2800 units
- 30 Stock verification revealed a loss of 50 units.

SECTION - C



Answer **any two** of the following questions. (2×24=48)

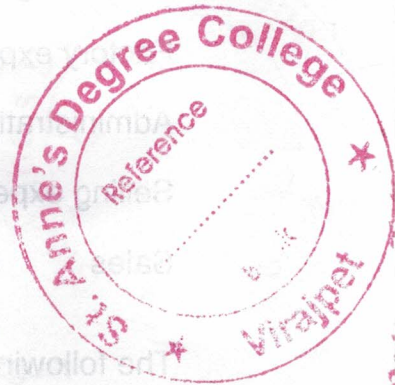
13. What do you mean by Labour Turnover ? What are its effects and causes ? How can it be controlled ?
14. Following particulars are available in respect of product "X" for the year ending 31st December 2019.

	Rs.
Stock on 1-1-2019 :	
Raw materials	40,000
Finished goods 4000 units	-
Work-in-progress	9,600
Stock on 31-12-2019 :	
Raw materials	44,480



Finished goods 6000 units	—
Work-in-progress	32,000
Purchase of raw materials	2,40,000
Indirect materials	12,000
Work Manager's salary	16,000
Direct wages	1,20,000
Carriage inwards	2,880
Printing and stationery	4,000
Indirect wages	2,000
Office salary	24,000
Research and experiment cost	10,000
Counting house salary	4,000
Employee state insurance	2,000
Other factory expenses	22,000
Cost of defective work	3,800
Coal, gas, water	6,400
Audit fees	3,000
Goodwill written off	2,000
Underwriting commission	1,000
Donations	1,500
Legal charges	6,000
Sales	5,75,000

Advertising and selling cost is Rs. 2 per unit. Total units produced are 36,000.
Prepare a cost sheet and show the cost and profit per unit of product X.





15. Production and sales during the year 2019 was 1000 units.

	Rs.
Direct material	2,00,000
Direct wages	1,50,000
Factory expenses	1,37,500
Administration expenses	60,000
Selling expenses	45,000
Sales	7,30,000

The following estimates have been made for 2020 :

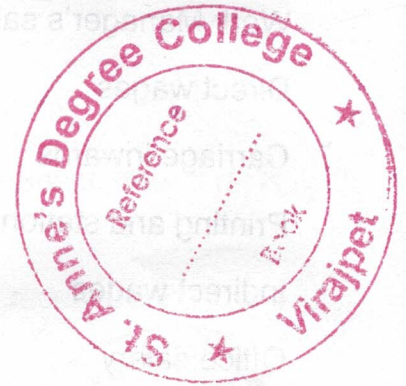
- 1) Production and sales will be 1500 units.
- 2) Material price per unit will increase by 25%.
- 3) The wage rate per unit will increase by 20%.
- 4) Factory expenses of Rs. 50,000 are fixed. The remaining factory expenses will be in the same proportion to materials consumed and wages as in the previous year.
- 5) The total administrative expenses will increase by $\frac{2}{3}$.
- 6) Selling expenses will be Rs. 90,000.
- 7) The profit desired is 20% on sales.

Prepare cost statement showing cost and profit for 2019 and 2020.

16. From the following particulars, write up a Stores Ledger Card in the prescribed form using FIFO method.

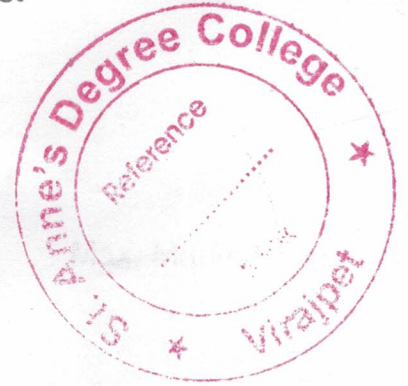
August 2020

- 1 Opening balance 250 units at Rs. 1.10 per unit
- 3 Received 100 units at Rs. 1.20 per unit
- 4 Issued 50 units





- 6 Received 800 units at Rs. 1.30 per unit
- 7 Issued 300 units
- 8 Returned to stores 20 units, issued on 4th August
- 12 Received 300 units at Rs. 1.40 per unit
- 15 Issued 320 units
- 18 Received 100 units at Rs. 1.40 per unit
- 20 Stock verification revealed a loss of 20 units
- 21 Issued 100 units
- 23 Returned to vendors 30 units, received on 18th August
- 25 Transferred from Job A to Job B, 50 units
- 28 Received 200 units at Rs. 1.35 per unit
- 31 Issued 150 units



Excess of 5 units were found on stock verification.