



16

Reg. No.

--	--	--	--	--	--	--	--	--	--

**BCMCMC 315****Credit Based V Semester B.Com. Degree Examination, April 2021****(Semester Scheme)****(Common to All Batches)****COMMERCE****Cost And Management Accounting – III**

Time : 3 Hours

Max. Marks : 120

**Instruction : Provide working notes wherever necessary.****SECTION – A**Answer **any four** of the following.

1. Write a note on Inter Process Profit.
2. Explain escalation clause and de-escalation clause.
3. What is Operating Costing ? Give four names of industries where it may be applied ?
4. Aswaj travels has 4 buses, operating between 2 cities Mangaluru and Kundapur which are 90 kms. apart. Each bus makes two round trips a day. The seating capacity is 50 seats. On an average 80% seats are occupied. Calculate Passenger Kms. for the month of July 2020, in which each bus was laid for 6 days for repairs.

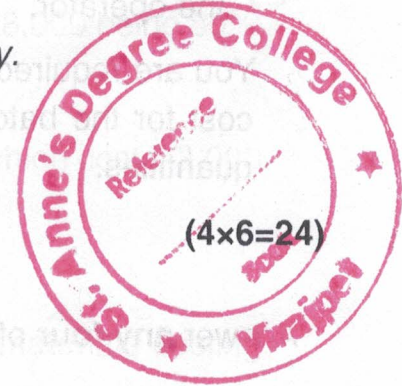
5. Calculate the Economic Batch Quantity with the following information :

Annual demand for the components 4,000 units

Setting up cost ₹ 100

Carrying cost per unit ₹ 200

Rate of interest per annum 10%



P.T.O.



6. A component is made entirely in Machine Shop No. 2

- Material cost is ₹ 20 per component.
- Each component takes 6 minutes to produce and machine operator is paid ₹ 15.00/hour.
- Machine Hour Rate is ₹ 72.00/hour.
- The setting up of the machine to produce a component takes 3 hours for the operator.

You are required to Prepare the Cost Sheet showing the setting up cost and cost for the batch and cost per component assuming a batch size of 150 quantities.

### SECTION – B

Answer **any four** of the following.

(4×12=48)

7. How do you compute the profit to be transferred to Profit or Loss Account in case of incomplete contracts ?
8. Explain the methods of apportionment of joint cost among the joint products.
9. The information given below has been taken from the cost records of a factory in respect of Job No. 777.

Direct Materials : ₹ 4,010

Wages : Department X – 70 hours at ₹ 30 per hour  
 Department Y – 50 hours at ₹ 20 per hour

Department Z – 30 hours at ₹ 10 per hour

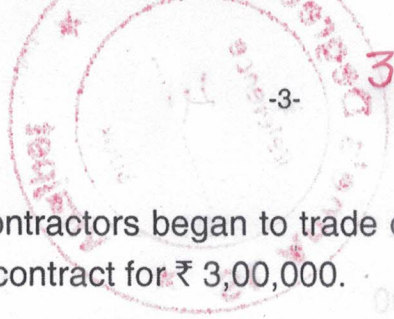
Works Overheads (Variable) : Department X – ₹ 5,000 for 5,000 hours

Department Y – ₹ 3,000 for 1,500 hours

Department Z – ₹ 2,000 for 500 hours

Fixed expenses : ₹ 30,000 for 10,000 labour hours

Calculate the Cost of Job and the Price to earn a profit of 25% on selling price.



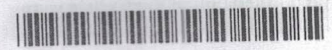
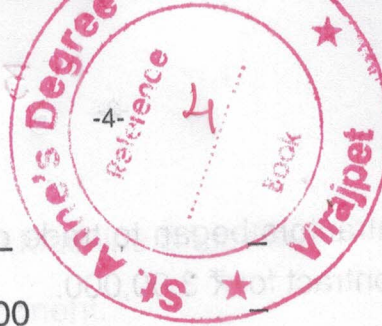
10. A firm of building contractors began to trade on 1-4-2019. The following was the expenditure on contract for ₹ 3,00,000.

- Materials issued to contract ₹ 51,000.
- Plant used for contract ₹ 15,000.
- Wages ₹ 81,000.
- Other expenses ₹ 5,000.
- Cash received on account to 31-3-2020 amounted to ₹ 1,28,000 being 80% of the work certified.
- Of the plant and materials charged to the contract, plant which cost ₹ 3,000 and materials which cost ₹ 2,500 were lost on 31-3-2020.
- Plant cost ₹ 2,000 was returned to stores.
- The cost of work done but uncertified was ₹ 1,000 and materials costing ₹ 2,300 were in hand on site.
- Charge 15% depreciation on plant.

Prepare Contract Account.

11. The following details are extracted from the costing records of an oil mill for the month of March 2020. Purchase of 500 tonnes of copra costing ₹ 2,00,000.

Particulars	Crushing	Refining	Finishing
	₹	₹	₹
Labour	2,500	1,000	1,500
Power	600	360	240
Other materials	100	2,000	—
Repairs	280	330	140
Steam	600	450	450
Expenses	1,320	660	220



Cost of drums	—	—	7,500
Sacks sold	400	—	—
Production (tonnes)	300	250	248

175 tonnes of copra residue sold for ₹ 11,000. Loss in weight in crushing process 25 tonnes. 45 tonnes of by-products got in refining process valued at ₹ 6,750. Prepare the Process Accounts.

12. Arush Company Ltd. produces A as a main product, B and C as its by-products. The following expenses have been incurred for the above products.

Particulars	Joint expenses	Separate expenses		
		A	B	C
	₹	₹	₹	₹
Materials	5,000	2,000	900	1,300
Labour	4,500	1,000	800	800
On cost	4,000	500	300	400
Selling price	—	21,000	10,000	9,000
Profit on sale	—	50%	50%	33 $\frac{1}{3}$ %

Show the apportionment of Joint Expenses and also prepare necessary accounts.

SECTION – C

Answer any two of the following. (2x24=48)

13. A product passes through three distinct processes to completion. During the quarter ending 31<sup>st</sup> March 2020, the cost and production were as under.

Particulars	Process A	Process B	Process C
Other materials ₹	20,000	30,000	32,000
Direct labour ₹	30,000	40,000	50,000
Direct expenses ₹	5,000	3,000	2,000



Normal loss in input	10%	5%	10%
Sale of scrap per unit	30	50	60
Production in units	920	870	800
Total production overheads ₹ 60,000.			

1,000 units at ₹ 50 per unit were introduced to Process A.

Production overhead is allocated to each process on the basis of direct labour.

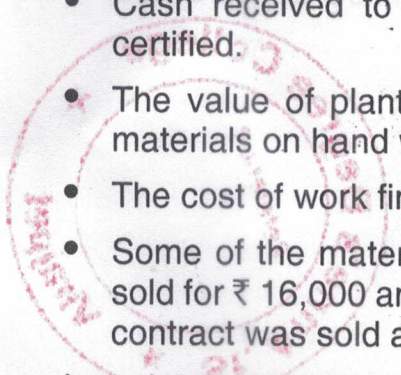
Prepare Process Accounts, Abnormal loss account and Abnormal gain account. (if any)

14. The contract ledger of Abhin and Company showed the following expenditure on account of a contract on 31<sup>st</sup> December, 2018.

Particulars	Amount (₹)
Materials	2,10,000
Plant	70,000
Wages	2,93,000
Sundry expenses	15,000
Establishment charges	10,000

- The contract was started on 1<sup>st</sup> January, 2018 and the contract price was ₹ 10,00,000.
- Cash received to date was ₹ 4,80,000 representing 80% of the work certified.
- The value of plant on 31<sup>st</sup> December, 2018 was ₹ 20,000 and value of materials on hand was ₹ 6,000.
- The cost of work finished but not certified was ₹ 50,000.
- Some of the materials costing ₹ 20,000 were found unsuitable and were sold for ₹ 16,000 and a part of the plant costing ₹ 5,000 was unsuited to the contract was sold at a profit of ₹ 1,000.

In order to calculate the profit made on 31-12-2018, the contract estimated further expenditure that would be incurred in completing the contract and took to the credit of Profit and Loss Account for the year that proportion of the estimated net profit to be realized on the contract which the value of work certified bore to the contract price.





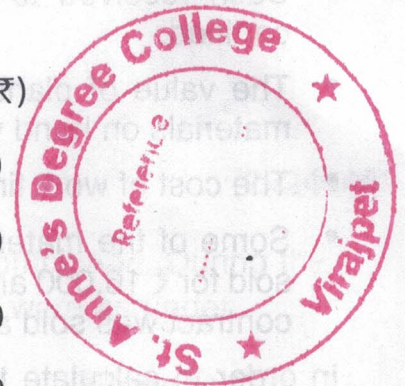
The estimates were as under :

- a) That the contract would be completed by 30<sup>th</sup> June, 2019.
- b) That a further sum of ₹ 30,000 would have to be spent on plant and the residual value of the plant on the completion of the contract would be ₹ 12,000.
- c) The materials in addition to those on hand on 31-12-2018 would cost ₹ 1,00,000 and that further sundry expenses ₹ 7,000 would be incurred.
- d) That the wages for the 6 months would amount to ₹ 1,69,000.
- e) That the establishment charges would cost the same amount per month as in the previous year.
- f) Total ₹ 18,000 would be sufficient to meet the contingencies.

Prepare Contract Account and show your calculation of the profit to be credited to Profit/Loss Account for the year.

15. Mr. Arul Sharma has been given a permit to run a bus between 2 towns which are 25 kms apart. From the following information, assuming 15% profit on takings for Mr. Arul Sharma, work out the bus fare to be charged to each passenger.

Particulars	Amount (₹)
Cost of the bus	20,00,000
Annual tax	72,000
Diesel for 100 kms	1,000
Other expenses for month	8,000
Garage rent per month	2,000
Repair charges for month	4,000

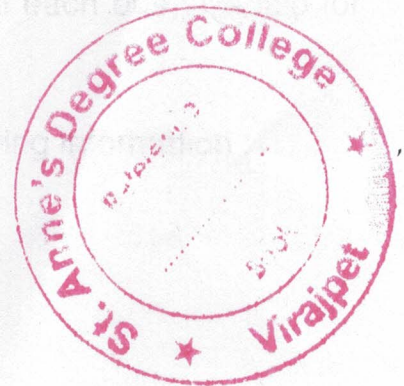




Insurance per annum	24,000
Tyre and tubes per month	3,000
Depreciation @ 12% per annum	
Salary of the driver per month	10,000
Salary of the conductor per month	8,000
Salary of the accountant per month	5,400
Permit fees per month	3,600

Commission to driver and conductor @ 5% of the takings, to be shared equally by them. The bus will make 2 round trips every day. The seating capacity of the bus is 40 passengers. On onward journey 80% of the seats are occupied and on return journey 75% of the seats are occupied. The bus will operate for 30 days during the month.

- 16. a) What is a Joint Product ? Distinguish between Joint Products and By Products.
- b) What is a Job Costing ? What are its features ? Explain the differences between Job Costing and Batch Costing.



--	--	--	--	--	--	--	--	--	--

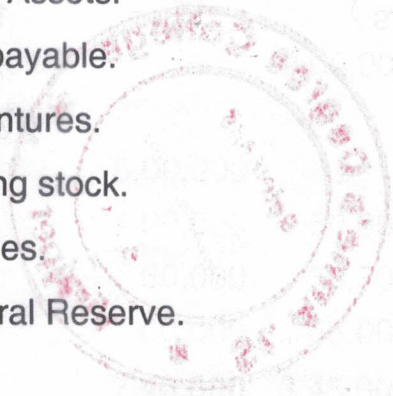
**Credit Based V Semester B.Com. Examination, April 2021****(Common to all Batches)****COMMERCE****Financial Accounting – V**

Time : 3 Hours

Max. Marks : 120

**Instructions :** Answer *all* the questions.Provide working notes *wherever* necessary.**SECTION – A**Answer **any four** questions :**(4×6=24)**

1. State the legal provisions for the redemption of preference shares.
2. Explain the various methods of redemption of debentures.
3. Nobita holds 5000 equity shares in Doraemon Ltd., the paid up capital which is 30,000 shares of ₹ 10 each. It is ascertained that :
  - a) Normal annual profit of such company is ₹ 5,000.
  - b) The NRR for the type of business carried out by the company is 8%.Nobita request you to value his shares based upon the above information.
4. How do you treat the following items in the Final Accounts of companies ?
  - a) Fixed Assets.
  - b) Bills payable.
  - c) Debentures.
  - d) Closing stock.
  - e) Salaries.
  - f) General Reserve.







5. The net profits of a business before tax for the last years is

- ₹ 96,000
- ₹ 1,10,000
- ₹ 1,12,000
- ₹ 1,26,000
- ₹ 1,40,000

Profit for all the years includes ₹ 1,000 as income from investment.

The Average Capital employed in the business is ₹ 4,50,000. Normal Rate of return expected in this type of business is 12%. It is expected the Co. will be able to maintain super profits for the next 4 years. Calculate value of Goodwill under

- a) 4 years purchase of Super Profit.
  - b) Capitalizing Super Profit.
6. What is minority interest ? How it is calculated and treated in the consolidated Balance Sheet of a holding company ?

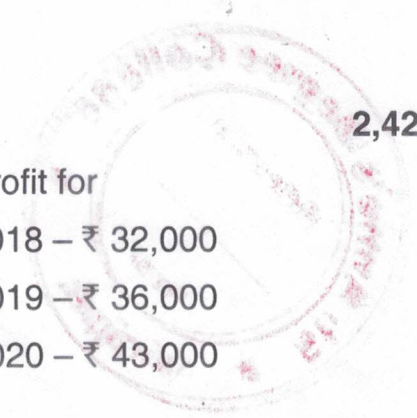
SECTION – B

Answer **any four** questions : (12×4=48)

7. Following was the Balance Sheet of A Ltd. on 31-12-2020 :

<b>Liabilities</b>	₹	<b>Assets</b>	₹
Capital	1,64,000	Land	36,000
Reserve	40,000	Plant	54,000
Creditors	38,040	Investment	30,000
		Stock	26,850
		Debtors	19,200
		Bank	75,990
	<b>2,42,040</b>		<b>2,42,040</b>

Profit for  
 2018 – ₹ 32,000  
 2019 – ₹ 36,000  
 2020 – ₹ 43,000



The above profit includes income from investment ₹ 1,800 each year.

The revalued value of land is ₹ 46,000, plant is ₹ 56,000.

Calculate value of goodwill based on 2 years purchase of 3 years average profit. Under

- a) Super profit method.
- b) Average profit method.
- c) Capitalisation method.



8. Following is the B/S of Kudla Ltd., on 31-03-2020 :

	₹			
10,000 equity shares of ₹ 10 each	1,00,000	Building		70,000
General Reserve	30,000	Machinery		65,750
Workmen compensation fund	20,000	Patent		14,250
Profit and Loss A/c	35,000	Stock		17,500
Creditors	45,000	Debtors		47,500
		Cash		9,250
		Preliminary Exp.		5,750
	<b>2,30,000</b>			<b>2,30,000</b>

Assets revalued as follows :

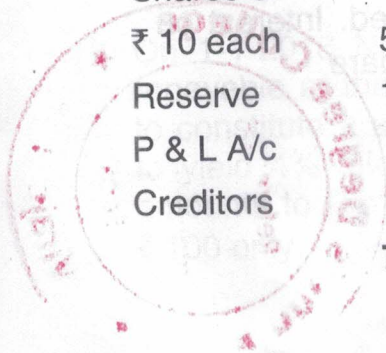
Machinery – ₹ 60,000. Building – ₹ 1,00,000

The profit for the 3 previous years is ₹ 34,000, ₹ 24,000, and ₹ 32,000.  
Tax rate is 30%.

The Co. transfers 20% of the profit to Reserve every year. The Normal rate of return is 12%. Find the fair value of shares.

9. Balance Sheet of H Ltd., and S Ltd., as on 31-03-2020 :

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
	₹	₹		₹	₹
Share capital		2,00,000	Fixed asset	3,00,000	1,00,000
Shares of ₹ 10 each	5,00,000		Investment (60% of shares of S Ltd.)	1,62,400	
Reserve	1,00,000	50,000	Current Asset	2,77,600	2,45,000
P & L A/c	60,000	35,000			
Creditors	80,000	60,000			
	<b>7,40,000</b>	<b>3,45,000</b>		<b>7,40,000</b>	<b>3,45,000</b>





H Ltd. acquired the shares on 1-04-19 on which date the reserve and P & L A/c balance of S Ltd. had a balance of ₹ 40,000 and ₹ 8,000 respectively. Prepare the consolidated Balance Sheet.

10. Following is the B/S of Kodiyala Ltd., as on 31-3-2020 :

Liabilities	₹	Assets	₹
Share Capital		Fixed assets	3,45,000
6,500 12% redeemable preference shares of 10 each	65,000	Investments	18,500
4,500 equity shares of ₹ 50 each	2,25,000	Bank	31,000
P/L A/c	48,000		
Creditors	56,500		
	<b>3,94,500</b>		<b>3,94,500</b>

In order to redeem preference shares the company decided,

- To sell all its investments for ₹ 16,000.
- To issue 650 equity shares of ₹ 50 each at a premium of ₹ 13 per share.

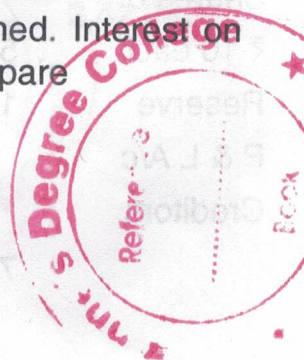
The equity shares were fully subscribed and the preference shares were redeemed at a premium of 10%. Journalise the transactions and prepare Balance Sheet after redemption.

11. Balance Sheet of Pingara Ltd., disclosed the following information on 31-3-2019.

Particulars	₹
15% Debentures	15,00,000
Debenture Redemption Fund	11,63,600
Debenture Redemption Fund Investment Account (10% Govt. Security)	11,63,600
Annual Contribution to Debenture Redemption Fund	1,30,800

Show Ledger Accounts assuming that securities were realized on 31-3-2020 for an amount of ₹ 13,52,000 and debentures were redeemed. Interest on investment received every year on 31<sup>st</sup> March every year. Prepare

- Debenture Redemption Fund A/c.
- Debenture Fund Investment A/c.
- Debentures A/c.





12. Prepare a Balance Sheet in the vertical form of New Mangalore Co. Ltd., on 31-03-2020 from the following information :

	₹
Share Capital 1,00,000 equity shares of ₹ 10 each	10,00,000
8,000 preference shares of ₹ 100 each	8,00,000
Securities premium	8,00,000
General Reserve	32,00,000
Secured loans	18,00,000
Unsecured loans	3,10,000
Fixed Assets	56,00,000
Goodwill	3,00,000
Investments	2,50,000
Closing stock	14,00,000
Sundry debtors	14,20,000
Cash and Bank balances	3,40,000
Loans and advances	5,30,000
Sundry creditors	12,50,000
Bills payable	3,00,000
Provision for taxation	2,00,000
Miscellaneous expenditure	60,000
P&L A/c (loss)	4,00,000

**Provide for :**

- 1) Depreciation on fixed assets ₹ 6,00,000.
- 2) Provision for doubtful debts ₹ 40,000.

**SECTION – C**

Answer any two :

**(24×2=48)**

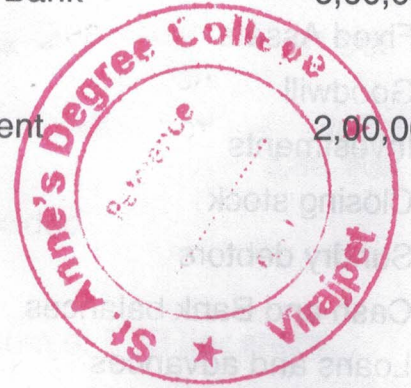
13. On 1-1-2016 Nalanda Ltd., issued 10,000 6% debentures of ₹ 100 each repayable at the end of 4 years at a premium of 5%. It has been decided to constitute a sinking fund for the purpose, the investment being expected to yield 4% interest. Sinking fund tables shows that ₹ 0.235490 annually amounts to Re. 1 at 4% in 4 years. Investments were made in multiples of ₹ 100 only.



The bank balance on 31-12-2019 was ₹ 3,00,000 (inclusive of interest on investment for the year), On 31-12-2019, investments realised 96% of their value and the debentures were paid off.  
Prepare Necessary Ledger Accounts.

14. Balance Sheet of B Ltd., as on 31-12-2010 as follows :

Liabilities	₹	Assets	₹
Equity share capital		Land and Buildings	16,00,000
1,00,000 equity shares of ₹ 10 each	10,00,000	Cash at Bank	6,60,000
3000, 9% redeemable Preference shares of ₹ 100 each, ₹ 80 paid up	2,40,000	Investment	2,00,000
4000, 10% preference shares of ₹ 100 each fully paid up	4,00,000		
Security premium	50,000		
P & L A/c	5,00,000		
Creditors	2,70,000		
	<b>24,60,000</b>		<b>24,60,000</b>



The company decided to redeem both the classes of preference shares on the following terms:-

- Redemption is at a premium of 5%.
- Sell all its investment at its book value.
- Issue for cash so many equity shares of ₹ 10 each which are necessary to provide for redemption of both the classes of preference.

After redemption company made a bonus issue of one share for every two to the existing shareholders (excluding fresh issue) Pass journal entries and prepare Balance Sheet after redemption.

15. H Ltd., acquired 15,000 shares in S Ltd., for ₹ 1,55,000 on 1-07-19. The Balance Sheet of two companies on 31-3-2020 is as follows :

Liabilities	H		S	
	₹	₹	₹	₹
Equity Shares of ₹ 10 each	9,00,000	2,50,000	Debtors	60,000
			Bills receivable	25,000
				35,000
				20,000



General	40,000	Cash in hand	90,000	40,000
Reserve on 1-04-2019	1,60,000			
P & L A/c	80,000	25,000 Machinery	7,00,000	1,50,000
Bills payable	40,000	20,000 Furniture	1,00,000	70,000
Creditors	50,000	30,000 Investment	1,55,000	-
		Stock	1,00,000	50,000
	<b>12,30,000</b>	<b>3,65,000</b>	<b>12,30,000</b>	<b>3,65,000</b>

The following additional information is provided to you

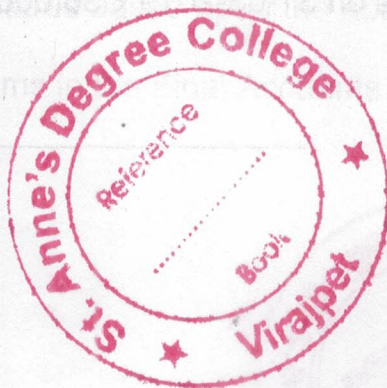
- 1) Profit of S Ltd., on 1-04-19 amounted to ₹ 20,000.
- 2) During the year H Ltd., sold to S Ltd., goods costing ₹ 8,000 and made a profit of 2,000. 25% of these goods remained unsold with S Ltd., on 31-3-2020 creditors of S Ltd., include ₹ 4,000 due to H Ltd., on account of these goods.

You are required to draw a consolidated Balance Sheet as at 31.3.2020.

16. The following is the Trial Balance of National Co. Ltd., as at 31-03-2019.

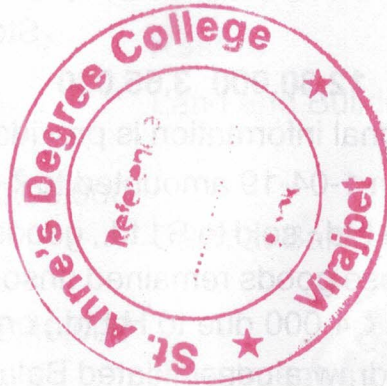
Prepare Final Accounts in vertical form with relevant notes :

<b>Trial Balance</b>	<b>Dr. (₹)</b>	<b>Cr. (₹)</b>
Authorised Capital (50,000 shares of ₹ 10 each)		<u>5,00,000</u>
Subscribed Capital (10,000 shares of ₹ 10 each)		1,00,000
Calls-in-arrears	6,400	
Land	10,000	
Building	25,000	
Machinery	15,000	
Furniture	3,200	
Carriage	2,300	
Wages	21,400	
Salaries	4,600	
Bad debts reserve		1,400
Sales		80,000
Sales returns	1,700	
Bank charges	100	
Coal, Gas and Water	700	





Rent and Rates	800	
Purchases	50,000	
Purchases returns		3,400
Bills Receivable	1,200	
General expenses	1,900	
Debtors	42,800	
Creditors		13,200
Stock	25,000	
Insurance	400	
Cash at Bank	13,000	
Cash in hand	2,500	
Securities premium		6,000
General Reserve		24,000
<b>Total</b>	<b>2,28,000</b>	<b>2,28,000</b>



**Adjustments :**

- 1) Change Depreciation on Buildings at 2%, on machinery at 10%, furniture at 10%.
- 2) Provide a reserve of 5% on debtors.
- 3) Carry forward the following unexpired amount Insurance ₹ 120.
- 4) Outstanding wages ₹ 3,200, salaries ₹ 500, rent and rates ₹ 200.
- 5) Value of stock as on 31-03-2019 ₹ 30,000.



FL-16

Reg. No.

--	--	--	--	--	--	--	--	--	--

**BCMCMC 317**

**Credit Based V Semester B.Com. Degree Examination, April 2021  
(Common to all Batches) (Semester Scheme)**

**COMMERCE**

**Business Taxation – III (Elective)**

Time : 3 Hours

Max. Marks : 120

**Instruction : Provide working notes wherever necessary.**

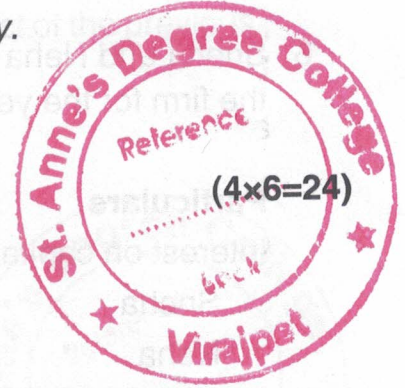
**SECTION – A**

Answer **any four** of the following :

1. Write an explanatory note on Section 80P.
2. State the provisions of Section 80U.
3. From the following particulars furnished by Mr. Raghava compute the deduction under Section 80C.

	Rs.
i) Life insurance premium on own life	22,600
ii) Life insurance premium on the life of wife's life	17,400
iii) Life insurance premium on the life of married daughter	30,000
iv) Contribution to public provident fund	80,000
v) Contribution to unrecognised provident fund	12,000
vi) Interest accrued on NSC	7,480
vii) Repayment of housing loan to LIC	26,000
viii) Contribution to Unit-Linked Insurance Plan	20,000

4. The total income of Sri Anil Bhatia aged 58 years is Rs. 10,50,000. It includes long term capital gain of Rs. 1,50,000, Short term capital gain U/S 111 A Rs. 1,00,000 and winning from cross word puzzles Rs. 50,000. Find out his tax liability for the assessment year 2020-21.



P.T.O.





5. South Canara Consumer Co-operative Society Ltd., Mangalore submits the following particulars of income for the P.Y. 2019-20 :

- a) Income from marketing of agricultural produce of its members Rs. 50,000
- b) Profit from other business Rs. 1,60,000
- c) Rent received from letting of warehouse Rs. 60,000
- d) Long term capital gain Rs. 30,000.

Compute the total income and tax liability of the South Canara Consumer Co-operative Society.

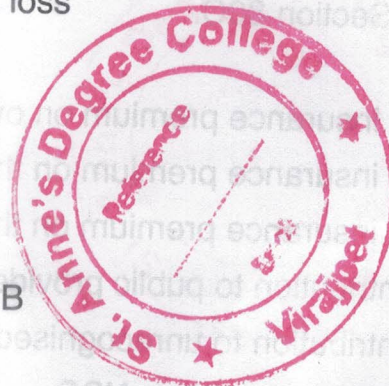
6. Sneha and Neha are equal partners in a firm. The Profit and Loss Account of the firm for the year ended 31<sup>st</sup> March 2020 is given below :

**Profit and Loss Account**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Interest on capital @20% :		Dividend	5,000
Sneha	6,000		
Neha	4,000		
Commission to Neha	3,000	Interest on drawings by Sneha	2,000
Salary to Sneha	6,000	Net loss	50,000
Rent paid to Neha	10,000		
Office expenses	28,000		
	<b>57,000</b>		<b>57,000</b>

Compute the Book Profit/Loss of the firm.

SECTION – B



Answer any four of the following :

(4×12=48)

- 7. Explain the provisions relating to Section 80G.
- 8. Shri Jagadish Prakash's gross total income for the previous year ending on 31<sup>st</sup> March, 2020 is Rs. 40,15,000. He donated the following amounts :
  - a) Prime Ministers National Relief Fund Rs. 1 lakh
  - b) National Children's fund Rs. 2 lakh
  - c) Rs. 2,00,000 for repairs of a temple of public worship so notified.

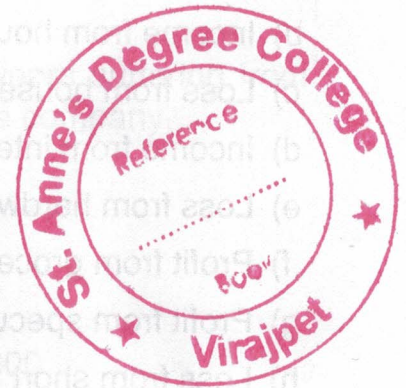


- d) Rs. 1,00,000 to a local college for construction of class rooms.
- e) Rs. 20,000 given as aid to a poor student.
- f) Rs. 1 lakh to Municipality.
- g) Rs. 50,000 to U.P. Government for family planning.

He deposited Rs. 15,000 in PPF. He paid medical insurance premium Rs. 30,000. He incurred Rs. 25,000 for the treatment of physically handicapped brother. Determine his total income for the assessment year 2020-21.

9. Kwality Electronics Ltd. is a domestic company in which public are substantially interested. The following are the particulars of income in respect of the previous 2019-20 :

	Rs.
i) Interest on Govt. securities	20,000
ii) Income from business	5,00,000
iii) Short-term capital gains	15,000
iv) Long-term capital gains	33,000
v) Dividend from an Indian Co. (gross)	10,000
vi) Dividend from a Foreign Co.	10,000
vii) Book profits U/S 115-JB	9,00,000



Compute company's total income and its tax liability.

- 10. Compute the income of the firm from business in the following cases assuming that the condition under Section 184 and 40(b) are fulfilled :
  - a) Book Loss Rs. 80,000, Remuneration paid to working partners Rs. 2,00,000
  - b) Book Loss Rs. 1,60,000, Remuneration to working partners Rs. 2,50,000
  - c) Book Profit Rs. 1,80,000, Remuneration to working partners Rs. 1,50,000
  - d) Book Profit Rs. 6,00,000, Remuneration to working partners Rs. 4,10,000
- 11. South Canara Weavers Co-operative Society Udupi, provides the following details of its income :
  - a) Income from weaving with the aid of power Rs. 70,000
  - b) Income from collective disposal of labour of its members Rs. 17,000
  - c) Interest from co-operative society Rs. 32,000



- 81
- 19
- d) Income from other business Rs. 70,000
  - e) Interest of deposits with central co-operative bank Rs. 18,000
  - f) Income from house property Rs. 75,000
  - g) Dividend from shares of Bank of Baroda Rs. 15,000
  - h) Long term capital gain Rs. 22,000
  - i) Donation to PM Drought Relief Fund Rs. 5,000 ; To Municipality for School building Rs. 10,000.

Compute the Total income and Tax liability.

12. Mr. Vedanth submits the following information relating to his income for the P.Y. ended 31<sup>st</sup> March 2020 :

- a) Income from Salary Rs. 6,50,000
- b) Income from house property A Rs. 60,000
- c) Loss from house property B Rs. 68,000
- d) Income from interest on securities Rs. 20,000
- e) Loss from hardware business Rs. 20,000
- f) Profit from grocery business Rs. 10,000
- g) Profit from speculation business Rs. 25,000
- h) Loss from short term capital asset Rs. 6,000
- i) Long term capital loss Rs. 25,000
- j) Long term capital gain Rs. 21,000
- k) Income from lottery Rs. 70,000(net)

Compute Gross Total Income.

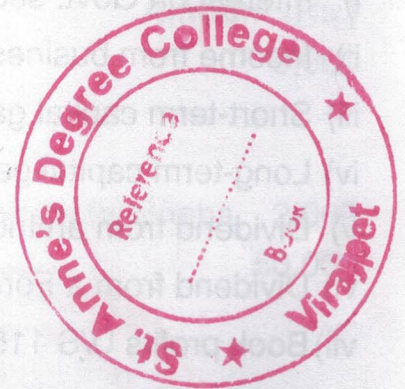
### SECTION – C

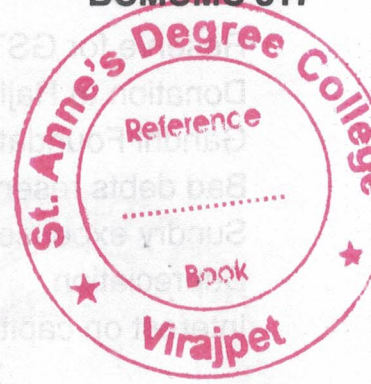
Answer **any two** of the following :

(2×24=48)

13. Shri Hari aged 50 years submits the following information related to his incomes for the A.Y. 2020-2021 :

- 1) Profit from business Rs. 3,00,000.
- 2) Rent from house property Rs. 80,000 p.a., interest on housing loan Rs. 40,000
- 3) Interest on savings bank deposits Rs. 8,000





- 4) Long term capital gains Rs. 60,000
- 5) Short term capital gain U/S 111 A Rs, 40,000
- 6) Interest on Fixed deposit Rs. 20,000
- 7) Income from units of Mutual Fund Rs. 6,000
- 8) Interest on capital from a firm Rs. 18,000
- 9) Income from lottery Rs. 60,000 (gross).

During the year he made the following payments :

- i) Medical insurance premium paid on the health of self and family Rs. 28,500
- ii) Interest on education loan Rs. 20,000
- iii) Tuition fees of his daughter Rs. 15,000
- iv) Life insurance premium Rs. 30,000
- v) Rs 40,000 for the treatment of his mother aged 69 years suffering from specified disease. Rs. 20,000 reimbursed by insurance company.

During the year he made the following donations:

- i) Swaccha Bharat Kosh Rs. 10,000
- ii) Clean Ganga Fund Rs. 11,000
- iii) Prime Ministers National Drought Relief Fund Rs. 12,000
- iv) Donation to Govt. for family planning Rs. 15,000
- v) Donation to recognized political party Rs. 20,000

Compute the total income and tax liability of Shri Hari for the P.Y. 2019-20.

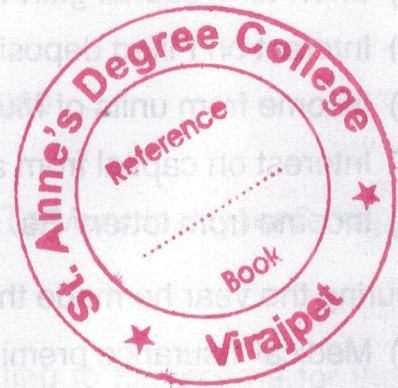
14. X, Y and Z are three equal in a firm of which Z is a sleeping partner. The firm's P and L A/c for the year ended 31<sup>st</sup> March, 2020 is given below :

**P and L A/c for the year ended 31<sup>st</sup> March, 2020**

Particulars	Rs.	Particulars	Rs.
Office rent	24,000	Gross profit	4,00,000
Office expenses	30,000	Discount	12,000
Salaries	1,00,000	Bad debts recovered	18,000
Advertisement	15,000	Commission	6,000
GST	20,000	Long term capital gain	4,000



Reserve for GST	6,000	Interest on drawings by Z	10,000
Donation to Rajiv Gandhi Foundation	12,000		
Bad debts reserve	11,000		
Sundry expenses	25,000		
Depreciation	22,000		
Interest on capital @25% :			
X	50,000		
Y	30,000		
Z	<u>20,000</u>	1,00,000	
Commission :			
X	18,000		
Y	12,000		
Z	<u>10,000</u>	40,000	
Net profit		45,000	
		<b>4,50,000</b>	<b>4,50,000</b>



**Additional information :**

- a) Salaries include partners salaries : X Rs. 25,000, Y Rs. 20,000
- b) Actual depreciation amounted to Rs. 20,000
- c) Bad debts recovered include Rs. 8,000 being disallowed earlier
- d) Furniture purchased for personal use is included in sundry expenses Rs. 2,500
- e) Office expenses include bonus to partners : X Rs. 5,000, Y Rs. 3,000 Z Rs. 2,000.

Compute book profit and firm's total income and share of income partner from firm taxable under Section 28 for the relevant A.Y. The firm fulfills the conditions under Section 184.

15. The following is the P/L A/c of Bee Co. Ltd. for the year ended 31<sup>st</sup> March, 2020 :

Particulars	Rs.	Particulars	Rs.
Purchases	4,95,000	Sales	39,00,000
Entertainment expenses	30,000	Amount withdrawn from	
		General Reserve	2,00,000
Traveling expenses	50,000	Rent from let out property	1,00,000
Depreciation	6,50,000	Commission	1,500



Income tax	4,10,000	
Customs duty due	23,000	
Provision for unascertained liability	80,000	
Tax consultation fee	25,000	
Contribution to staff welfare fund	15,000	
Loss from subsidiary Company	42,000	
Salary to Managing Director	1,80,000	
Municipal tax on let out property	15,000	
Net Profit	21,86,500	
	<b>42,01,500</b>	<b>42,01,500</b>



**Additional information :**

- a) The Co. has LTCG of Rs. 1,00,000 which is not credited to P and L A/c
- b) Dep. allowable U/S 32 Rs. 62,00,000
- c) Out of custom duty due Rs. 10,000 remained unpaid till the last date of filling returns.
- d) GST paid Rs. 50,000 was not debited to Profit and Loss Account.
- e) The Co. wants to set off the following :

	<b>For tax purpose</b>	<b>For accounting purpose</b>
	<b>Rs.</b>	<b>Rs.</b>
B/Fd Loss of Previous year	9,50,000	11,50,000
Unabsorbed Depreciation	11,00,000	3,40,000

- f) The purchases include one bill for Rs. 30,000 paid in cash.

You are required to compute : Book Profit under Section 115 JB, Total Income and Tax liability of Bee Company.

16. Compute the Taxable Total Income and tax liability of Mahajan Company Ltd. for the A.Y. 2020-21 from the following information provided to you:

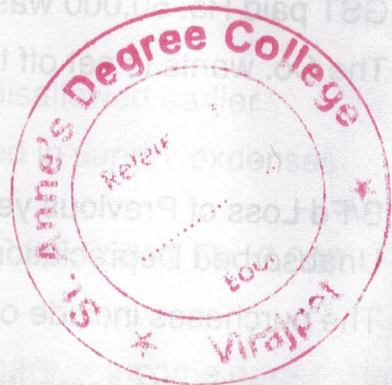
<b>Profit and Loss Account</b>			
<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
Salaries	1,25,000	Gross Profit	6,00,000
Rent and taxes	13,750	Profit on sale of investments	18,500
Fire insurance premium	8,500	Interest on Government securities	12,000



Entertainment expenses	7,200	Rent received	40,000
General expenses	39,250	Dividend from Indian Company	10,000
Donations	3,750		
Depreciation	30,000		
Provision for taxation	1,55,000		
Net profit	2,98,050		
	<b>6,80,500</b>		<b>6,80,500</b>

**Additional information :**

- 1) Admissible depreciation Rs. 25,000
- 2) Donation given is to a recognised charitable institution.
- 3) General expenses include a sum of Rs. 14,000 towards NSC, a sum of Rs. 4,800 and Rs. 800 paid towards municipal tax and insurance on property let out respectively.
- 4) Investments (Govt. securities) were purchased in July 2019 and sold in March 2020.



**BCMCMC 313**

**Credit Based V Semester B.Com. Examination, April 2021**  
**(Semester Scheme)**  
**(Common to all Batches)**  
**COMMERCE**  
**Financial Management – I**

Time : 3 Hours

Max. Marks : 120

**Instruction : Provide working notes wherever necessary.**

**SECTION – A**

Answer **any four** of the following :**(4×6=24)**

1. Describe profit maximisation as an objective of financial management.
2. What are the features of book-building ?
3. Explain the powers of SEBI.
4. Calculate the Debt-Equity Ratio from the following :

	Rs.
Share Capital	12,00,000
Reserves and surplus	21,00,000
Secured Loan	48,00,000
Unsecured Loan	12,00,000
Preliminary Expenses	2,50,000
Discount on issue of shares	50,000

5. Mr. Bimbo retired from his firm with effect from 1-4-2020. His dues from the firm were calculated and amounted to Rs. 3,00,000. The firm agreed to pay the amount in 4 equal instalments. The instalments included interest at 7.5% per annum. Calculate the amount of each instalments.
6. The Return on shares of company SSS Ltd. is 2.5% and that of the market return is 3%. Their arithmetic means are 18% and 16% respectively. If the correlation co-efficient is 0.7. Calculate the Alpha and Beta of the stock.

P.T.O.





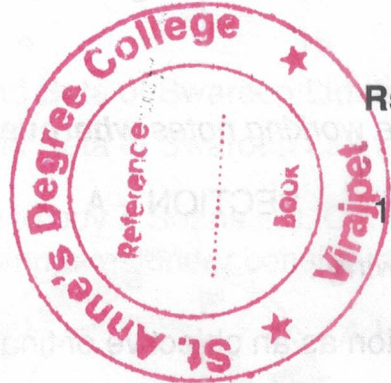
SECTION – B

Answer any four of the following :

(4×12=48)

- 7. Explain the importance of Financial Management.
- 8. What is speculation ? Explain the various speculative transactions in the stock exchange.
- 9. Consider the Data :

	<b>Rs. in Crores</b>
Sales	20
Variable Cost	10% of sales
Fixed cost	4
10% Loan	40
20% Preference shares	5
Equity shares of Rs. 10 each	8
Miscellaneous Expenditure	2
Investment	1



The company is in 50% Tax Bracket :

- a) Calculate the leverages
- b) Calculate the return on investment.

- 10. Sahyadri Ltd. is considering two alternative projects for implementation. The forecasted cash flows are given for 5 years as below :

Year	Cash flows	
	Project 'X' Rs.	Project 'Y' Rs.
1	52,000	60,000
2	68,000	63,000
3	73,000	65,000
4	65,000	59,000
5	78,000	72,000

The cost of the project is Rs. 2,00,000. The cost of capital is assumed to be 8%. Based on Net Present Value (NPV) determine which project is acceptable.



11. Dilon Ltd. company presents the following facts :

Sales 20000 units at Rs. 10 per unit

Material cost Rs. 4 per unit

Wages Rs. 2 per unit

Fixed cost Rs. 10,000

Capital employed Rs. 1,00,000

Calculate return on investment. Also calculate the range of ROI for the following situations :

- a) Material cost goes up by 25%
- b) Labour cost increased by 20%
- c) Sales declines by 20%
- d) Fixed cost increases by 25%.

12. The share prices of two companies as quoted in Bombay stock. Exchange are given below. Determine the risk profile of the share prices. Based on coefficient of variation :

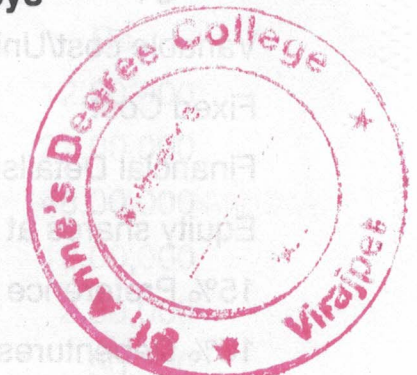
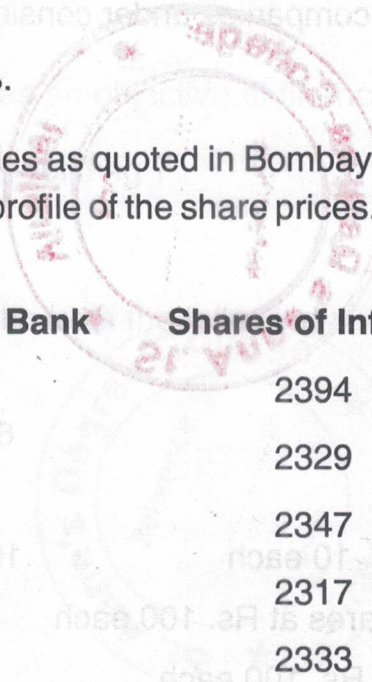
Day	Shares of Syndicate Bank	Shares of Infosys
Monday	55	2394
Tuesday	53	2329
Wednesday	55	2347
Thursday	56	2317
Friday	56	2333

SECTION – C

Answer any two of the following : (2x24=48)

13. Explain in detail the procedure involved in the public issue of equity shares.

14. What is a stock exchange ? What are the characteristics of a stock exchange ? Explain the various speculators in the stock exchange.





26 27

15. The return on the stock of Swaroop Ltd. during five year are given :

Return on Swaroop Ltd.	Return on Nifty	Return on Sen sex
18	16	15
14	13	14
16	15	13
13	12	16
9	4	19

- a) Calculate Alpha and Beta of Swaroop Ltd. taking nifty as market return.
- b) Calculate Alpha and Beta of Swaroop Ltd. taking senssex as market return.

16. Savan Ltd. is planning to buy a Soans Ltd. Co. for expanding its capacity. The details of the 3-companies under consideration are given below :

Operational Details	A Ltd.	B Ltd.	C Ltd.
Sales (Units)	1,00,000	1,20,000	80,000
	Rs.	Rs.	Rs.
Selling price/Unit	18	20	21
Variable cost/Unit	4	5	5
Fixed Cost	6,00,000	7,00,000	7,00,000
Financial Details :			
Equity shares at Rs. 10 each	10,00,000	8,00,000	6,00,000
15% Preference shares at Rs. 100 each	-	2,00,000	2,00,000
10% Debentures at Rs. 100 each	-	-	2,00,000

Assuming a tax rate of 50% calculate financial leverage, operating leverage and combined leverage of three companies. Advise Savan Ltd. about the best company to be bought based on the EPS.



--	--	--	--	--	--	--	--	--	--

BCMCMC 311

Credit Based V Semester B.Com. Degree Examination, April 2021

(Semester Scheme)

(Common to All Batches)

COMMERCE

Business Law

Time : 3 Hours

Max. Marks : 120

SECTION – A

ವಿಭಾಗ - ಎ

Answer any four questions :

ಯಾವುದಾದರೂ ನಾಲ್ಕನ್ನು ಉತ್ತರಿಸಿರಿ :

(4×6=24)

1. Explain the branches of law.  
ನ್ಯಾಯದ ಶಾಖೆಗಳನ್ನು ವಿವರಿಸಿ.
2. Explain the case law "Carlill Vs Carbolic Smoke Ball Company".  
ಕಾರ್ಲಿಲ್ ವಿರುದ್ಧ ಕಾರ್ಬೋಲಿಕ್ ಸ್ಮೋಕ್ ಬಾಲ್ ಕಂಪೆನಿ' ದಾವೆಯನ್ನು ವಿವರಿಸಿರಿ.
3. Write a note on 'Coercion'.  
'ಜುಲುಮೆ'ಯ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.
4. Write a note on 'Void Contract'.  
'ಅನುರ್ಜಿತ ಒಪ್ಪಂದ' ದ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.
5. Write a note on Right to Information.  
ಮಾಹಿತಿ ಹಕ್ಕಿನ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.
6. Write a note on 'Wagering Agreements'.  
ಜೂಜಾಟದ ಒಪ್ಪಂದಗಳ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

SECTION – B

ವಿಭಾಗ - ಬಿ

Answer any four questions :

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

(4×12=48)

7. Define acceptance. Explain the Legal Rules as to valid acceptance.  
ಒಪ್ಪಿಗೆಯ ವ್ಯಾಖ್ಯೆಯನ್ನು ನೀಡಿರಿ. ಒಂದು ನ್ಯಾಯ ಸಮ್ಮತವಾದ ಒಪ್ಪಿಗೆಯ ಕಾನೂನುಬದ್ಧ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿರಿ.

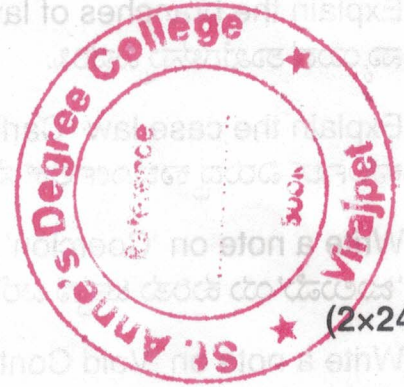
P.T.O.



8. Briefly explain the agreements opposed to public policy.  
ಸಾರ್ವಜನಿಕ ನೀತಿಗೆ ವಿರುದ್ಧವಾದ ಒಪ್ಪಂದಗಳನ್ನು ಸಂಕ್ಷಿಪ್ತವಾಗಿ ವಿವರಿಸಿರಿ.
9. Explain briefly different types of damages that are awarded for the breach of a contract.  
ಒಪ್ಪಂದ ಉಲ್ಲಂಘನೆಯಾದಾಗ ಕೊಡಬಹುದಾದ ವಿವಿಧ ನಷ್ಟ ಪರಿಹಾರಗಳನ್ನು ಸಂಕ್ಷಿಪ್ತವಾಗಿ ವಿವರಿಸಿ.
10. Who is an agent ? Explain the duties and rights of an agent.  
ಕಾರ್ಯಭಾರಿ ಎಂದರೆ ಯಾರು ? ಕಾರ್ಯಭಾರಿಯು ನಿರ್ವಹಿಸಬೇಕಾದ ಕರ್ತವ್ಯಗಳು ಮತ್ತು ಹಕ್ಕುಗಳನ್ನು ವಿವರಿಸಿ.
11. What are 'Quasi-contract' ? Explain the Quasi-contracts that are dealt within the Indian Contract Act.  
ಸೂಚ್ಯ ಒಪ್ಪಂದವೆಂದರೇನು ? ಭಾರತೀಯ ಒಪ್ಪಂದ ಶಾಸನದಲ್ಲಿ ನಮೂದಿಸಿರುವ ಅಂತಹ ಒಪ್ಪಂದಗಳನ್ನು ವಿವರಿಸಿರಿ.
12. Explain the essentials of a valid 'Consideration'.  
ನ್ಯಾಯಬದ್ಧ ಪ್ರತಿಫಲದ ಅವಶ್ಯಕ ಅಂಶಗಳನ್ನು ವಿವರಿಸಿರಿ.

## SECTION – C

## ವಿಭಾಗ - ಸಿ



(2×24=48)

Answer any two questions :

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

13. Define a contract. Explain the essentials of a valid contract.  
ಒಪ್ಪಂದದ ವ್ಯಾಖ್ಯೆ ಕೊಡಿ. ಒಂದು ನ್ಯಾಯಬದ್ಧ ಒಪ್ಪಂದದ ಪ್ರಮುಖ ಅಂಶಗಳ ಬಗ್ಗೆ ವಿವರಿಸಿರಿ.
14. Who is a Minor ? Explain the law relating to minor's agreements.  
ಅಪ್ರಾಪ್ತ ವಯಸ್ಕ ಎಂದರೆ ಯಾರು ? ಅಪ್ರಾಪ್ತನ ಒಡಂಬಡಿಕೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿರಿ.
15. What is offer ? Explain the legal rules as to valid offer.  
ಪ್ರಸ್ತಾಪ ಎಂದರೇನು ? ಒಂದು ನ್ಯಾಯಬದ್ಧ ಪ್ರಸ್ತಾಪದ ಕಾನೂನು ಬದ್ಧ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿರಿ.
16. Who is a Surety ? Explain the ways in which a surety is discharged.  
ಜಾಮೀನುದಾರ ಎಂದರೆ ಯಾರು ? ಆತನು ಒಪ್ಪಂದದಿಂದ ಬಿಡುಗಡೆಯಾಗಬಹುದಾದ ಸಂದರ್ಭಗಳನ್ನು ವಿವರಿಸಿರಿ.