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**BCMCMC 317**

**Credit Based V Semester B.Com. Degree Examination, Nov./Dec. 2018**

**(2016-17 Batch Onwards)**

**COMMERCE**

**Business Taxation – III**

Time : 3 Hours

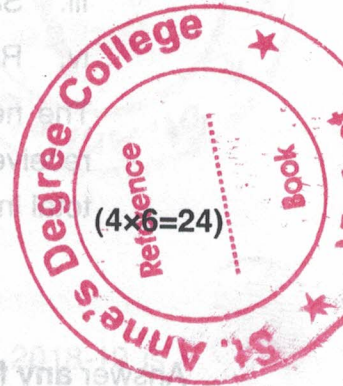
Max. Marks : 120

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

**SECTION – A**

Answer **any four** of the following :

1. Write an explanatory note on deduction under Section 80DD.
2. State the rules governing carry forward and set off of losses.
3. What are the incomes taxable in the hands of individual partner from the firm under Section 28.
4. The gross total income of Ms. Ashalatha is Rs. 8,60,000 which includes long term capital gain Rs. 2,00,000. She donated Rs. 15,000 to Swatch Bharath Kosh, paid Rs. 35,000 towards medical insurance premium including preventive health check-up bill of Rs. 8,000; deposited Rs. 75,000 in PPF. She paid a rent of Rs. 5,000 per month for the house. Assuming that conditions for allowing deductions under Section 80GG are satisfied, compute her total income.
5. The total income of Smt. Janaki is Rs. 3,82,000. It includes long term capital gains Rs. 28,000 and lottery income (gross) Rs. 50,000. Find out the tax liability for the A.Y. 2018-19.



P.T.O.



6. Rahu and Ketu are equal working partners in a firm which showed a Net loss of Rs. 50,000 for the year after providing for the following :

- i. Interest on capital :
 

Rahu @ the rate of 20%	6,000
Ketu @ the rate of 20%	4,000
- ii. Commission to Ketu                      3,000
- iii. Salary to Rahu                              6,000
- iv. Rent paid to Ketu                          10,000

The net loss was arrived at after considering Rs. 5,000 being dividend received and Rs. 2,000 as interest on drawings by Rahu. Compute the total income of the firm.

### SECTION – B

Answer **any four** from the following : **(4×12=48)**

7. Write an explanatory note on Section 80P.
8. Explain the provisions of Section 115JB relating to Minimum Alternate Tax.
9. Mr. Ashok Rao submits the following information of the net incomes and losses :
 

a) Salary income	1,24,000
b) Income from house property :	
House A (income)	10,000
House B (income)	30,000
c) Income from business :	
Cloth business (profit)	30,000
Hardware business (loss)	12,000
Unabsorbed depreciation B/F	5,000
Speculation (profit)	12,000
Speculation (loss)	17,000



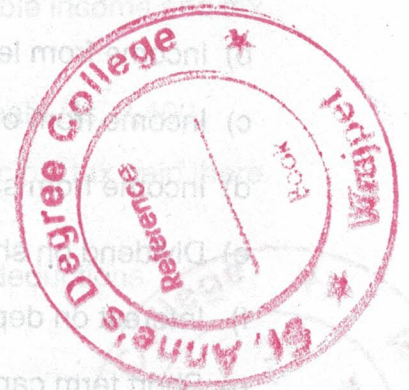


d) Capital gains :

Short-term (gain)	8,000
Short-term (loss)	24,000
Long-term (gain)	8,000

e) Other sources :

Income from betting	12,000
Loss from card games	6,000
Income from card games	9,000
Interest on securities (gross)	8,000



Compute his gross total income.

10. The gross total income of Mr. Ashrith for the Assessment Year 2018-19 is Rs. 25,00,000, which included long term capital gain of Rs. 2,50,000. He made the following donations.

- 1) Indian Naval benevolent fund Rs. 10,000.
- 2) National fund for control of drug abuse Rs. 40,000.
- 3) Central fund for technology development and application Rs. 1,00,000.
- 4) Indira Gandhi Memorial Trust Rs. 30,000.
- 5) To local College for the construction of auditorium Rs. 15,000.
- 6) Approved charitable institution Rs. 1,00,000.
- 7) State government fund for medical relief to poor Rs. 50,000.
- 8) To primary health centre for promotion of family planning Rs. 10,000.

During the year he paid Rs. 26,000 as medical Insurance Premium. Compute Total Income.





11. Nandini Co-operative milk society Karkala provides the following details of its income for the Assessment Year 2018-19 :

- a) Income from supply of milk to federal society and to government Rs. 2,30,000.
- b) Income from letting godowns for commercial purposes Rs. 20,000.
- c) Income from other business Rs. 55,000.
- d) Income from sale of cattle feed Rs. 8,000.
- e) Dividend on shares of Central Co-operative Bank Mangaluru Rs. 35,000.
- f) Interest on deposit with other Co-operative Societies Rs. 12,000.
- g) Short term capital gains taxable at 15% Rs. 25,000.
- h) Long term capital gains (indexed) Rs. 30,000.
- i) Donation to Prime Ministers Drought Relief Fund Rs. 15,000.
- j) Interest on income tax refund Rs. 2,000.

Compute Total Income and Tax Liability.

12. Compute the taxable income of the firm from business in the following cases assuming that conditions u/s 184 and 40 (b) are fulfilled :

- a) Book profit Rs. 7,50,000.

Remuneration paid to working partners Rs. 1,50,000.

- b) Book loss Rs. 45,000.

Remuneration paid to working partners Rs. 1,25,000.

- c) Book profit Rs. 3,12,000.

Remuneration paid to working partners Rs. 1,62,000.

- d) Book loss Rs. 65,000.

Remuneration paid to working partners Rs. 1,80,000.





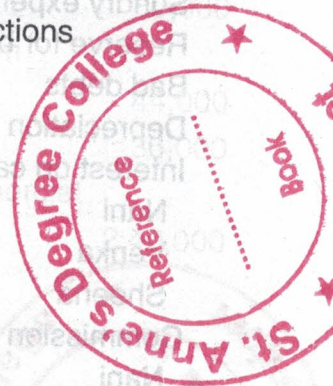
SECTION – C

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

(2×24=48)

13. Prakash submits the following particulars, compute his taxable income and tax liability for the assessment year 2018-19.

- 1) Gross salary income Rs. 2,50,000, professional tax paid Rs. 2,400.
- 2) Rent from house property Rs. 6,000 per month; Municipal tax paid there on Rs. 3,000 p.a.
- 3) Income from business before allowing the following deductions Rs. 1,50,000.
  - a) Salary to staff Rs. 3,000.
  - b) Interest on capital Rs. 2,000.
  - c) Salary to proprietor Rs. 25,000.
  - d) Income tax Rs. 10,000.
  - e) Bad debts Rs. 2,000.
- 4) Long term capital gain from the sale of shares of State Bank of India Rs. 5,000.
- 5) His other incomes are :
  - a) Interest on Post Office SB Account Rs. 4,000.
  - b) Interest on Bank deposits Rs. 5,000.
  - c) Interest on Bank SB Account Rs. 12,000.
  - d) Amount withdrawn from PPF Rs. 50,000.
- 6) He made the following payments during the previous year :
  - a) Donation to Mangalore University Rs. 10,000.
  - b) Medical insurance premium paid by cheque Rs. 3,000.
  - c) LIC premium paid on his life Rs. 10,000 and his married daughter's life Rs. 8,000.
  - d) Tuition fees paid for two childrens Rs. 10,000.







14. Nani, Venka and Sheena are equal partners with Nani as a non-working partner. The profit and loss account for the year ended March 31<sup>st</sup> 2018 is as follows :

Particulars	Amount	Particulars	Amount
Salaries	2,50,000	Gross profit	11,00,000
Office expenses	10,000	Dividend from Indian	
Rent	30,000	company	25,000
Advertisement	25,000	Rent from house	
Donation	20,000	property	24,000
Sundry expenses	30,000	Ground rent received	30,000
Reserve for bad debts	20,000	Interest on	
Bad debts	10,000	government securities	5,000
Depreciation reserve	40,000		
Interest on capital :			
Nani	1,00,000		
Venka	60,000		
Sheena	<u>40,000</u>	2,00,000	
Commission :			
Nani	20,000		
Venka	15,000		
Sheena	<u>5,000</u>	40,000	
Bonus :			
Nani	15,000		
Venka	<u>15,000</u>	30,000	
Net profit	4,79,000		
	<b>11,84,000</b>		<b>11,84,000</b>

**Additional Informations :**

- 1) Salary includes salary of Venka Rs. 35,000 and Sheena Rs. 15,000.
- 2) Donation includes Rs. 10,000 to NDF and the balance to a recognised college.
- 3) Depreciation allowable as per income tax rules Rs. 30,000.
- 4) Capital accounts of partners stood at Nani Rs. 4,00,000, Venka Rs. 2,40,000 and Sheena Rs. 1,60,000 as on 1-4-2017.
- 5) Sundry expenses include a payment made in cash Rs. 25,000 and Rs. 10,000 to a recognised political party.

Compute the Book profit, Total income of the firm and share of income of partners from the firm taxable under Section 28.





15. Given below is the P and L A/c of Poornima Ltd. for the year ending 31 March, 2018.

Particulars	Amount	Particulars	Amount
To Establishment charges	4,80,000	By Gross profit B/D	21,10,000
To Entertainment expenses	92,000	By Commission	40,000
To Municipal tax on Commercial complex	36,000	By Dividend from Co-operatives	18,000
To Fire insurance premium	20,000	By Long term capital gain	80,000
To Legal charges	40,000	By Refund of custom duty	44,000
To General expense	3,60,000	By Refund of GST	36,000
To Interest paid	1,40,000	By Rent from commercial complex	2,40,000
To Provision for bad debts	28,000		
To Bad debts	24,000		
To Provision for depreciation	1,80,000		
To Advertising	60,000		
To Loss of goods due to fire	24,000		
To Provision for taxation	2,80,000		
To GST paid	1,20,000		
To Reserve fund	1,00,000		
To Proposed dividends	3,20,000		
To Net profit	2,64,000		
	<b>25,68,000</b>		



**Additional information :**

- a) Establishment charges include amount paid towards National Laboratory Rs. 75,000.
- b) Legal expenses include Rs. 16,000 in connection with issue of debentures.
- c) Fire insurance includes Rs. 8,000 Insurance premium paid in respect of commercial complex.
- d) General expenses include Rs. 1,60,000 paid to an approved charitable institution as donation.
- e) Interest includes Rs. 20,000 as interest on loan borrowed to pay GST liability.
- f) Depreciation allowable as per IT Act Rs. 1,60,000.

Compute Total income and Tax Liability of the company for the AY 2018-19.





16. Following particulars are furnished by Bhumi Works Ltd. a domestic company.

**Trading and Profit And Loss A/c**

Particulars	Amount	Particulars	Amount
Purchases	6,50,000	Sales	77,72,000
Entertainment expense	70,000	Amount withdrawn	
Travelling expenses	1,40,000	from general reserve	6,00,000
Depreciation	16,00,000	Long term capital gain	2,40,000
Income tax	7,90,000	Sundry income	10,000
Outstanding GST	60,000	Profit on sale of motor	
Provision for unascertained		car	50,000
liability	1,20,000	Interest on tax free	
Proposed dividend	3,60,000	Govt. securities	40,000
Tax consultation fee	40,000		
Provision for loss of			
subsidiary company	90,000		
Salaries	4,00,000		
Sundry expenses	3,00,000		
Net profit	40,92,000		
	<b>87,12,000</b>		<b>87,12,000</b>

**Additional information :**

- Value of plant and machinery (excluding car) as on 1<sup>st</sup> April of P.Y. was Rs. 1,20,00,000 and Building Rs. 20,00,000. Depreciation allowable is 15% on plant and machinery and 10% on Building.
- Sundry expense include an item of Rs. 80,000 paid in cash.
- Unabsorbed business loss brought forward is Rs. 12,00,000 for income tax purpose and Rs. 9,00,000 for accounting purpose.
- Unabsorbed depreciation brought forward is Rs. 6,00,000 for accounting purpose.
- Motor car was sold during the year for Rs. 2,80,000. Its written down value on 1<sup>st</sup> April of P.Y. was Rs. 2,30,000.

Compute Book profit, Total income and Tax liability of the company. Apply MAT.



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**BCMCMC 315**

**Credit Based V Semester B.Com. Examination, Nov./Dec. 2018**

**(2016 –17 Batch Onwards)**

**COST AND MANAGEMENT ACCOUNTING – III**

Time : 3 Hours

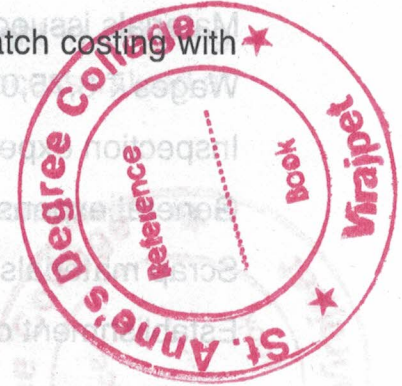
Max. Marks : 120

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

**SECTION – A**

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

1. Distinguish between Joint Products and By Products.
2. Write a note on abnormal loss and abnormal gain.
3. Compute the economic batch quantity for a company using batch costing with the following information:
  - i) Annual demand 10,000 units
  - ii) Setting up cost : ₹ 250
  - iii) Cost of manufacture per unit ₹ 400
  - iv) Rate of interest per annum 10%.
4. Sumukha transport company has 10 trucks, each with capacity of 4 tons. Each trucks makes 3 round trips a day between 2 places, 40 kms apart. In the onward journey full load of bricks and in the return journey on an average 20% of capacity filled. Trucks are laid down for repairs for 5 days in a month consisting of 30 days. Calculate total ton kms.



P.T.O.





5. Calculate the value of Plant at site on 31-3-2018 from the following particulars:  
 Plant purchased on 1-4-2017 for the contract ₹ 2,10,000. Its installation cost ₹ 10,000. ₹ 20,000 worth of Plant was destroyed by fire. On 1-10-2017, the plant was transferred to another contract and on the same day, Another plant was bought for ₹ 1,20,000. Plant which cost ₹ 12,000 was returned to stores on 31-3-2018. Rate of depreciation 10% p.a.
6. Write a note on 'Work certified' and 'Escalation clause' in contract accounting.

## SECTION – B

Answer any four questions :

(4×12 = 48)

7. Briefly explain the methods of accounting for by products.
8. Distinguish between Process costing and job costing.
9. The following particulars are extracted from the books of Soujanya Building Contractors on 31-3-2018.

Materials purchased ₹ 80,000

Materials issued from other contract ₹ 5,50,000

Wages ₹ 8,75,000

Inspection expense ₹ 35,000

General expense ₹ 15,000

Scrap materials sold ₹ 6,000

Establishment charges ₹ 66,000

A Plant was purchased on 1-7-2017 for ₹ 80,000 of the Plant and material charged to the contract. Plant which cost ₹ 3,000 and material which cost ₹ 2,500 were lost. On 31-12-2017, the plant was transferred to another contract. An additional Plant was purchased on 1-1-2018 for ₹ 2,00,000. The contract price was ₹ 50,00,000. Cash received on account up to 31-3-2018 amounted to ₹ 20,00,000, being 80% of work certified. The cost of work done but not certified was ₹ 75,000. The closing value of material was ₹ 20,000. Charge depreciation on Plant at 10% p.a. Prepare Contract Account.





10. The following details are extracted from the records of an oil mill for the month of March 2018.

Purchase of 500 tonnes of Copras 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
Other expense	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-product got in refining process valued at ₹ 6,750. Prepare Process Account.

11. The following information relates to the manufacture of a component in a factory.

Cost of material ₹ 6.80 per unit

Operator's wages ₹ 25 per hour

Machine hour rate ₹ 50

Setting up time of the machine is 2 hours and 20 minutes.

Time required for production is 10 minutes per unit.

Prepare a Cost Sheet showing the production cost and setting up cost and cost per unit when the batch consists of 100 units and 1,000 units.







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

	Joint expenses (₹)	Separate Expenses (₹)		
		A	B	C
Material	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 prepare necessary accounts.

SECTION – C

Answer any two of the following :

(2×24 =

13. A product passes through three processes A, B and C. The normal wastage of each process is 3%, 5% and 8% respectively. The wastage of each process is sold at ₹ 0.25, 0.50, and ₹ 1 per unit respectively.

10,000 units were issued to process A in the beginning of the month at ₹ 10 per unit. The other expenses were as follows :

Particulars	A ₹	B ₹	C ₹
Sundry materials	1,000	3,000	500
Labour	8,000	13,000	5,300
Direct expense	475	1,338	388

The actual output was A – 9,500 units, B – 9,100 units and C – 8,100 units. There was no stock at the beginning or at the end.





- Prepare
- i) Process Account
  - ii) Abnormal Loss Account
  - iii) Abnormal Gain Account.
14. The contract ledger of Soujanya and Company showed the following on account of a contract on 31-3-2018

	₹
Materials	2,10,000
Plant	70,000
Wages	2,93,000
Sundry expense	15,000
Establishment charges	10,000



The contract was started on 1<sup>st</sup> April 2017 and the contract price was ₹10,00,000. Cash received to date was ₹ 4,80,000 representing 80% of work certified. The value of Plant on 31<sup>st</sup> March 2018 was ₹ 20,000 and value of material 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 and was sold at a profit of ₹ 1,000.

In order to calculate the profit made on 31<sup>st</sup> March 2018, the contractor estimated further expenditure that would be incurred in completing the contract. The estimates were as under :

- a) That the contract would be completed by Sept. 30<sup>th</sup> 2018
- 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<sup>st</sup> March 2018 would cost ₹ 1,00,000 and that further sundry expenses ₹ 7,000 would be incurred.
- d) The wages would amount to ₹ 1,69,000.
- e) That the establishment charges would cost the same amount per month as in the previous year. Total of 18,000 would be sufficient to meet the contingencies. Prepare the contract account for the year 31<sup>st</sup> March 2018.

15. Navashrava Transport has been given a permit to run a bus between two towns which are 50 kms apart. From the following information, assuming 15% profit on taking, calculate the bus-fare to be charged to each passenger.

Cost of the bus	₹ 15,00,000
Annual tax	72,000
Diesel for 100 kms	7,000
Other expenses per month	8,000
Garage rent per month	15,000
Repair charges per month	20,000
Insurance per annum	36,000
Tyres and Tubes per month	6,000
Depreciation at 12% p.a.	
Salary of the driver per month	15,000





Salary of the conductor per month 10,000

Salary of the Accountant per month 12,000

Permit fees per month 3,600

Commission to driver and conductor at 5% of the takings. The bus will make two round trips everyday.

The seating capacity of the bus is 40 passengers. On outward 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) Explain the rules related to the treatment of profits on incomplete contracts.
- b) Explain briefly the methods of accounting for Joint products.





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

Time : 3 Hours

Max. Marks : 120

**Instruction : Provide working notes wherever necessary.****SECTION – A**

Answer any four questions :

1. Ashwini Ltd. has the following preference shares :

- 4,000, 6% preference shares of ₹ 100 each fully paid and
- 1,000, 7% preference shares of ₹ 100 each, ₹ 90 paid up

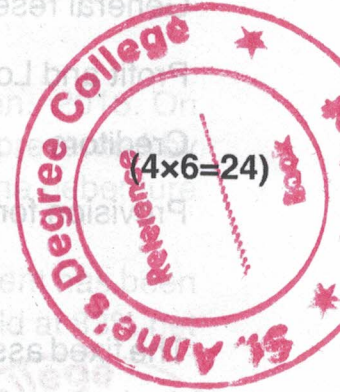
The Co. decided to redeem both of its preference shares at par. For this purpose, it made a fresh issue of 4,000 equity shares of ₹ 100 each at 10% premium. The Co. has sufficient profits.

Pass the Journal Entries.

2. On 1<sup>st</sup> January 2014, Arun Ltd. issued 2,000, 5% debentures of ₹ 100 each repayable at the end of 4 years. It has been decided to set up a sinking fund for the purpose. The annual amount to be invested is ₹ 49,453. Show the sinking Fund A/c for 4 years. Assuming the rate of interest on investments to be 4% p.a.

3. How do you treat the following items in the Final Accounts of a Joint Stock Company ?

- Prepaid insurance
- Proposed dividend
- Debenture interest.







4. Following is the Balance Sheet of Manohar Ltd. as on 31-3-2018 :

Liabilities	₹	Assets	₹
Share capital :		Fixed assets	1,50,000
20,000 Equity shares of ₹ 10	2,00,000	Stock	2,00,000
8%, 5,000 Preference shares		Debtors	2,00,000
of ₹ 10 each	50,000	Bank	1,00,000
General reserve	1,00,000		
Profit and Loss A/c	1,00,000		
Creditors	1,00,000		
Provision for tax	1,00,000		
	<b>6,50,000</b>		<b>6,50,000</b>

The fixed assets were valued at ₹ 2,00,000 and there is a RBD at 10%. Compute the intrinsic value of the share.

5. Briefly explain the various methods of valuation of goodwill.
6. What is meant by consolidated Balance Sheet ? How is it prepared ?

### SECTION – B

Answer any four questions.

(4×12=48)

7. Following is the Balance Sheet of Kalpana Ltd. as on 31-3-2018 :

Liabilities	₹	Assets	₹
Share capital :		Cash at bank	2,00,000
40,000 equity shares of		S. Assets	6,25,000
₹ 10 each	4,00,000		
15,000, 6% red. preference			
shares of ₹ 10 each	1,50,000		





10,000, 7% red. preference		
shares of ₹ 10 each, ₹ 7 paid	70,000	
Profit and Loss A/c	1,75,000	
Creditors	30,000	
	<b>8,25,000</b>	<b>8,25,000</b>

On the above date preference shares are Redeemed to the extent possible at a premium of 10%. For this purpose, the Co. issues 1,000 fresh equity shares of ₹ 10 each at a premium of 10%.

Pass Journal Entries and redraft Balance Sheet.

8. Aravind Ltd. has ₹ 60,000, 5% debentures outstanding on 1<sup>st</sup> Jan. 2016. On that date, the debenture redemption fund stood at ₹ 50,000 represented by ₹ 59,000, 3% Govt. securities. The annual installment added to the debenture redemption fund is ₹ 8,230.

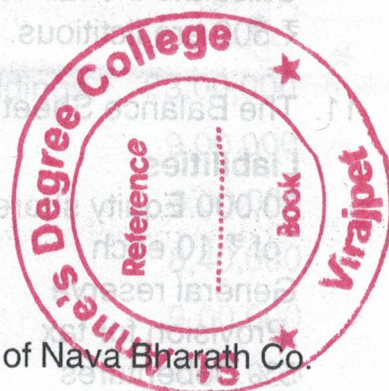
On 31<sup>st</sup> Dec. 2016, the balance at bank (After interest on investment has been received) was ₹ 1,56,200. On that date, the investments were sold at 83% net and the debentures were paid off.

Prepare for the year 2016 :

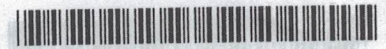
- a) 5% Debentures A/c
- b) Debenture Fund A/c
- c) Debenture Fund Investment A/c
- d) Bank A/c.

9. From the following Balances, prepare Profit and Loss A/c of Nava Bharath Co. Ltd. on 31<sup>st</sup> March 2018 :

Balances	Amt.
	₹
Sales	9,00,000
Discount received	10,000
Purchases	6,00,000
Wages	60,000
Stock on 1-4-2017	2,00,000
Purchase returns	20,000
Stock on 31-3-2018	1,80,000







Depreciation	10,000
Provision for doubtful debts	1,000
S. Expenses	12,000
Salaries and wages	24,000
Interest on debentures	1,000
Cost of material consumed	10,000

Note : Make provision for tax at the rate of 50% of profit before tax.

10. The following particulars are available in relation to White Co. Ltd.

- a) **Capital** : 500, 6% preference shares of ₹ 100 each fully paid, 5,000 equity shares of ₹ 10 each fully paid.
- b) **Liabilities** : Creditors ₹ 5,000, bills payable ₹ 2,000, O/s expenses ₹ 2,000.
- c) Reserves and surplus ₹ 5,000.
- d) The average normal profit (after tax and reserve) by the Co. ₹ 10,000.
- e) The normal rate of return on the same type of Co. is 10%.

Calculate the fair value of share assuming that out of the total assets worth ₹ 500 are fictitious.

11. The Balance Sheet of Hari Prasad Ltd. as on 31-3-2018 is as follows :

<b>Liabilities</b>	₹	<b>Assets</b>	₹
30,000 Equity shares of ₹ 10 each	3,00,000	Goodwill	20,000
General reserve	1,80,000	Fixed assets	3,60,000
Provision for tax	20,000	Investments	
5% Debentures	1,00,000	5% Govt. bonds	40,000
Creditors	50,000	Current Assets	2,00,000
		Preliminary exp.	20,000
		Discount on debentures	10,000
	<b>6,50,000</b>		<b>6,50,000</b>

The average profit of the Co. after deducting interest in debentures and taxes is ₹ 32,000. The market value of the machinery included in fixed assets ₹ 10,000 and current assets ₹ 5,000 are more. Expected rate of return is 10%. Compute the value of goodwill of the Co. at four times in super profits.





12. H Ltd. acquires the shares of S Ltd. on 31<sup>st</sup> Dec. 2017 when the Balance Sheet of the two companies are as under :

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share capital (in ₹ 10 shares)	20,000	10,000	F. Assets	20,000	10,000
General reserve	5,000	3,000	C. Assets	13,000	12,000
Profit and Loss A/c	3,000	2,000	Shares in S Ltd. (750 Shares at cost)	10,000	-
10% Debentures	10,000	5,000			
S. Creditors	5,000	2,000			
	<b>43,000</b>	<b>22,000</b>		<b>43,000</b>	<b>22,000</b>

You are required to prepare the consolidated Balance Sheet as on 31-12-2017.

SECTION - C

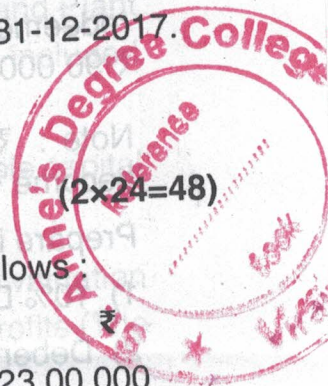
Answer any two questions :

13. The Balance Sheet of Bhaskar Co. Ltd. as on 31-3-2018 was as follows:

Liabilities	₹	Assets	₹
8%, Preference shares of ₹ 10 each	15,00,000	Land and buildings	23,00,000
Equity shares of ₹ 10 each	27,00,000	Plant	9,00,000
Share premium	3,00,000	Furniture	6,00,000
General reserve	6,00,000	Investments	8,40,000
Profit and Loss A/c	7,50,000	Stock	9,00,000
Current liabilities	8,40,000	Debtors	4,50,000
	<b>66,90,000</b>	Bank	7,00,000
			<b>66,90,000</b>

The Co. decided to redeem its preference shares at a premium of 5% on the following terms :

- 1) A fresh issue of equity shares to the extent required was made at 20% premium.
- 2) All the investments were sold at ₹ 8,10,000.







- 3) The directors wish that P/L A/c be fully utilised and ₹ 1,00,000 be left in General Reserve A/c.
  - a) Pass the Journal Entries.
  - b) Prepare Equity Share Capital A/c, Share Premium A/c and Bank A/c.
  - c) Balance Sheet after redemption.

14. Voltas Ltd. issued ₹ 2,00,000 in 10% debentures of ₹ 100 each at par on 1-4-2013 repayable at the end of 5 years at a premium of 6%. A debenture redemption fund at 4%. Compound interest is created for the redemption of debentures. The investments were made multiplies of ₹ 10 in Govt. bonds. The investments realised 10% below book value and the debentures were redeemed on 31-3-2018. On 31-3-2018, the co. had a bank balance of ₹ 90,000 (Before interest on investment).

Note : ₹ 1 per year at 4% compound interest at the end of 5<sup>th</sup> year would become ₹ 5.4163.

Prepare in the books of Voltas Ltd.

- 1) 10% Debenture A/c
- 2) Debenture Redemption Fund A/c
- 3) Debenture Redemption Fund Investment A/c
- 4) Bank A/c
- 5) Debenture Holders A/c.

15. Below is given the Balance Sheet of ABC Co. Ltd. as at 31<sup>st</sup> March 2016 :

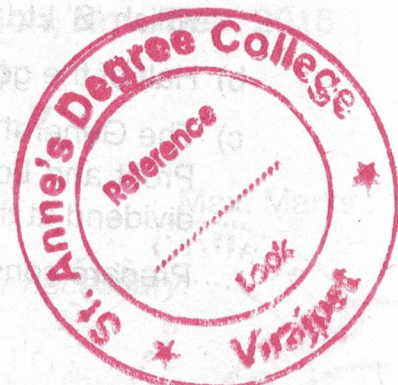
<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Share Capital :		Land and building	2,70,000
6000 shares of Rs. 100 each		Plant and machinery	1,00,000
fully paid	6,00,000	Stock	3,60,000
Profit and Loss A/c	40,000	Sundry debtors	1,60,000
Bank Overdraft	10,000		
Creditors	80,000		
Provision for taxation	1,60,000		
	<b>8,90,000</b>		<b>8,90,000</b>





The net profits of the Company after deducting usual working expenses but before providing for taxation were as under :

Year	₹
2011-12	1,70,000
2012-13	2,10,000
2013-14	1,80,000
2014-15	2,20,000
2015-16	2,00,000



On 31<sup>st</sup> March 2016, Land and Buildings were valued at ₹ 2,80,000 and Plant and Machinery at ₹ 1,20,000, Sundry Debtors on the same day included ₹ 4,000 as irrecoverable.

Keeping in mind the nature of business a 10% return on the net tangible capital invested considered reasonable.

You are required to calculate the intrinsic value of the share. Your own valuation of goodwill may be based on 5 years purchase of the annual super profits (The tax rate is to be assumed at 50%).

16. 'H' Ltd. acquired 80% of the shares of 'S' Ltd. on 1<sup>st</sup> Jan. 2017 at a total cost of ₹ 4,25,000. The Balance Sheet of the two Co.'s as on 31<sup>st</sup> Dec. 2017 is given below :

Liabilities	H. Ltd.	S. Ltd.	Assets	H. Ltd.	S. Ltd.
	₹	₹		₹	₹
Share capital :			Land and buildings	4,65,000	1,85,000
Shares of ₹ 10 each	5,00,000	2,50,000	Plant and machinery	1,50,000	1,09,000
Preference shares of ₹ 100 each	2,00,000	-	Stock	1,55,000	70,800
General reserve	3,50,000	15,000	Investments	4,25,000	-
P & L A/c	3,00,000	1,50,000	Debtors	1,20,000	62,700
Creditors	70,000	65,000	Bank	1,05,000	52,500
	<b>14,20,000</b>	<b>4,80,000</b>		<b>14,20,000</b>	<b>4,80,000</b>







**Credit Based V Semester B.Com. Degree Examination, Nov./Dec. 2018  
(2016-17 Batch Onwards) (New Scheme)**

**COMMERCE  
Financial Management – I**

Time : 3 Hours

Max. Marks : 120

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

## SECTION – A

Answer any four :

1. Explain the scope of financial management under traditional approach.
2. What are the merits of equity shares ?
3. Discuss the features of a stock exchange.
4. From the following data, calculate the beta and alpha of stocks of Sathyam Ltd. and Shivam Ltd.

	Arithmetic mean	Standard deviation	Correlation coefficient
Market Mean	10%	2%	–
Stock of Sathyam Ltd.	12%	3%	0.7
Stock of Shivam Ltd.	9%	2%	0.6

5. Mr. Komalesh purchased a truck on instalment basis by paying Rs. 80,000 on signing the agreement and 4 yearly instalments of Rs. 40,000. The instalments included interest at 14% compound interest P.A.  
Calculate the cash value of the truck.





6. Excel Ltd's balance sheet is given below.

**Balance Sheet as on 31<sup>st</sup> March, 2018**

Liabilities	Rs.	Assets	Rs.
9% preference share capital	1,60,000	Fixed assets	4,80,000
Equity share capital	4,00,000	Investments	60,000
Reserve fund	80,000	Current assets	2,40,000
8% secured loans	1,40,000	Profit and loss A/c	40,000
12% unsecured loans	1,00,000	Discount on issue of shares	20,000
Current liabilities	1,60,000	Preliminary expenses	2,00,000
	<b>10,40,000</b>		<b>10,40,000</b>

EBIT of the company is amounted to Rs. 2,80,000.

Calculate ROI of Excel Ltd.

**SECTION – B**

Answer any four :

(4×12=48)

- Write the meaning of listing of securities. Explain the listing procedure.
- Explain the objectives of financial management.
- Everest Ltd. is considering two alternative projects for implementation. The forecasted cash flows are given for 5 years.

Year	Cash flows	
	Project Nethravathi	Project Kumaradhara
	Rs.	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. 1,50,000. The cost of capital of the company can be assumed to be 8%.

Determine, based on Net Present Value (NPV) , which project is more profitable and acceptable.





10. The prices of shares of two companies are given below. Using co-efficient of variation, determine which company's share has a higher risk profile.

**I WIN LTD.**

**U WIN LTD.**

Rs.

Rs.

50

100

55

120

60

90

70

130

75

140

11. The capital structure of Aashiyana Ltd. comprises the following :

Rs.

Equity shares of Rs. 10 each 4,00,000

15% preference shares of Rs. 100 each 1,00,000

10% debentures of Rs. 100 each 5,00,000

It sells 1,00,000 units at Rs. 10 per unit, with material cost of Rs. 3 and labour cost of Rs. 2 and a fixed cost of Rs. 1,00,000.

The applicable corporate tax rate is 35%.

Calculate operating leverage, financial leverage, combined leverage and EPS of the company.

12. Deora Ltd. provides you the following :

Sales – 40,000 units at Rs. 20 per unit

Material cost Rs. 6 per unit

Wages Rs. 4 per unit

Fixed cost Rs. 40,000

Capital employed Rs. 3,00,000

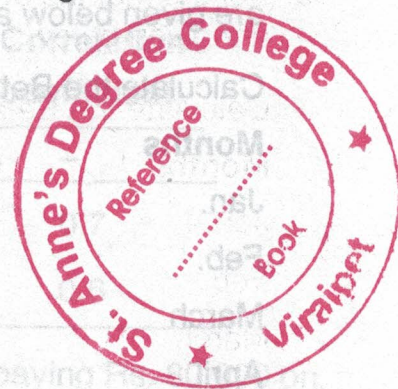
Calculate ROI. Also calculate the range of ROI for the following situations.

a) Material cost increases by 30%.

b) Labour cost goes up by 25%.

c) Sales declines by 20%.

d) Fixed cost increases by 10%.







SECTION – C

Answer any two : (2×24=48)

- 13. Explain the powers and functions of SEBI.
- 14. Discuss the procedure involved in Book building process.
- 15. Vasundara Ltd. has equity share capital of Rs. 5,00,000 of the face value of Rs. 100 each. It wishes to raise Rs. 3,00,000 for modernisation plans. The company plans the following financing schemes.
  - a) All by issue of equity shares.
  - b) Rs. 1,00,000 by issue of equity shares and the remaining amount by issue of DEBT securities at 12% P.A.
  - c) All by issue of DEBT securities at 12% p.a.
  - d) Rs. 1,00,000 by issue of equity shares and the balance by issue of preference shares.

The future EBIT is estimated to be Rs. 1,50,000. The Corporate Tax rate is 40%.

Calculate financial leverage and EPS for each of the 4 financial plans. Based on EPS, which plan would you recommend and why ?

- 16. For the months of Jan.-June 2018, the return on stock prices of Intex and Lava are given below along with the return on Nifty.

Calculate the Beta and Alpha of both the stocks.

Months	Return on Nifty (%)	Return on Intex(%)	Return on Lava (%)
Jan.	10	9	7
Feb.	12	10	9
March	13	11	11
April	14	12	8
May	9	7	6
June	8	11	7



Reg. No.

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**BCMCMC 303**

**Credit Based V Semester B.Com. Examination, November/December 2018  
(2015 – 16 and Earlier Batches Scheme) (Old)**

**COMMERCE  
Financial Management – I  
(Paper – I)**

Time : 3 Hours

Max. Marks : 120

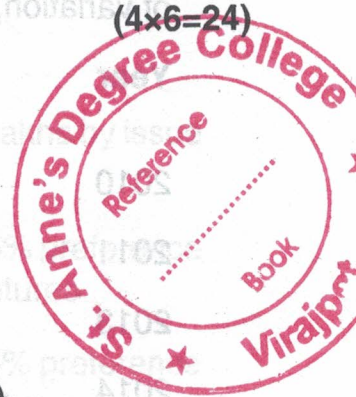
**Note : Provide working notes wherever necessary.**

**PART – A**

Answer any 4.

(4×6=24)

1. Explain the objectives of Profit maximisation.
2. Explain the features of debt.
3. What are the merits of book building process ?
4. What is systematic risk ?
5. The liabilities side of the balance sheet is presented as below.



	Amount (in lakhs)
Equity share capital (Rs. 10 each)	23
Preference share capital (15% Rs. 100 each)	11
General reserve	14
Share premium	2
12% unsecured debentures	70
Long term loan	30
Current liabilities	60
<b>Total</b>	<b>210</b>

Calculate debt equity ratio.

P.T.O.



**Credit Based V Semester B.Com. Examination, November/December 2018  
(2016 – 17 Batch Onwards Scheme)**

**MODERN MARKETING**

Time : 3 Hours

Max. Marks : 120

**SECTION – A**

**ವಿಭಾಗ - ಎ**

Answer any four questions.

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ.

1. State the objectives of marketing management.  
ಮಾರುಕಟ್ಟೆ ನಿರ್ವಹಣೆಯ ಉದ್ದೇಶಗಳನ್ನು ತಿಳಿಸಿ. 6
2. Write a note on cognitive dissonance.  
ಖರೀದಿ ನಂತರದ ಅತ್ಯಪ್ತಿಯ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. 6
3. State the importance of market segmentation.  
ಮಾರುಕಟ್ಟೆ ವಿಭಜನೆಯ ಪ್ರಾಮುಖ್ಯತೆಯನ್ನು ನಮೂದಿಸಿರಿ. 6
4. What are the features of rural marketing ?  
ಗ್ರಾಮೀಣ ಮಾರುಕಟ್ಟೆಯ ಲಕ್ಷಣಗಳು ಯಾವುವು ? 6
5. What is meant by physical evidence in service marketing ?  
ಸೇವಾ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿ ಭೌತಿಕ ಪುರಾವೆ ಎಂದರೇನು ? 6
6. What are the criteria for successful market segmentation ?  
ಮಾರುಕಟ್ಟೆಯ ಯಶಸ್ವಿ ವಿಭಜನೆಯ ಮಾನದಂಡಗಳು ಯಾವುವು ? 6

**SECTION – B**

**ವಿಭಾಗ - ಬಿ**

Answer any four questions.

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ.

7. What is meant by product mix ? Explain its structures.  
ಉತ್ಪನ್ನ ಮಿಶ್ರಣ ಎಂದರೇನು ? ಉತ್ಪನ್ನ ಮಿಶ್ರಣದ ರೂಪುರೇಷೆಗಳನ್ನು ವಿವರಿಸಿರಿ. 12

P.T.O.





8. Explain the rational and emotional product buying motives. 12  
 ತಾರ್ಕಿಕ ಮತ್ತು ಭಾವನಾತ್ಮಕ ವಸ್ತುಕೊಳ್ಳುವ ಪ್ರೇರಣೆಗಳನ್ನು ವಿವರಿಸಿ.
9. What is green marketing ? Explain the fundamental requirements and importance of green marketing. 12  
 ಹಸಿರು ಮಾರುಕಟ್ಟೆ ಪ್ರಕ್ರಿಯೆ ಎಂದರೇನು ? ಹಸಿರು ಮಾರುಕಟ್ಟೆ ಪ್ರಕ್ರಿಯೆಯ ಮೂಲಭೂತ ಅವಶ್ಯಕತೆಗಳನ್ನು ಮತ್ತು ಪ್ರಾಮುಖ್ಯತೆಯನ್ನು ವಿವರಿಸಿ.
10. Define product life cycle. Explain the different stages of product life cycle. 12  
 ಉತ್ಪನ್ನ ಜೀವನ ಚಕ್ರದ ವ್ಯಾಖ್ಯೆಯನ್ನು ಬರೆಯಿರಿ. ಉತ್ಪನ್ನ ಜೀವನ ಚಕ್ರದ ವಿವಿಧ ಹಂತಗಳನ್ನು ವಿವರಿಸಿ.
11. Explain different methods of controlling salesmen. 12  
 ವಿಕ್ರಯಗಾರರನ್ನು ನಿಯಂತ್ರಿಸುವ ವಿವಿಧ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿ.
12. Explain the factors influencing the advertising budget. 12  
 ಜಾಹೀರಾತು ಮುಂಗಡಪತ್ರದ ಮೇಲೆ ಬೀರುವ ಅಂಶಗಳನ್ನು ವಿವರಿಸಿ.

## SECTION - C

## ವಿಭಾಗ - ಸಿ

Answer any two questions.

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ.

13. What is a new product ? What are the stages involved in the development of new products ? 24  
 ಒಂದು ಹೊಸ ಉತ್ಪನ್ನ ಎಂದರೇನು ? ಅದರ ಅಭಿವೃದ್ಧಿ ಪಡಿಸುವಲ್ಲಿನ ವಿವಿಧ ಹಂತಗಳು ಯಾವುವು ?
14. Explain the various methods of remunerating the salesmen. 24  
 ವಿಕ್ರಯದಾರರಿಗೆ ನೀಡಲಾಗುವ ಸಂಭಾವನೆಯ ವಿಧಗಳನ್ನು ವಿವರಿಸಿ.
15. Explain the psychological and social factors influencing consumer behaviour. 24  
 ಅನುಭೋಗಿ ವರ್ತನೆಯ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರುವ ಮಾನಸಿಕ ಮತ್ತು ಸಾಮಾಜಿಕ ಅಂಶಗಳನ್ನು ವಿವರಿಸಿ.
16. Define market segmentation. Explain the different market targeting strategies. 24  
 ಮಾರುಕಟ್ಟೆ ವಿಭಜನೆಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿರಿ. ಮಾರುಕಟ್ಟೆ ವರ್ಗೀಕರಣದ ವಿವಿಧ ತಂತ್ರಗಳನ್ನು ವಿವರಿಸಿರಿ.



**Credit Based V Semester B.Com. Degree Examination, Nov./Dec. 2018**  
**(2016-17 Batch Onwards)**  
**BUSINESS LAW**

Time : 3 Hours

Max. Marks : 120

**SECTION – A**

Answer any four questions :

**(4×6=24)**

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

1. Write a note on voidable contract.

ಅನೂರ್ಜಿತವಾಗಬಲ್ಲ ಒಪ್ಪಂದದ ಬಗ್ಗೆ ಒಂದು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

2. Explain the sources of Indian Mercantile law.

ಭಾರತೀಯ ವಾಣಿಜ್ಯ ನ್ಯಾಯದ ಮೂಲಗಳನ್ನು ವಿವರಿಸಿರಿ.

3. Explain the caselaw “Carlill Vs. Carbolic Smoke Ball Company”.

“ಕಾರ್ಲಿಲ್ ವಿರುದ್ಧ ಕಾರ್ಬೋಲಿಕ್ ಸ್ಮೋಕ್ ಬಾಲ್ ಕಂಪೆನಿ” ದಾವೆಯನ್ನು ವಿವರಿಸಿರಿ.

4. Write a note on right to information.

ಮಾಹಿತಿ ಹಕ್ಕಿನ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

5. Distinguish between misrepresentation and Fraud.

ತಪ್ಪು ನಿರೂಪಣೆ ಮತ್ತು ವಂಚನೆಗಳ ನಡುವಿನ ವ್ಯತ್ಯಾಸಗಳನ್ನು ತಿಳಿಸಿರಿ.

6. Define bailment. Briefly explain the essentials of bailment.

ನಿಕ್ಷೇಪಣೆಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿ. ನಿಕ್ಷೇಪಣೆಯ ಅವಶ್ಯಕತೆಗಳನ್ನು ಸಂಕ್ಷಿಪ್ತವಾಗಿ ವಿವರಿಸಿ.

**SECTION – B**

Answer any four questions.

**(4×12=48)**

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

7. Define a contract. Briefly explain essential elements of a valid contract.

ಒಪ್ಪಂದದ ವ್ಯಾಖ್ಯೆ ಕೊಡಿ. ಒಂದು ನ್ಯಾಯಬದ್ಧ ಒಪ್ಪಂದದ ಪ್ರಮುಖ ಅಂಶಗಳ ಬಗ್ಗೆ ಸಂಕ್ಷಿಪ್ತವಾಗಿ ವಿವರಿಸಿ.

P.T.O.





8. Define consideration. Explain the exceptions to the rule "No Consideration No Contract".

ಪ್ರತಿಫಲದ ವ್ಯಾಖ್ಯೆ ನೀಡಿ. "ಪ್ರತಿಫಲವಿಲ್ಲದೆ ಒಪ್ಪಂದವಿಲ್ಲ" ಎಂಬ ನಿಯಮದ ಅಪವಾದಗಳನ್ನು ವಿವರಿಸಿ.

9. Define and explain coercion. Distinguish it from undue influence.

ಜುಲುಮೆಯ ವ್ಯಾಖ್ಯೆಯನ್ನು ನೀಡಿ ಮತ್ತು ಅದಕ್ಕೂ ಅನುಚಿತ ಪ್ರಭಾವಕ್ಕೂ ಇರುವ ವ್ಯತ್ಯಾಸಗಳನ್ನು ತಿಳಿಸಿ.

10. What are 'Quasi Contracts' ? Briefly explain the Quasi contracts that are dealt within the Indian Contract Act.

ಸೂಚ್ಯ ಒಪ್ಪಂದವೆಂದರೇನು ? ಭಾರತೀಯ ಒಪ್ಪಂದ ಶಾಸನದಲ್ಲಿ ನಮೂದಿಸಿರುವಂತಹ ಒಪ್ಪಂದಗಳನ್ನು ಸಂಕ್ಷಿಪ್ತವಾಗಿ ವಿವರಿಸಿ.

11. Briefly explain the agreements opposed to public policy.

ಸಾರ್ವಜನಿಕ ನೀತಿಗೆ ವಿರುದ್ಧವಾದ ಒಪ್ಪಂದಗಳನ್ನು ಚುಟುಕಾಗಿ ವಿವರಿಸಿ.

12. Explain the various forms (types) of cyber crime.

ಸೈಬರ್ ಅಪರಾಧದ ವಿವಿಧ ಬಗೆಯನ್ನು ವಿವರಿಸಿ.

### SECTION - C

Answer any two questions :

(2×24=48)

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

13. Who is a Minor ? Explain the law relating to minor's agreements.

ಅಪ್ರಾಪ್ತ ವಯಸ್ಸು ಎಂದರೆ ಯಾರು ? ಅಪ್ರಾಪ್ತ ವಯಸ್ಸಿನ ಒಡಂಬಡಿಕೆಗೆ ಸಂಬಂಧಿಸಿದ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿ.

14. What is meant by discharge of contract ? Explain the various modes by which a contract may be discharged.

ಒಪ್ಪಂದ ವಿಸರ್ಜನೆ ಎಂದರೇನು ? ಒಪ್ಪಂದವನ್ನು ವಿಸರ್ಜಿಸುವ ವಿವಿಧ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿ.

15. What is 'Acceptance' ? Explain the legal rules as to a valid 'Acceptance'.

ಒಪ್ಪಿಗೆ ಎಂದರೇನು ? ಒಂದು ನ್ಯಾಯಸಮ್ಮತವಾದ ಒಪ್ಪಿಗೆಯ ಕಾನೂನುಬದ್ಧ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿ.

16. Who is an agent ? Explain his rights, duties and liabilities.

ಕಾರ್ಯಭಾರಿ ಎಂದರೆ ಯಾರು ? ಕಾರ್ಯಭಾರಿಯ ಹಕ್ಕುಗಳು, ಕರ್ತವ್ಯಗಳು ಮತ್ತು ಜವಾಬ್ದಾರಿಗಳನ್ನು ವಿವರಿಸಿ.