

Reg. No.

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BCMCMC 213

Credit Based III Semester B.Com. Examination, Nov./Dec 2018
(Common to All Batches)

COMMERCE

Business Taxation – I

Time : 3 Hours

Max. Marks : 80

Instruction : Provide working notes wherever necessary.

SECTION – A

Answer any four questions :

(4×4=16)

1. Define 'previous year' and mention exceptions to the general rule.
2. Define the term person.
3. Write a note on PAN.
4. Akashya an Indian citizen went to U.K. on 16-4-2015 and returned on 18-3-2016. Then he went to Japan on 20-6-2017 and returned on 8-12-2018. Then he got an employment in U.S. concern and left India on 16-2-2019. Find out his residential status for the previous year 2018-19.
5. Ishwar retired on 31st December, 2017 after 25 years of service. During the 10 months ending on 30th November, he was drawing a monthly salary of ₹ 1,20,000 and conveyance allowance of ₹ 8,000. He was eligible to receive a gratuity of ₹ 10,40,000 from his employer. He had received ₹ 2,50,000 as gratuity from a previous employer which was then exempt. Compute taxable gratuity.
6. During the previous year Mr. Balu received the following emoluments :
Basic : ₹ 20,500 p.m.
DA : 25% of basic
[100% enters PF]
Commission : ₹ 50,000
HRA : ₹ 5,250 p.m.
The rent actually paid for the house at Bangalore was ₹ 6,000 p.m. till 31st January , 2018 when he shifted his residence to his own house. Find out taxable HRA.

P.T.O.



SECTION – B

Answer any four questions :

(4×8=32)

7. What is income ? State the characteristics of income ?
8. Explain the provisions of Income Tax Act relating to statutory provident fund and recognised provident fund.
9. Write an explanatory note on agriculture income.
10. Ganesha retired from service on 31-3-2018 after serving for 27 years and 6 months. He had 9 months earned leave to his credit. His last drawn basic salary was ₹ 22,500 and DA at 30% of his basic. The increment of ₹ 1,000 falls due on 1st September every year. He received ₹ 6,50,000 on leave encashment and commuted $\frac{3}{4}$ th of his pension and received ₹ 3,30,000. Find out taxable leave encashment and taxable commuted pension.
11. From the following particulars compute perquisite value of rent free accommodation.
Basic – ₹ 20,000 p.m.
DA – 50% of basic
Bonus – [1/2 considered for retirement benefits]
DP – 1 month basic
Commission – ₹ 5,000 p.m. [enters retirement benefits]
Commission – 2% of turnover of ₹ 30 lakh.
He is provided with rent free house at Delhi. The cost of furniture is ₹ 75,000 and the company pays ₹ 700 p.m. as hire charges.
12. From the following particulars calculate deduction u/s 80C
 - a) LIC premium of ₹ 12,000 on own life policy of ₹ 1,00,000
 - b) LIC premium on mother's life policy ₹ 8,000
 - c) ₹ 15,000 subscribed to home loan account of National Housing Bank, interest accrued there on ₹ 8,400.
 - d) Fixed deposit for 5 years in SBI [tax savings] ₹ 30,000.
 - e) Contribution to mutual fund of UTI ₹ 25,000.
 - f) Tuition fees of 3 childrens ₹ 20,000 each.
 - g) NSC VIII purchased ₹ 35,000.
 - h) Medical insurance premium paid ₹ 15,000.
 - i) Repayment of housing loan taken for construction of house, principal ₹ 17,000, Interest ₹ 13,000.



SECTION – C

Answer any two questions :

(2×16=32)

13. Define perquisites ? Explain the provisions for the treatment of :
- Rent Free Accommodation
 - Motor Car.
14. Compute the total income of Mr. Abhaya from the following particulars if he is
- Ordinary resident
 - Not ordinary resident
 - Non resident.
- Income from property in Kenya received in Mysore ₹ 75,000.
 - Income from business in Bombay controlled from Japan ₹ 1,00,000.
 - Income from England development bonds. [$\frac{1}{5}$ th received in Mysore] ₹ 50,000.
 - Income from agriculture in Hassan ₹ 60,000.
 - Income earned from business in Sri Lanka controlled from Chennai ₹ 2,00,000.
 - Interest on deposits with Bangalore branch of HSBC Bank and ₹ 30,000.
 - Dividends from Indian company ₹ 15,000.
 - Gift from a friend received in India on the occasion of marriage anniversary ₹ 75,000.
 - Interest accrued in Jaipur but received in Singapore ₹ 10,000.
 - Income from pension for services rendered in India, received in Japan ₹ 1,00,000.
 - Interest on post office Savings Bank Account ₹ 10,000.
 - Gift from relatives in India ₹ 42,000.
 - Interest on Indian Government securities ₹ 18,000.
 - Interest on deposit with Pakistani Branch of SBI ₹ 60,000.
 - Profit from the sale of standing crops in India ₹ 25,000.
 - Past untaxed profit of 2015-16 brought to India during the previous year ₹ 80,000.
15. Mr. Shiva Kumar is an employee in a company in Bangalore, gives the following information :
- Basic salary ₹ 30,000 p.m.
 - Dearness allowance ₹ 2,000 p.m.
 - Family allowance ₹ 500 p.m.
 - City compensatory allowance ₹ 600 p.m.
 - Education allowance for two children at ₹ 200 per month per child.



- 6) Entertainment allowance ₹ 800 per month.
 - 7) House rent allowance ₹ 2,000 per month but he pays ₹ 3,000 per month as rent for the accommodation secured by him.
 - 8) He is allowed to use one motor car of 1.6 c.c. for all office purposes.
 - 9) Reimbursement of medical expenses incurred by him was ₹ 16,000.
 - 10) The company paid his club membership fee of ₹ 12,000 during the year.
 - 11) His son get free education in the school approved by the company and the cost of education is ₹ 1,500 per month per child.
 - 12) Provisions of the following servants and they are paid by the company :
 - Watchman ₹ 1,200 per month
 - Sweeper ₹ 800 per month
 - Gardener ₹ 750 per month
 - Cook ₹ 1,000 per month.
 - 13) Company has contributed to his recognised provident fund account at 13% of his salary and has credited ₹ 28,000 as interest at 10% per annum.
Compute the taxable salary.
16. Mr. Krishna received a net salary of ₹ 1,00,000 after the deduction of the following :
- | | |
|------------------------|----------|
| Rent of the bungalow : | ₹ 6,000 |
| Professional tax : | ₹ 1,800 |
| Income tax : | ₹ 7,200 |
| LIC premium : | ₹ 15,000 |
| RPF contribution : | ₹ 18,000 |
- The company provided furnished house the fair rental value of which is ₹ 40,000. The hire charges amounted to ₹ 550 per month. The company provided one 1.4 c.c. car for both official and private use. All the expenses were paid by the company. It also met the electricity and water charges which amounted to ₹ 1,800 p.a. and ₹ 1,200 p.a. respectively. The salary of watchman and gardener amounting to ₹ 600 p.m. and ₹ 700 p.m. respectively were paid by the company. The company contributed equally to the provident fund and provided free lunch during the office hours averaging ₹ 60 per lunch for 300 days. During the year he was sent to the refresher course for 15 days and the company paid ₹ 5,000 towards the same. He took a vehicle loan of ₹ 2,00,000 at 7% and paid ₹ 12,000 as interest [SBI rate 10%]. The company gifted him a T.V. set of ₹ 35,000.
- He paid ₹ 4,000 towards ULIP, ₹ 15,000 into PPF and invested ₹ 20,000 in NSC. The interest accrued was ₹ 6,450.
- Compute the taxable salary and deduction u/s 80C.

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BCMCMC 211

**Credit Based III Semester B.Com. Degree Examination,
November/December 2018
COMMERCE
Cost and Management Accounting – I
(Common to all Batches)**

Time : 3 Hours

Max. Marks : 120

SECTION – A



(4×6=24)

Answer any four of the following questions.

1. What are the objectives of Cost Accounting ?
2. What is idle time ? What are the reasons for normal idle time and abnormal idle time ?
3. What is a cost centre ? What are its types ?
4. The cost of ordering is ₹ 240. The carrying cost of inventory is estimated to be ₹ 0.05 per month per unit. The demand for the material is 250 units per month. Calculate the economic order quantity.
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 : ₹ 32 per hour.

Actual output : A – 175 units, B – 192 units, C – 200 units.

P.T.O.



6. Ashwitha invited quotations for the supply of a chemical. The following quotation is submitted by a supplier.

| | | |
|-----------|--------|----------------|
| Lot price | 200 kg | ₹ 50 per kg |
| | 400 kg | ₹ 47.50 per kg |
| | 600 kg | ₹ 40.00 per kg |

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

SECTION – B

(4×12=48)

Answer **any four** questions.

7. Explain different methods of costing.
8. What is labour turnover ? What are the causes of labour turnover ?
9. Calculate the total earnings of two workers under :

- a) Time rate
- b) Piece rate
- c) Halsey plan
- d) Rowan system.

| Employee | A | B |
|---------------------------------------|----------|----------|
| Time allowed (hours per 100 units) | 35 | 40 |
| Wage rate per unit | ₹ 2 | ₹ 3 |
| Hourly rate | ₹ 7 | ₹ 8 |
| Actual time taken | 50 hours | 48 hours |
| Actual units produced | 200 | 150 |



10. Enter the following transactions adopting the weighted average method of pricing out issues.

2018 August :

- " 1 Opening balance 50 units at ₹ 3 per unit.
- " 5 Issued out to production : 2 units.
- " 7 Purchased 48 units at ₹ 4 per unit.
- " 9 Issued out 20 units to production.
- " 19 Purchased 76 units at ₹ 3 per unit.
- " 24 Received back in to stores 19 units out of 20 units issued on 9th August 2018.
- " 27 Issued to production : 10 units.

11. The following information regarding coal is obtained from the stores records of Padma Steels Ltd.

December 2013

- " 1st Opening balance — 500 tons
- " 4th Issued on MR No. 85 — 160 tons
- " 5th Received from vendor vide GR No. 7 — 240 tons
- " 8th Issued on MR No. 86 — 180 tons
- " 12th Issued on MR No. 87 — 60 tons
- " 17th Received from vendor vide GR No. 8 — 200 tons
- " 24th Issued on MR No. 88 — 150 tons
- " 30th Received from vendor vide GR No. 9 — 250 tons
- " 31st Issued on MR No. 89 — 170 tons

Stock verified on December 2013 revealed a shortage of 200 tons and 100 tons of surplus on 26th December 2013. The minimum stock level 200 tons. The ordering level is 300 tons.

Prepare a Bin card No. 20 for the above transactions.



12. Information relating to 3 materials is available

| | G | E | F |
|---------------------------------|--------|-------|-------|
| ROQ (units) | 10,000 | 5,000 | 1,000 |
| Minimum Delivery period (weeks) | 1 | 3 | 2 |
| Average Delivery period (weeks) | 2 | 4 | 3 |

Calculate minimum level of G; Maximum level of E, Reorder level of F and Average Stock level of G. The weekly usage of these materials vary from 175 units to 225 units.

SECTION – C

Answer any two questions.

(2×24=48)

13. Prepare a stores Ledger under FIFO method.

2018 September

- " 1 Opening balance 500 units at ₹ 1 per unit.
- " 3 Issued 100 units MR No. 61.
- " 6 Received 1,600 units at ₹ 1.10 per unit GR No. 13.
- " 7 Issued 600 units MR No. 63.
- " 8 Returned to stores 40 units issued out of MR No. 61.
- " 12 Received 600 units at ₹ 1.20 per unit GR No. 15.
- " 15 Issued 640 units MR No. 83.
- " 18 Received 200 units at ₹ 1.20 per unit GR No. 77.
- " 20 Issued 240 units MR No. 102.
- " 23 Returned to vendors 80 units received as per GR No. 77.
- " 26 Received 400 units at ₹ 1 per unit GR No. 96.
- " 28 Freight paid ₹ 100 on purchase as per GR No. 96.
- " 30 Issued 500 units MR No. 113.



4. Pleasant Cold Ltd. manufactured and sold 100 refrigerators during the year ended 31st March 2016. The following information available on the date :

Trading and Profit and Loss Account for the year ended 31-3-2016

| | | | |
|--------------------------|-----------------|-----------------|-----------------|
| | ₹ | | ₹ |
| To Cost of raw-materials | 80,000 | By Sales | 4,00,000 |
| " Direct Wages | 1,20,000 | | |
| " Manufacturing cost | 50,000 | | |
| " Gross Profit c/d | 1,50,000 | | |
| | 4,00,000 | | 4,00,000 |
| To Management expenses | 60,000 | By Gross Profit | 1,50,000 |
| " Rent and Insurance | 10,000 | | |
| " Selling expenses | 30,000 | | |
| " General expenses | 20,000 | | |
| " Net Profit | 30,000 | | |
| | 1,50,000 | | 1,50,000 |

For the year ended 31st March 2017 it is estimated that

- a) Output and sales will be 120 refrigerators.
- b) Price of material will rise by 20% on previous year's level.
- c) Wages will rise by 5%.
- d) Manufacturing cost will be at 25% of prime cost.
- e) Selling expenses per unit will remain unchanged.
- f) Other expenses will remain unaffected by the rise in output.

You are require to prepare cost sheet for the year ended 31st March 2016 and estimated cost sheet for the year ending 31st March 2017, showing the price at which refrigerators would be marked so as to show a profit of 20% on selling price.



15. The following figures are extracted from the Trial Balance of Maharatna company on 30th September 2018.

| | | |
|----------------------------------|----------------|------------|
| Inventories : | Finished stock | ₹ 80,000 |
| | Raw Material | ₹ 1,40,000 |
| | W.I.P. | ₹ 2,00,000 |
| | | ₹ |
| Office appliances | | 17,400 |
| Plant and Machinery | | 4,60,500 |
| Building | | 2,00,000 |
| Sales returns | | 14,000 |
| Heat, light, power | | 65,000 |
| Sales Commission | | 44,600 |
| Distribution Department expenses | | 18,000 |
| Sales | | 7,68,000 |
| Purchases | | 3,20,000 |
| Freight on purchases | | 16,000 |
| Purchase returns | | 4,800 |
| Direct Labour | | 1,60,000 |
| Rates and Taxes | | 6,300 |
| Factory supervision | | 60,700 |
| Office expenses | | 8,600 |
| Sales promotion | | 22,500 |



Further details :

1) Closing inventory :

₹

Finished goods 1,15,000

Raw material 1,80,000

W.I.P. 1,92,000

2) Accrued expenses on : Direct Labour ₹ 8,000, Factory supervision ₹ 1,200.

3) Depreciation to be provided on : Office appliances 5%, Plant and Machinery 10%, Buildings 4%.

4) Distribution of the following costs :

Heat, light, power to factory, office and selling and distribution in the ratio of 8 : 1 : 1.

Rates and taxes – $\frac{2}{3}$ to factory, $\frac{1}{3}$ to office.

Depreciation on building to factory, office and selling in the ratio of 8 : 1 : 1.

With the help of the above information, you are required to prepare a statement showing the cost and Profit for the year ending 30th September 2018.

What are the advantages of cost accounting ?

Liabilities

| | |
|-----------|------------|
| Creditors | ₹ 35,000 |
| Reserve | 10,000 |
| A's loan | ₹ 45,000 |
| Capital | |
| Vinod | 50,000 |
| Rashid | ₹ 40,000 |
| Jay | ₹ 25,000 |
| | ₹ 1,70,000 |

Assets

| | |
|---------------|------------|
| Sundry Assets | ₹ 1,70,000 |
| Cash | ₹ 3,000 |

Prepare statement showing Surplus Capital

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BCMCMC 217

Credit Based III Semester B.Com. Degree Examination, Nov./Dec. 2018
(2016-17 Batch Onwards)
FINANCIAL ACCOUNTING – III

Time : 3 Hours

Max. Marks : 120

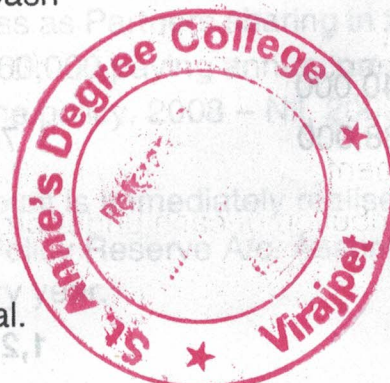
Note : Provide Working Notes wherever necessary.**SECTION – A**Answer **any four** questions.**(4×6=24)**

1. What is Memorandum Revolution A/c ? When it is prepared ?
2. Write a note on Joint Life Policy and Individual Policy.
3. What is purchase consideration state the methods of calculation of purchase consideration on sale of firm to a company.
4. Ajay and Vijay are partners sharing in the ratio of 3 : 2. They admit Sujay by giving $\frac{1}{6}^{\text{th}}$ share and they agreed to share the future Profits in the ratio of 2 : 1 calculate sacrifice ratio and new profit sharing ratio.
5. Avinash, Arjun and Aravind are partners sharing in the ratio of 3 : 2 : 1. Aravind Retires and his share is gained by Avinash and Arjun in the ratio of 1 : 2. Find gain ratio and new Profit Sharing ratio.
6. Vinoda, Rashmi and Jaya Sharing in the ratio of 2 : 1 : 1 decided to dissolve the firm on 31-3-2018

B/s on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|--------------------|-----------------|---------------|-----------------|
| Creditors | 35,000 | Sundry Assets | 1,70,000 |
| Reserve | 10,000 | Cash | 3,000 |
| A's loan | 15,000 | | |
| Capital : | | | |
| Vinoda | 50,000 | | |
| Rashmi | 40,000 | | |
| Jaya | 23,000 | | |
| | 1,73,000 | | 1,73,000 |

Prepare statement showing Surplus Capital.



P.T.O.



SECTION – B

Answer any four questions.

(4×12=48)

7. Arun and Anand are partners sharing in the ratio of 3 : 2.

B/S as on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|---------------------------|---------------|-----------|---------------|
| Creditors | 12,000 | Land | 8,000 |
| General Reserve | 12,000 | Machinery | 10,000 |
| Workmen Compensation fund | 4,000 | Debtors | 11,000 |
| Capital : | | Stock | 12,000 |
| Arun | 12,000 | Bank | 9,000 |
| Anand | 10,000 | | |
| | 50,000 | | 50,000 |

They decided to admit Ashok for 20% on the following terms :

- 1) Liability for workmen's compensation fund is to be determined at ₹ 2,000.
- 2) Ashok brings ₹ 3,000 as goodwill.
- 3) Ashok was to bring in further cash of ₹ 20,000 towards his capital.
- 4) General Reserve is to be maintained at its original value.
- 5) Creditors worth ₹ 2,000 were paid at 5% discount.

Prepare Revaluation A/c and Partners Capital A/c.

8. Ali and Bhat are partners in a firm sharing profits and losses in the ratio of 2 : 1. Their Balance Sheet on 31-3-2013 was as follows :

Balance Sheet as on 31-3-2013

| Liabilities | Amount | Assets | Amount |
|--------------|-----------------|------------------|-----------------|
| O/s Salaries | 12,000 | Cash at Bank | 10,000 |
| Creditors | 38,000 | Bills Receivable | 15,000 |
| Capital : | | Sundry Debtors | 40,000 |
| Ali 40,000 | | Less : RBD | <u>4,000</u> |
| Bhat 38,000 | 78,000 | | 36,000 |
| | | Stock | 18,000 |
| | | Investment | 14,000 |
| | | Furniture | 5,000 |
| | | Building | 30,000 |
| | 1,28,000 | | 1,28,000 |



On the above data it was decided to admit champa for one sixth of profit on the following terms :

- 1) The value of RBD was estimated to be Rs. 6,500.
- 2) It was found that investment to the extent of Rs. 4,300 were left unrecorded.
- 3) The value of furniture has to be taken @ Rs. 4,500.
- 4) A contingent liability of Rs. 1,300 has become a certain liability.
- 5) The value of building is to be taken at Rs. 45,000.
- 6) Champa brings Rs. 25,000 towards capital.
- 7) The new firm decided to show the assets and liabilities except cash and capital at its original value.

Prepare the Memorandum Revolution Account.

9. Ram, Rahim and Robert are partners sharing in the ratio of 3 : 2 : 1. Their capital on 31st March 2012. Ram 20,000, Rahim 15,000, Robert 10,000. On 30th June 2012. Robert died and his executor claim the following as per the Partnership deed.

- 1) Joint and several individual policies against which premium are charged to Profit and Loss A/c are valued at 40% of the sum insured. The Policy of Partners Ram 10,000, Rahim 7500 and Robert 17,000.

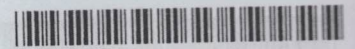
- 2) Allow interest on capital at 6% p.a.

- 3) Roberts share of profit till date of death calculated on the basis of average profits of the 3 preceding years.

- 4) Goodwill of the firm calculated as 2 years purchase of the average profits of the last 5 years. The annual profits or the loss of the preceding years 2012-9,000, 2011-18,000, 2010-6,000 (Loss) 2009-9,000, 2008-12,000.

Prepare an Account for the presentation to the executor of Robert assuming that the Roberts drawings till the date of death is ₹ 5,000.

10. Amar, Akbar and Antony carrying on Business as Partners sharing in the ratio of 5 : 3 : 2. They took a joint life policy for ₹ 60,000 paying annual premium of ₹ 3,000 on 1-1-08. The surrender value of the policy. 2008 – Nil, 2009 – 600, 2010 – 1,800, 2011 – 3,600, 2012 – 6,000.
On 20-9-2012 Amar died and the policy amount is immediately realised.
Prepare Joint Life Policy A/c and Joint Life Policy Reserve A/c. Assuming that the books are closed on 31st December every year.



11. The Balance sheet of Tara, Meera and Dora on 31-3-2018 who were sharing in the ratio of 18 : 7 : 10 was as follows :

B/S on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|---------------------|---------------|-----------------|---------------|
| Creditors | 6,300 | Cash | 2,500 |
| Tara's Loan A/c | 4,000 | Sundry Assets | 17,000 |
| Profit and Loss A/c | 7,000 | Dora's Cap. A/c | 7,800 |
| Capital : | | | |
| Tara | 6,400 | | |
| Meera | 3,600 | | |
| | 27,300 | | 27,300 |

The firm was dissolved on the above date. Assets realised ₹ 14,000. Creditors Paid 6000 in full settlement. Expenses of realisation amounts to ₹ 800. Dora is insolvent. Close the Books of the firm assuming that deficiency due to insolvency is to be borne by solvent Partners in the profit sharing ratio.

12. Ram, Ramesh and Raghav Sharing in the ratio of 2 : 2 : 1.

B/S as on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|-------------|---------------|---------|---------------|
| Creditors | 15,000 | Cash | 2,000 |
| Reserve | 2,500 | Debtors | 20,000 |
| Capital : | | Stock | 24,000 |
| Ram | 14,000 | | |
| Ramesh | 11,000 | | |
| Raghav | 3,500 | | |
| | 46,000 | | 46,000 |

The firm was dissolved and the assets were realised as follows :

| | ₹ |
|-----------------------------|--------|
| 1 st installment | 10,000 |
| 2 nd installment | 15,000 |
| 3 rd installment | 9,000 |

Show distribution of cash under proportionate capital method.



SECTION - C

Answer any two of the following questions.

(2×24=48)

3. Anil and Sunil partners sharing in the ratio of 3 : 1. Their Balance Sheet on 31-3-2018 as follows.

B/S as on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|-------------|-----------------|-----------|-----------------|
| Reserve | 15,000 | Building | 50,000 |
| Creditors | 87,000 | Furniture | 2,000 |
| Capital : | | Debtors | 33,000 |
| Anil | 60,000 | – RBD | <u>1,000</u> |
| Sunil | 20,000 | Stock | 40,000 |
| | | Bank | 51,000 |
| | | P/L A/c | 7,000 |
| | 1,82,000 | | 1,82,000 |

Vimal is admitted as Partner on 1-4-2018 and the following arrangement were agreed upon :

- 1) Vimal is to bring ₹ 20,000 as capital for $\frac{1}{5}$ th share.
- 2) Goodwill is valued at ₹ 50,000.
- 3) Vimal has to bring in his share of goodwill in cash.
- 4) Value of stock and furniture was to be reduced by 10%.
- 5) Reserve for debts was to be brought upto 10% of debtors.
- 6) Value of Building to be raised by 15%.
- 7) Capital of partners in the new firm should be in the new profit sharing ratio on the basis of Vimal's capital.
- 8) The excess amount of capital is to be paid off.

Prepare necessary Ledger A/c and Balance Sheet of new firm.



14. Smitha and Raksha were partners sharing equally. It is agreed that Smitha should retire from the Business on 31-3-2017 and her daughter Vidya Should join with Raksha and should entitle to $\frac{1}{3}$ rd share in the future profits.

B/S as on 31-3-2017

| Liabilities | ₹ | Assets | ₹ |
|-------------|---------------|-----------|---------------|
| Creditors | 9,800 | Bank | 11,000 |
| Capital : | | Debtors | 16,100 |
| Smitha | 34,000 | Furniture | 14,200 |
| Raksha | 28,200 | Building | 20,700 |
| | | Goodwill | 10,000 |
| | 72,000 | | 72,000 |

On 31-3-2017 goodwill valued at ₹ 22,000 and building ₹ 24,000. It was agreed that enough money should be introduced so as to payoff Smitha and to leave ₹ 10,000 as working capital.

Raksha and Vidya were to provide such amount as would make their capital proportionate to their share of profits. Smitha agreed to make a loan to Vidya by transferring from her Capital A/c half of the amount which Vidya had to provide. Raksha and Vidya paid in cash due from them and the amount due to Smitha was paid.

Prepare necessary Ledger Accounts and Balance sheet of Raksha and Vidya.

15. Rama, Krishna and Govinda sharing in the ratio of 3 : 2 : 1. agreed to dissolve their firm on 31-3-2018

Balance Sheet as on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|---------------------------------|-----------------|-------------------|-----------------|
| Creditors | 18,500 | Machinery | 40,500 |
| Mrs. Rama's loan | 10,000 | Investment | 20,830 |
| Life Policy Fund A/c | 14,000 | Stock | 7,550 |
| Investment fluctuation fund A/c | 6,000 | Debtors | 9,300 |
| Capital : | | - RBD | 600 |
| Rama | 40,000 | Bank | 5,420 |
| Krishna | 20,000 | Joint Life Policy | 14,000 |
| | | Capital of Govind | 11,500 |
| | 1,08,500 | | 1,08,500 |



The Life Policy was surrendered for ₹ 12,000 Rama takes over the investment at ₹ 17,500 and agreed to discharge his wife's loan.

Krishna takes over all the stock at ₹ 7,000 and debtors amounting to ₹ 5,000 at ₹ 4,000, remaining debtors realised at 50% of book value machinery realised ₹ 53,800. Expenses of realisation amounted to ₹ 870. Investments not recorded worth ₹ 3,000 was taken over by one of the creditors at the same value.

Prepare necessary Ledger A/c.

6. Monti, Shanti and Kanthi are in Partnership sharing in the ratio of 5 : 3 : 2.

Balance Sheet as on 31-3-2018

| Liabilities | ₹ | Assets | ₹ |
|-------------|-----------------|--------------|-----------------|
| Creditors | 15,600 | Cash | 2,700 |
| Capital : | | Bank | 5,500 |
| Monti | 94,000 | Fixed Assets | 1,88,400 |
| Shanti | 61,000 | | |
| Kanthi | 26,000 | | |
| | 1,96,600 | | 1,96,600 |

Partners sold their Business on above date to New Star Ltd on the following terms :

- 1) The Co. to satisfy purchase consideration by issue of ₹ 25,000, 6% debentures, 9600, Equity shares of ₹ 8 each at a premium of ₹ 2 per share and ₹ 72,000, 8% Pref. Shares of ₹ 100 each.
- 2) Partners withdraw the cash before transfer to the co and divide the same equally among them.
- 3) Out of the purchase consideration the debentures and the preference shares are agreed to be divided as follows :
 Debentures : Monti – 16,000 Shanti : 9000.

Preference shares are to be distributed among all in the proportion to original capital after adjusting the debenture value as above, close the books of the firm.

Reg. No.

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BCMCMC 209

Credit Based III Semester B.Com. Degree Examination, Nov./Dec. 2018
(Common to All Batches)

(COMMERCE) – INTERNATIONAL TRADE AND FINANCE – I

Max. Marks : 80

Time : 3 Hours

Instructions : A single answer booklet of 40 pages will be issued.
No additional sheets will be provided.

SECTION – A

ವಿಭಾಗ - ಎ

Answer any four questions. Each answer not to exceed 1½ pages. (4x4=16)
ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉತ್ತರ 1½ ಪುಟಗಳಿಗೆ ಮೀರದಿರಲಿ.

1. What are the objectives of exchange control ?
ವಿನಿಮಯ ನಿಯಂತ್ರಣದ ಉದ್ದೇಶಗಳಾವುವು ? 4

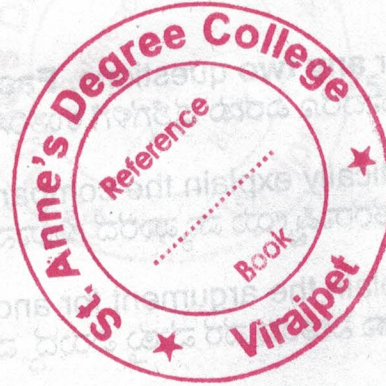
2. Write a note on quotas.
ಕೋಟಾದ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. 4

3. What are the features of International trade ?
ಅಂತರರಾಷ್ಟ್ರೀಯ ವ್ಯಾಪಾರದ ಲಕ್ಷಣಗಳೇನು ? 4

4. State the types of economic integration.
ಆರ್ಥಿಕ ಒಕ್ಕೂಟದ ವಿಧಗಳನ್ನು ತಿಳಿಸಿ. 4

5. Write a note on types of balance of payments.
ಪಾವತಿ ಶಿಲ್ಕುಗಳ ವಿಧಗಳ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. 4

6. Write a note on advantages of foreign trade.
ವಿದೇಶಿ ವ್ಯಾಪಾರದ ಒಳಿತುಗಳ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. 4



P.T.O.



SECTION - B

ವಿಭಾಗ - ಬಿ

Answer **any four** questions. **Each** answer **not** to exceed **3** pages. (4×8=32)
 ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉತ್ತರ ಮೂರು ಪುಟಗಳಿಗೆ ಮೀರದಂತಿರಲಿ.

7. Briefly explain the Heckscher Ohlin theory of International Trade.
 ಹೆಕ್ಶರ್ ಒಹ್ಲಿನ್ ಅಂತರರಾಷ್ಟ್ರೀಯ ವ್ಯಾಪಾರ ಸಿದ್ಧಾಂತದ ಕುರಿತು ಬರೆಯಿರಿ.
8. Explain the factors determining terms of trade.
 ವ್ಯಾಪಾರದ ಕರಾರುಗಳನ್ನು ನಿರ್ಧರಿಸುವ ಅಂಶಗಳನ್ನು ವಿವರಿಸಿ.
9. Explain the effects of tariffs.
 ಸುಂಕಗಳ ಪರಿಣಾಮಗಳನ್ನು ವಿವರಿಸಿ.
10. Discuss the methods of exchange control.
 ವಿನಿಮಯ ನಿಯಂತ್ರಣದ ವಿಧಾನಗಳನ್ನು ಚರ್ಚಿಸಿ.
11. Explain the components of balance of payments.
 ಪಾವತಿ ಶೇಷದ ಅಡಕಗಳನ್ನು ವಿವರಿಸಿ.
12. Explain the working of the European Economics Union.
 ಐರೋಪ್ಯ ಆರ್ಥಿಕ ಒಕ್ಕೂಟದ ಕಾರ್ಯ ವೈಖರಿಗಳನ್ನು ವಿವರಿಸಿ.

SECTION - C

ವಿಭಾಗ - ಸಿ

Answer **any two** questions. **Each** answer **not** to exceed **6** pages. (2×16=32)
 ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉತ್ತರ ಆರು ಪುಟಗಳಿಗೆ ಮೀರದಂತಿರಲಿ.

13. Critically explain the comparative cost theory of International Trade.
 ಅಂತರರಾಷ್ಟ್ರೀಯ ವ್ಯಾಪಾರದ ತುಲನಾತ್ಮಕ ವೆಚ್ಚ ಸಿದ್ಧಾಂತವನ್ನು ವಿಮರ್ಶಾತ್ಮಕವಾಗಿ ವಿವರಿಸಿ. 16
14. Explain the argument for and against the policy of protection.
 ರಕ್ಷಣಾ ನೀತಿಯ ಪರ ಮತ್ತು ವಿರುದ್ಧ ವಾದಗಳನ್ನು ವಿವರಿಸಿ. 16
15. What are the causes of balance of payments disequilibrium ? Explain the measures to correct it.
 ಪಾವತಿ ಶಿಲ್ಪಿನ ಅಸಮತೋಲನಕ್ಕೆ ಕಾರಣಗಳಾವುವು ? ಅದನ್ನು ನಿಯಂತ್ರಿಸುವ ಕ್ರಮಗಳನ್ನು ವಿವರಿಸಿ. 16
16. Explain the objectives and functions of World Trade Organisation (WTO).
 ವಿಶ್ವ ವ್ಯಾಪಾರ ಸಂಘಟನೆಯ ಉದ್ದೇಶಗಳನ್ನು ಮತ್ತು ಕಾರ್ಯಗಳನ್ನು ವಿವರಿಸಿ. 16