



Credit Based V Semester B.Com. Degree Examination,
October/November 2017
(New Scheme) (2016-17 Batch)
FINANCIAL MANAGEMENT – I
Commerce

Time : 3 Hours

Max. Marks :

Instructions : Provide working notes wherever necessary.

SECTION – A

Answer any four :

(4x6)

1. Describe wealth maximisation. Explain its any four merits.
2. Explain the merits of debt.
3. What are the functions of SEBI ?
4. Prakash retires from Steller Shinewell (P) Ltd., and is eligible to receive a pension of ₹ 1,20,000 per year. The pension is payable for a period of 10 years. The company has an alternative retirement plan, whereby Prakash is eligible to receive a lumpsum amount instead of the pension. Assuming a compound interest at 6% per annum, calculate the amount that will be paid immediately a per the alternative plan.
5. Consider the following information for Kaunark Enterprise :

	₹ in lakhs
EBIT	1,120
EBT	320
Fixed cost	700

Calculate the percentage change in earnings per share if sales increased by 5 per cent.
6. Bhramari Limited has equity capital of ₹ 8,00,000, preference share capital ₹ 4,00,000, reserves and surplus ₹ 6,00,000, debentures to the extent ₹ 30,00,000 and long term loan from IFCI Ltd. at ₹ 15,00,000. It has ₹ 3,00,000 miscellaneous expenditure on the asset side. Calculate the debt-equity ratio

SECTION – B

Answer any four :

(4×12=)

7. Explain the scope of financial management under traditional approach.
8. What are the merits and demerits of book-building process ?
9. A firm's sales, variable cost and fixed cost amounted to : ₹ 75,00,000, ₹ 42,00,000 and ₹ 6,00,000 respectively. It has borrowed ₹ 45,00,000 at a per cent and its equity capital totals ₹ 55,00,000.
 - a) What is the firm's ROI ?
 - b) What are operating, financial and combined leverage of the firm ?
10. The Alpha Ltd. is considering the purchase of a new machine. Two alternative machines (A and B) have been suggested, each costing ₹ 4,00,000. Cash inflows expected to be as follows :

Year	Cash in flow	
	Machine A ₹	Machine B ₹
1	40,000	1,20,000
2	1,20,000	1,60,000
3	1,60,000	2,00,000
4	2,40,000	1,20,000
5	1,60,000	80,000

The company has a target return on capital at 10%. You are required to compare the profitability and state which alternative you consider financially preferable.

11. Two projects are under the consideration of a small scale industry. Calculate the ROI and also its range. Which project is riskier based on larger range ?

	Project Kaveri		
	Optimistic	Expected	Pessimistic
Sales (units)	15,000	14,000	13,000
Selling price (per unit ₹)	30	25	20
Material cost (per unit ₹)	10	11	12
Labour cost (per unit ₹)	1	2	3
Fixed cost (₹)	10,000	13,000	15,000
Capital employed (₹)	80,000	90,000	1,00,000



Project Nethravathi

	Optimistic	Expected	Pessimistic
Sales (units)	16,000	14,000	12,000
Selling price (per unit ₹)	35	25	15
Material cost (per unit ₹)	9	10	11
Labour cost (per unit ₹)	1	2	3
Fixed cost (₹)	7,000	8,000	9,000
Capital employed (₹)	70,000	80,000	90,000

12. Two alternative plans are under consideration of Sri Mookambika Engine Ltd. The forecasted figures are submitted to you.

Project A

Project B

Net profit (₹ in crores)	Probability	Net profit (₹ in crores)	Probability
40	0.1	43	0.2
41	0.2	44	0.2
42	0.2	45	0.1
43	0.1	46	0.2
44	0.3	47	0.1
45	0.1	48	0.2

Determine the risk profile of the two projects through their standard deviation.

SECTION - C

Answer any two :

13. Explain the role of financial intermediaries involved in the public issue of equity shares.
14. What is speculation in stock exchange ? Explain the various speculative transactions in the stock exchange.



15. Vishwaroopa Ltd. is planning to buy a Ltd. Co.; for expanding its capacity. The details of the three companies under consideration are given below :

Operational details	Beautiful Ltd.	Merciful Ltd.	Wonderful Ltd.
Sales (units)	1,00,000	1,20,000	80,000
	₹	₹	₹
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 (₹ 10 each)	10,00,000	8,00,000	6,00,000
15% pref. shares (₹ 100 each)	—	2,00,000	2,00,000
10% debentures (₹ 100 each)	—	—	2,00,000

Assuming a tax rate of 50% calculate financial leverage, operating leverage and combined leverage of three companies.

Advise Vishwaroopa Ltd. about the best company to be bought based on the EPS.

16. The returns on stock of Axis Bank Ltd. and the market portfolio for a 10 year period are given below :

Year	Return on Axis Bank Ltd. (%)	Return on Market portfolio %
1	10	12
2	6	5
3	13	18
4	4	8
5	13	10
6	14	16
7	4	7
8	18	15
9	24	30
10	22	35

Calculate the beta and alpha for the stock Axis Bank.

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**Credit Based V Semester B.Com. Degree
Examination, October/November 2017
(2016 – 17 Batch Onwards) (Semester Scheme)
COMMERCE
Business Taxation – III (Elective)**

Time : 3 Hours

Max. Marks :

Instruction : Provide working notes wherever necessary.

SECTION – A

Answer any four of the following questions.

(4x6)

1. Explain the provisions relating to deduction under Section 80U.
2. Write an explanatory note on Carry forward of losses.
3. Explain the rules governing the working partners remuneration.
4. Total income of Mr. Mohan Das (age 58 years) is ₹ 12,80,200. It includes Agricultural Income ₹ 40,000, Short Term Capital Gains amounting to ₹ 30,000; Long Term Capital Gains ₹ 50,000 and Winning from U.P. State Lottery ₹ 1,00,000 (Gross). Find out his tax liability.
5. Mr. Pavan (suffering from severe disability) is a self employed person doing Tax practice in Mangaluru. He furnishes the following particulars of his income and investments for P.Y. 2016 – 17. Compute amount deductible U/s 80GG and the taxable income for the A.Y. 2017 – 18. If he or his wife do not own a house at working place.

Particulars

Particulars	₹
Income from Profession	6,00,000
Long term capital gain	35,000
Income from other sources	20,000
Rent paid ₹ 7,000 p.m.	



6. Tumkur Consumer Co-operative Society Ltd., Tumkur submits the following particulars of income :
- 1) Income from marketing agriculture produce of its member ₹ 30,000.
 - 2) Profit of other business (Advance Tax deducted ₹ 12,000) ₹ 1,68,700.
 - 3) Rent received from letting the warehouses for store of commodities ₹ 60,000.
 - 4) Rent received from a property let out to a bank (after deduction of tax @ 10 %) ₹ 1,44,000.
 - 5) Long Term Capital Gains ₹ 30,000.
- Compute the total income of the society for the A.Y. 2017 – 18.

SECTION – B

Answer any four of the following questions.

(4x12=48)

7. Explain the provision relating to deduction under Section 80P.
8. Explain the provisions of Section 115 JB relating to Minimum Alternate Tax.
9. The following is the Profit and Loss Account of Hegde and Shanubaugh Associates (a professional firm which fulfils the conditions of Sec. 184) with two equal partners, Akash and Vikas for the year ending 31st March, 2017 :

Profit and Loss Account for the year ended 31st March, 2017

	₹		₹
To Salary	39,000	By Gross Profit	1,59,000
To General Charges	21,000	By LTCG	30,000
To Income Tax Penalty	2,000	By Net Loss	30,000
To Income Tax	12,000		
To Bad Debts Reserve	1,000		
To Depreciation on Car @ 15 %	20,000		
To Int. on Capital of ₹ 1,00,000 each :			
(Rate of Interest 15 %)			
Akash ₹ 12,000			
Vikas ₹ 12,000	24,000		
To Salary and Bonus : Akash ₹ 46,000			
Vikas ₹ 40,000	86,000		
To Donation to a recognised School	15,000		
	2,19,000		2,19,000

Additional information :

- i) Vikas paid ₹ 2,000 as interest on money borrowed for investment as capital in the firm.
- ii) Car was purchased on 6th October, 2016.

Compute the firm's Book Profit and Total Income.



10. Mr. Vaman Rao, a resident individual, submits the following information :

- a) Income from salary ₹ 4,50,000
- b) Income from House Property A ₹ 30,000
- c) Loss from house property B ₹ 34,000
- d) Income from interest on securities ₹ 20,000
- e) Loss from a Cycle business ₹ 20,000
- f) Profit from Steel business ₹ 10,000
- g) Profit from speculation business ₹ 25,000
- h) Loss from short-term capital asset ₹ 6,000
- i) Long-term capital loss ₹ 25,000
- j) Long-term capital gain ₹ 21,000
- k) Income from crossword puzzles (TDS ₹ 9,000) ₹ 21,000.

Compute Gross Total Income.

11. Compute the income of the firm from business in the following cases :

Conditions u/s 184 and 40 (b) fulfilled :

- a) Book Profit ₹ 5,90,000.
Remuneration paid to working partners ₹ 1,70,000.
- b) Book Loss ₹ 34,000.
Remuneration paid to working partners ₹ 1,45,000.
- c) Book Profit ₹ 2,72,000.
Remuneration paid to working partners ₹ 1,60,000.
- d) Book Loss ₹ 57,000.
Remuneration paid to working partners ₹ 1,88,000.



12. South Canara Weavers Co-operative Society Udupi derives income from the following sources :
- 1) Income from weaving with the aid of power ₹ 70,000.
 - 2) Income from collective disposal of labour of its members ₹ 17,000.
 - 3) Interest from Co-operative Society ₹ 32,000.
 - 4) Interest on deposit with Central Co-operative Bank ₹ 18,000.
 - 5) Income from house property (computed) ₹ 75,000.
 - 6) Income from other business ₹ 70,000.
 - 7) Dividend from shares of Vijaya Bank ₹ 15,000.
 - 8) Long Term Capital Gains ₹ 22,000.
 - 9) Donation to Udupi Municipality for renovation of hospital building ₹ 10,000.
- Compute total income and tax liability.

SECTION - C

Answer any two of the following questions.

(2×24=48)

13. Mr. Adithyanath (48 years) submits the following information relevant for the Assessment Year 2017 – 18 :
- 1) Business Income ₹ 3,00,000
 - 2) Rent from House Property ₹ 80,000. Interest on housing loan ₹ 40,000.
 - 3) Long-term Capital Gains ₹ 60,000.
 - 4) Short-term Capital Gains u/s 111A ₹ 40,000.
 - 5) Interest on Saving Bank Deposit ₹ 8,000.
 - 6) Interest on Fixed Deposit ₹ 20,000.
 - 7) Income from units of Mutual Fund ₹ 6,000.
 - 8) Share of Profit from Partnership Firms ₹ 6,900.
 - 9) Remuneration from Partnership Firm ₹ 40,000.
 - 10) Income from Lottery (net) ₹ 42,000.

During the year he made the following payments :

- 1) Medical insurance premium for self and family ₹ 28,800.
- 2) Interest on education loan ₹ 20,000.
- 3) Engineering College tuition fee of his daughter aged 21 years ₹ 15,000.
- 4) Life Insurance premium ₹ 30,000.
- 5) ₹ 40,000 for the treatment of his mother (69 years) suffering from specified disease. ₹ 20,000 received from the insurance company.



During the year he made the following donations :

- 1) Swatch Bharath Abhiyan (Kosh) ₹ 10,000.
- 2) Clean Ganga Fund ₹ 11,000.
- 3) Prime Minister National Drought Relief Fund ₹ 12,000.
- 4) Books donated to an approved college ₹ 8,000.
- 5) Promotion of family planning ₹ 15,000.
- 6) To a school (in cash) ₹ 12,000.
- 7) BJP Party ₹ 20,000.

Compute total income and tax liability for the Assessment Year 2017 – 18.

14. Disha, Roopa and Dreema are partners in a firm (with Roopa and Dreema working partners) and share profit and losses in the ratio of 1 : 2 : 2. Their P & L for the year is given below :

	₹		₹
To Salaries	2,00,000	By Gross Profit b/d	5,20,000
To Rent	72,000	By Bank Interest	5,000
To Advertisement	5,000	By Dividend	8,000
To Bad Debts	7,000	By Bad debts recovered	6,000
To Sale Tax	8,000	By Interest on drawings by Disha	4,000
To Reserve for doubtful debtors	8,000	By Rent from letout property	20,000
To Income Tax	10,000	By Long-term, Capital Gains	29,500
To Sundry expenses	30,000		
To Depreciation	25,000		
To Municipal tax of letout property	4,000		
To Interest on capital @ 16 % p.a.			
Disha	6,000		
Roopa	9,000		
Dreema	18,000		
To Outstanding sales tax	7,000		
To Donations	30,000		
To Trading expenses	28,000		
To Commission to Roopa	10,000		
To Net Profit	1,15,500		
	5,92,500		5,92,500



- i) Salary include Disha's salary ₹ 20,000, Roopa ₹ 22,000 and Dreema ₹ 22,000.
- ii) Bad debts found to be excess by ₹ 3,000.
- iii) Furniture purchased by Disha for personal use ₹ 8,000, has been debited to Sundry Expenses A/c.
- iv) Trading expenses include Bonus to Roopa ₹ 5,000, to Dreema ₹ 5,500.
- v) Out of bad debts recovered ₹ 4,000 was allowed earlier.
- vi) Out of O/S Sales Tax ₹ 7,000, ₹ 4,000 was paid in August 2017 (before filing the returns).

Compute the total income of the firm, its tax liability and share of income of the partners exempt u/s 10(2A).

15. Vaidehi Ltd. is engaged in the business of manufacture of garments. The following Profit and Loss Account of the company is given for the year ended 31st March, 2017 :

Particulars	₹	Particulars	₹
To Salaries and Wages	4,00,000	By Gross Profit	54,00,000
To Entertainment expenditure	40,000	By Agricultural Income	11,00,000
To Traveling Expenses	70,000	By Rent from let out property	2,00,000
To Income Tax	5,50,000	By Transfer from General Reserve	1,00,000
To Outstanding custom duty	30,000	By Rent from staff quarters	1,00,000
To Provision for unascertained liability	1,20,000	By LTCG [exempt u/s 10(38)]	2,00,000
To Proposed dividend	1,00,000		
To Provision for loss of subsidiary company	40,000		
To Repairs of let out property	60,000		
To Municipal Tax on let out property	40,000		
To Agriculture expenses	5,00,000		
To Fines and Penalties	10,000		
To R.B.D.	30,000		
To Depreciation	8,00,000		
To Other expenses	4,00,000		
To Net Profit	39,10,000		
	71,00,000		71,00,000



Additional information :

- 1) Excise duty of 2015 – 16 paid during the year 2016 – 17 is ₹ 1,30,000. However, this is not debited to Profit and Loss Account given above.
- 2) Depreciation allowable as per Income Tax Rules is ₹ 9,20,000.
- 3) The following losses are to be set off :

	For Tax Purpose ₹	For Account Purposes ₹
Brought forward Business loss of 2014 – 15	22,00,000	18,00,000
Unabsorbed depreciation		6,00,000

You are required to compute :

- a) Total income of the company
- b) The book profit as per Section 115JB and
- c) The tax liability of the company for the Assessment Year 2017 – 18.

16. Given below is the P/L A/C of Javara Co. Ltd. for the year ending 31-03-2017.

To Establishment charges	1,20,000	By Gross Profit b/d	5,24,500
" Entertainment Expenses	23,000	" Dividends from Co-operative Societies	10,000
" Municipal tax on commercial complex	9,000	" Profit on sale of Investments (STCG)	20,000
" Fire Insurance Premium	5,000	" Refund of customs duty	11,000
" Legal charges	10,000	" Refund of sales tax	9,000
" General Expenses	90,000	" Rent from commercial complex	60,000
" Interest paid	35,000	" Commission	7,500
" Provision for Bad Debts	7,000		
" Bad Debts	6,000		
" Provision for Taxation	70,000		
" Advertising	15,000		
" Loss of goods due to fire	6,000		
" Provision for Depreciation	45,000		
" Sales Tax paid	30,000		
" Reserve Fund	25,000		
" Proposed Dividends	80,000		
" Net profit	66,000		
	6,42,000		6,42,000



Additional informations :

- 1) Legal expenses include ₹ 4,000 in connection with issue of second series of Debentures.
- 2) Fire insurance premium includes ₹ 2,000 insurance premium paid in respect of commercial complex.
- 3) General expenses include ₹ 10,000 paid to approved charitable institutions as donation.
- 4) Interest includes ₹ 5,000 interest on loan borrowed to pay sales tax liability.
- 5) Depreciation allowable as per I.T. Act is ₹ 48,000/-

Compute the total income and tax liability of the company for AY 2017 – 18.

Given below is the P.L. A/C of Jayva Co. Ltd. for the year ending 31-03-2017.

Particulars	Amount (₹)
Net Profit	66,00,000
Proposed Dividends	80,00,000
Reserve Fund	25,00,000
Sales Tax paid	30,00,000
Provision for Depreciation	45,00,000
Loss of goods due to fire	8,00,000
Advertising	15,00,000
Provision for Taxation	70,00,000
Bad Debts	8,00,000
Provision for Bad Debts	7,00,000
Interest paid	35,00,000
General Expenses	90,00,000
Legal charges	10,00,000
Fire Insurance Premium	5,00,000
Profit on sale of investments	9,00,000
Municipal tax on commercial complex	10,00,000
Entertainment Expenses	23,00,000
To Establishment charges	1,50,000
By Gross Profit b/d	2,24,500

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Credit Based V Semester B.Com. Degree Examination, Oct./Nov. 2016
(2016 – 17 Batch)

COMMERCE

Cost and Management Accounting – III

Time : 3 Hours

Max. Marks : 60

- Instructions :** 1) Provide working notes wherever necessary.
2) A single Booklet of 40 pages will be issued no additional books will be given.

SECTION – A

Answer any four questions of the following :

(4×6)

1. Write a note on inter process profit.
2. Explain escalation clause and deescalation clause.
3. Write a note on cost plus contract.
4. Calculate economic batch quantity from the following :
Monthly demand for the component (twenty thousand) 20,000 units, setting up cost per batch. ₹ 240, annual rate of interest 8%, cost of manufacture per unit ₹ 10
5. From the following, calculate the total passenger km.
No. of busses 20
No. of days operated in a month 30
No. of trips by each bus one round trip distance of route 50 km. (one side capacity of each bus – 60 passenger.
6. The output of process X is 10,000 units and 800 units are considered as abnormal loss. Normal loss is allowed at 10%. From the following information prepare Process X account.
Material at ₹ 40 per unit
Wages ₹ 32,000
Overheads ₹ 26,800
Wastages realized ₹ 10 per unit.

SECTION – B

Answer any four questions.

(4×1)

7. The information given below has been taken from the records of an engineering works in respect of job No. 555
Materials Rs. 80,000
Wages – Department A – 60 hours at Rs. 30 per hour
Department B – 40 hours at Rs. 20 per hour
Department C – 20 hours at Rs. 50 per hour



The works overheads are as follows :

Variable – Department A – Rs. 15,000 for 5000 hours

Department B – Rs. 30,000 for 1500 hours

Department C – Rs. 20,000 for 500 hours

Fixed expenses Rs. 2,00,000 for 10,000 working hours.

Calculate the cost of Job No. 555 and the price for the job to earn a profit of 25% on the selling price.

8. The following details are extracted from the costing records of an oil mill for the month of March 2017. Purchase of 1000 tones of copra costing ₹ 4,00,000.

Particulars	Crushing	Refining	Finishing
	Rs.	Rs.	Rs.
Labour	5,000	2,000	3,000
Power	1,200	720	480
Other materials	200	4,000	—
Repairs	560	660	280
Steam	1,200	900	900
Expenses	2,640	1,320	440
Cost of drums	—	—	15,000
Sacks sold	800	—	—
Production (ton)	600	500	496

350 tons of copra residue sold for ₹ 22,000. Loss in weight in crushing process 50 tons. 90 tons of by products got in refining process valued at ₹ 13,500.

Prepare process accounts.

9. The following information relates to manufacturing of a component in a cost centre.

Cost of material ₹ 6 for component

Operators wages ₹ 72 per hour

Machine hour rate ₹ 150

Setting up time of the machine.

2 hours and 40 minutes.

Manufacturing time – 10 minutes per component.

Prepare cost sheet showing production cost setting up total cost and cost per unit when a batch consists of 100 components and 400 components.

10. Product P yields by products Q and R. The joint expenses of manufacture are

Materials ₹ 10,000

Labour ₹ 8,000

Other cost ₹ 9,000



Subsequent expenses are as follows :

	P	Q	R
	₹	₹	₹
Materials	2,000	1,600	1,800
Labour	2,400	1,400	1,700
Other cost	2,600	1,000	1,500
	<u>7,000</u>	<u>4,000</u>	<u>5,000</u>
Sales	42,000	20,000	18,000
Estimated Profit on sales	50%	50%	33 1/3%

Show how you would apportion the joint expenses of manufacture and also prepare necessary accounts.

- Discuss the methods of apportionment of joint cost among the joint products.
- Explain briefly the methods of 'By products' accounting.

SECTION – C

Answer any two questions.

(2x24=48)

- The product of a company passes through three distinct process to completion. From past experience it is ascertained that wastage is incurred in each process as under.

Process A – 2% Process B – 5% Process C – 10%. The wastage of Process A and B is sold at ₹ 40 per 100 units and that of process at ₹ 320 per 100 units.

The following are the information regarding the production in March 2017.

Particulars	Process A	Process B	Process C
	₹	₹	₹
Materials	48,000	32,000	16,000
Direct Labour	64,000	48,000	24,000
Machine expenses	8,000	8,000	12,000
Factory expenses	14,000	15,200	16,800

20,000 units have been issued to Process A at a cost of ₹ 80,000. The output of each process has been as under

Process A – 19,500 units

Process B – 18,800 units

Process C – 16,000 units

There were no stock in any process in the beginning and at the end of March.

Prepare process cost A/cs. abnormal loss account and abnormal gain account if it arises in any process.

- Navadurga Ltd. undertook a contract for ₹ 10,00,000 on 1st January 2016. From the following particulars obtained from the books, prepare contract account for the year ending 31st December 2016.

	₹
Materials	2,40,000
Plant issued	80,000
Wages	3,00,000



Working expenses	12,000
Administration expenses	20,000
Work certified	7,00,000
Plant in hand on 31-12-2016	40,000
Cost of work uncertified	32,000

The contractor wished to take profit on this contract on estimation basis and the following estimation was made.

- a) The contract could be completed in a further period of 6 months.
 - b) The plant will have a residual value of ₹ 10,000 upon the completion of this contract.
 - c) The additional wages to complete the contract would come to ₹ 1,02,000.
 - d) A further sum of ₹ 8,000 will be spent on working expenses.
 - e) The administration expenses will be ₹ 10,000 more.
 - f) The materials required further will cost ₹ 1,30,000.
15. Surabhi travels runs a bus between Sullia and Mangalore via Puttur. The distance between Sullia and Puttur is 40 kms. and between Puttur and Mangalore is 50 kms. During the onwards Journey the bus is full of its capacity upto Puttur but only 80% full between Puttur and Mangalore. On the other hand on the return Journey it is full from Mangalore to Puttur but 75% of the capacity between Puttur and Sullia. The following information are provided :

	₹
Cost of the bus	60,00,000
Estimated scrap value	40,000
Estimated life	10 years
Annual road tax	10,000
Insurance charges per year	20,000
Garage rent per year	48,000
Drivers salary per month	30,000
Conductors salary per month	25,000
Cleaners salary per month	10,000
Cost of diesel per litre	58
Kms. run per litre of diesel	4 kms.
Proportionate charges for tyre per km.	0.50

Capacity of the bus is 50 passengers and the bus makes a round trip from Sullia to Mangalore, on an average 25 days in a month, you are required :

- a) To compute the cost per passenger km. of operating the bus
 - b) Assuming 10% profit on takings for the company, workout the bus fare to be charged in between Sullia and Puttur and Puttur and Mangalore for each passenger.
16. a) What is Job costing ? What are its features ? Explain the differences between job costing and batch costing.
- b) Write a short note on :
- i) Abnormal loss and abnormal gain
 - ii) Joint products vs. By products.

**Credit Based V Semester B.Com. Degree Examination, Oct./Nov. 2017
(2016-17 Batch)**

**FINANCIAL ACCOUNTING – V
Commerce**

Time : 3 Hours

Max. Marks : 120

Instruction : Provide working notes wherever necessary.

SECTION – A

Answer **any four** questions. (4×6=24)

1. State the conditions laid down in Companies Act for redeeming preference shares.
2. Explain the average profits method and super profits method of valuing goodwill.
3. From the following determine minimum number of fresh issue of shares of ₹ 10 each for the redemption of preference shares at a premium of 5%

Fully paid preference shares	80,000
General reserve	39,000
P/L A/c (Cr.)	8,000
Security premium	3,000

4. What is minority interest ? How do you calculate the minority interest ?
5. Profits of a Business for last 5 years :

2008	–	₹ 53,000
2009	–	₹ 50,000
2010	–	₹ 42,000
2011	–	₹ 45,000
2012	–	₹ 40,000

Normal rate of return is 10%

Assuming that additional managerial remuneration of ₹ 6,000 will have to be incurred in future.

Calculate value of Goodwill under Purchase of Average profit, if number of years of purchase is four.



6. Jaya holds 5000 equity shares in Kamath Ltd. The paid up capital of which is 30000 shares of rupee 1 each. It is ascertained that

- Normal annual profit is ₹ 5,000
- Normal rate of return is 8%

Jaya request you to value her shares based upon the above information.

SECTION – B

Answer any four questions. (4x12=)

7. **Balance Sheet of Vikas Ltd. as on 31-12-2016**

		₹			₹
Preference shares of ₹ 100 each	50,000		Buildings		1,00,000
Equity shares of ₹ 10 each	90,000		Machinery		30,000
Security premium	10,000		Furniture		2,000
Reserve	20,000		Stock		30,000
P & L A/c	25,000		Debtors		15,000
Current liability	30,000		Bank		20,000
			Investments		28,000
		2,25,000			2,25,000

Company decided to redeem its preference shares at a premium of 5%. On 31-12-2016 fresh issue of 1000 equity shares of ₹ 10 each was to be made at a premium of ₹ 2 per share. All the investments were sold at ₹ 27,000. Directors decided that only minimum deduction should be made in reserve.

Journalise the Transactions.

8. Srinivas Ltd. has ₹ 3,00,000, 8% debentures outstanding on 1-1-2016. On that date Debenture Sinking Fund showed a balance of ₹ 2,50,000 invested in ₹ 2,65,000 6% Govt. Bonds. The annual appropriation of profit is ₹ 41,150.

On 31-12-2016 interest on investment has been collected and the bank balance was ₹ 78,200 (excluding interest on investment) debentures were redeemed on 31-12-2016 by realising the bonds at 87% Net.

Prepare :

- Debenture Sinking Fund A/c
- Debenture Redemption Fund Investment A/c
- Debenture A/c and
- Bank A/c.



9. Prajwal Ltd. is operating a business and its assets and liabilities on 31-12-2016 as follows :

Liabilities	₹	Assets	₹
Current liabilities	60,000	Stock	30,000
Loan	40,000	Debtors	40,000
O/S expenses	15,000	Bank	30,000
Capital	85,000	Machinery	60,000
		Building	40,000
	2,00,000		2,00,000

Prasanth Ltd. is intend to purchase this business normal rate of return is 20%.

Profit before tax for the last 5 years.

2016	-	₹ 33,000
2015	-	₹ 30,000
2014	-	₹ 32,000
2013	-	₹ 30,000
2012	-	₹ 40,000

Profit of 2013 included a capital profit of ₹ 10,000 and profit of 2016 is before an adjustment of ₹ 7,500 towards loss due to fire.

On an average 40% of the profit is to be provided for Income Tax. Ascertain value of Goodwill payable by Prasanth Ltd. under capitalisation of average profit.

10. Following is the Balance Sheet of Krishi Ltd. as on 31-12-2016.

Liabilities	₹	Assets	₹
10000 Equity shares of ₹ 10	1,00,000	Building	70,000
Reserves	30,000	Machinery	65,750
Work men's compensation fund	20,000	Patent	14,250
P & L A/c	35,000	Stock	17,500
Creditors	45,000	Debtors	47,500
		Cash	9,250
		Preliminary expenses	5,750
	2,30,000		2,30,000

Assets revalued as follows :

Machinery ₹ 60,000, Building ₹ 1,00,000, ₹ 2,500 of debtors is taken as bad. The profits for the 3 previous years are : ₹ 34,625, ₹ 24,875 and ₹ 33,000. The company transfers 20% of the profits to reserve every year. The normal rate of return is 12%. A Sales tax liability of ₹ 1,000 is likely to arise. Find out fair value of shares.



11. Balance Sheet of 'H' Ltd. and 'S' Ltd. as on 31-December-2017.

Liabilities	H Ltd.		S Ltd.		Assets	
	₹	₹	₹	₹	H Ltd.	S Ltd.
Share capital (Shares of ₹ 10 each)	2,50,000	1,00,000	Fixed Assets	1,50,000	50,000	
Reserve	50,000	25,000	Investment (6000 shares)	81,200		
P & L A/c	30,000	17,500	Current Assets	1,38,800	1,22,500	
Creditors	40,000	30,000				
	3,70,000	1,72,500		3,70,000	1,72,500	

'H' Ltd. acquired the shares on 1-4-2016 on which date the Reserve and P & L A/c of 'S' Ltd. had a Balance of ₹ 20,000 and ₹ 4,000 respectively.
Prepare consolidated Balance Sheet.

12. Prepare a Balance Sheet in vertical form of Oscar Ltd. as on 31-3-2017.

	Debit	Credit
	₹	₹
Share capital :		
100000 Equity shares of ₹ 10		10,00,000
8000 Preference shares of ₹ 100		8,00,000
Security premium		8,00,000
General reserve		32,00,000
Secured loans		18,00,000
Unsecured loans		3,10,000
Fixed assets	50,00,000	
Goodwill	2,60,000	
Investment	2,50,000	
Closing stock	14,00,000	
Sundry debtors	14,20,000	
Cash and Bank	3,40,000	
Loans and advances	5,30,000	
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	96,60,000	96,60,000
a) Depreciation on fixed assets ₹ 6,00,000		
b) Provision for doubtful debts ₹ 40,000.		



SECTION - C

Answer any two questions.

(2x24=48)

13. Following is the Balance Sheet of Krishna Ltd. as on 31-3-2017.

Liabilities	₹	Assets	₹
10000 Equity shares of ₹ 100 each	10,00,000	Fixed assets	22,00,000
5000 Preference shares of ₹ 100	5,00,000	Current assets	5,00,000
Capital reserve	2,00,000	Cash at bank	4,00,000
Security premium	1,00,000		
General reserve	2,00,000		
P & L A/c	1,00,000		
Current liability	10,00,000		
	31,00,000		31,00,000

Preference shares had to be redeemed at 10% premium. Fresh issue of equity shares to be made to the extent required as per the Companies Act for the purpose of redemption subsequently the company decided to issue bonus shares in the ratio of one equity share for every four shares held.

Pass Journal entries and prepare Balance Sheet after redemption.

14. On 1-1-2012 Shankar Ltd. issued 1000 9% debentures of ₹ 100 each at par redeemed at the end of four years at a premium of 5%. It was decided to install a Debenture Redemption Fund for the purpose of redemption and investment being expected to earn 4% interest. Sinking fund table shows that 0.235490 invested annually amounts to rupee 1 at 4% in 4 years. Investments made in multiples of ₹ 100 only. The investments realised at ₹ 76,000.

Prepare :

- 1) Debenture Redemption Fund A/c
- 2) Debenture Redemption Fund Investment A/c
- 3) Debenture A/c and
- 4) Debenture Holders A/c.



15. 'H' Ltd. acquired 12000 shares of 'S' Ltd. for ₹ 1,70,000 on 1-4-2016, on which date 'S' Ltd.'s P & L A/c showed a Credit Balance of ₹ 50,000.

Balance Sheet of 'H' Ltd. and 'S' Ltd. on 31-3-2017

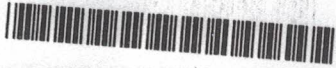
	H Ltd.	S Ltd.	H Ltd.	S Ltd.
	₹	₹	₹	₹
Share capital				
shares of ₹ 10	5,00,000	2,00,000		
Reserve as				
at 31-3-2016	1,30,000	55,000		
P/L A/c	1,60,000	65,000		
Creditors	1,00,000	75,000		
			Machinery	2,50,000
			Goodwill	30,000
			Furniture	85,000
			Investment	1,70,000
			Stock	2,10,000
			Debtors	65,000
			Bank	80,000
				37,000
	8,90,000	3,95,000		8,90,000
				3,95,000

Creditors of 'S' Ltd. include ₹ 20,000 due to 'H' Ltd. stock of 'S' Ltd. ₹ 2,30,000 includes ₹ 50,000 goods purchased from 'H' Ltd. which has charged profit at 25% on cost.

Prepare consolidated Balance Sheet as at 31-3-2017.

16. Following is the Trail Balance of Excellent Ltd. as on 31-3-2017.

	Debit	Credit
	₹	₹
Machinery	30,000	—
Interim dividend	5,000	—
Debtors	25,000	—
Investments	25,000	—
Depreciation on Machinery	4,000	—
on Building	1,600	—
Wages	8,000	—
Salaries	9,400	—
Bad debts	700	—
Directors fee	2,000	—
Debenture interest (upto 30-9-2016)	900	—



Insurance		
Cash at Bank	600	
Buildings	3,000	
Office expenses	80,000	
Carriage inwards	16,000	
Discount on debentures	2,500	
Purchases	1,500	
Goodwill	64,400	
Opening stock	30,000	
Paid-up capital	12,500	
Unclaimed dividend	-	1,00,000
Debenture sinking fund	-	200
Sales	-	25,000
Bills payable	-	1,24,000
Interest on debenture Sinking Fund Investment A/c	-	1,000
General reserve	-	800
6% Debentures	-	5,000
Reserve for doubtful debts	-	30,000
Profit and Loss A/c	-	2,500
Transfer fee	-	11,500
Creditors	-	100
	-	22,000
Adjustments :	3,22,100	3,22,100

- a) Maintain 6% Reserve for doubtful debts.
 - b) ₹ 300 insurance paid is for one year upto 30-6-2017.
 - c) Transfer ₹ 2,000 to debenture sinking fund.
 - d) Write-off half of discount on debentures.
 - e) Provide for tax ₹ 5,000.
 - f) Final dividend proposed at 10%.
- Prepare statement Profit and Loss and Balance sheet of the company in the prescribed form.



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

**COMMERCE
Modern Marketing**

Time : 3 Hours

Max. Marks : 120

SECTION-A

ವಿಭಾಗ - ಎ

Answer any four questions.

(4×6=24)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ.

1. Define marketing management and state the objectives of marketing management.

ಮಾರುಕಟ್ಟೆ ನಿರ್ವಹಣೆಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿ. ಅದರ ಉದ್ದೇಶಗಳನ್ನು ತಿಳಿಸಿ.

2. State the features of Rural Marketing.

ಗ್ರಾಮೀಣ ಮಾರುಕಟ್ಟೆಯ ಲಕ್ಷಣಗಳನ್ನು ತಿಳಿಸಿರಿ.

3. Write a note on differentiated Marketing strategy.

ವಿಭಿನ್ನ ಮಾರುಕಟ್ಟೆ ಕಾರ್ಯತಂತ್ರದ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

4. Write a note on 'Aida' and 'Dagmar'.

'ಐಡಾ' ಮತ್ತು 'ಡಾಗ್ಮಾರ್' ಬಗ್ಗೆ ಒಂದು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

5. What are the methods of motivating salesmen ?

ವಿಕ್ರಯದಾರರನ್ನು ಪ್ರೇರೇಪಣೆಗೊಳಿಸುವ ವಿಧಾನಗಳಾವುವು ?

6. Mention the differences between marketing of products and services.

ಸರಕುಗಳ ಮತ್ತು ಸೇವೆಗಳ ಮಾರಾಟ ಪ್ರಕ್ರಿಯೆ ನಡುವಿನ ವ್ಯತ್ಯಾಸವನ್ನು ಹೆಸರಿಸಿ.



BCMCMC 312

SECTION-B

ವಿಭಾಗ - ಬಿ

Answer any four questions.

(4×12=48)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ.

7. What is product mix ? Explain its structure.

ಉತ್ಪನ್ನ ಮಿಶ್ರಣ ಎಂದರೇನು ? ಅದರ ರೂಪುರೇಷೆಗಳನ್ನು ವಿವರಿಸಿ.

8. Write notes on National and International Quality Standards.

ರಾಷ್ಟ್ರೀಯ ಮತ್ತು ಅಂತರಾಷ್ಟ್ರೀಯ ಗುಣಮಟ್ಟ ಮಾಪನಗಳ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

9. What are the marketing strategies to be adopted during the Life Cycles of a product ?

ಉತ್ಪನ್ನ ಜೀವನ ಚಕ್ರದ ಪ್ರತಿ ಹಂತದಲ್ಲಿ ಕೈಗೊಳ್ಳಬೇಕಾಗಿರುವ ಮಾರಾಟ ಕಾರ್ಯತಂತ್ರಗಳು ಯಾವುವು ?

10. Explain the factors influencing the advertising budget.

ಜಾಹೀರಾತು ಮುಂಗಡ ಪತ್ರದ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರುವ ಅಂಶಗಳನ್ನು ವಿವರಿಸಿ.

11. Explain different methods of training salesmen.

ವಿಕ್ರಯಗಾರರಿಗೆ ತರಬೇತು ನೀಡುವ ವಿವಿಧ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿ.

12. What is Green Marketing ? Explain the fundamental requirements and importance of Green Marketing.

ಹಸಿರು ಮಾರುಕಟ್ಟೆ ಪ್ರಕ್ರಿಯೆ ಎಂದರೇನು ? ಹಸಿರು ಮಾರುಕಟ್ಟೆ ಪ್ರಕ್ರಿಯೆಯ ಮೂಲಭೂತ ಅವಶ್ಯಕತೆಗಳನ್ನು ಮತ್ತು ಪ್ರಾಮುಖ್ಯತೆಯನ್ನು ವಿವರಿಸಿ.



SECTION-C

ವಿಭಾಗ - ಸಿ

Answer any two questions.

(2x24=48)

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ.

13. Explain the different methods of remunerating the salesmen.

ವಿಕ್ರಯಗಾರರಿಗೆ ಸಂಭಾವನೆ ನೀಡುವ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿರಿ.

14. Explain different marketing philosophies.

ವಿವಿಧ ಮಾರುಕಟ್ಟೆ ತತ್ವಗಳನ್ನು ವಿವರಿಸಿರಿ.

15. Define market segmentation. What are the criteria for successful market segmentation ?

ಮಾರುಕಟ್ಟೆ ವಿಭಜನೆಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿರಿ. ಮಾರುಕಟ್ಟೆಯ ಯಶಸ್ವಿ ವಿಭಜನೆಯ ಮಾನದಂಡಗಳು ಯಾವುವು ?

16. What is a new product ? What are the stages involved in the Development of New Products ?

ಹೊಸ ವಸ್ತು ಎಂದರೇನು ? ಹೊಸ ವಸ್ತುವಿನ ಅಭಿವೃದ್ಧಿಯಲ್ಲಿ ಒಳಗೊಂಡ ವಿವಿಧ ಹಂತಗಳನ್ನು ತಿಳಿಸಿರಿ.

Credit Based Fifth Semester B.Com. Degree
Examination, October/November 2017
(2016-17 Batch)
BUSINESS LAW

Time : 3 Hours

Max. Marks : 120

SECTION – A

ವಿಭಾಗ – ಎ

Answer any four questions.

(4×6=24)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ.

1. Explain the branches of law.
ನ್ಯಾಯದ ಬೇರೆ ಬೇರೆ ಕವಲುಗಳ ಬಗ್ಗೆ ವಿವರಿಸಿ.
2. Explain the case law “Felthouse V/s Bindley”.
“ಫೆಲ್ತ್‌ಹೌಸ್ ವಿರುದ್ಧ ಬಿಂಡ್ಲೆ” ದಾವೆಯನ್ನು ವಿವರಿಸಿ.
3. Explain the various forms (type) of cyber crime.
ಸೈಬರ್ ಅಪರಾಧದ ವಿವಿಧ ಬಗೆಯನ್ನು ವಿವರಿಸಿರಿ.
4. Write a note on voidable contract.
ಅನೂರ್ಜಿತವಾಗಬಲ್ಲ ಒಪ್ಪಂದದ ಬಗ್ಗೆ ಒಂದು ಟಿಪ್ಪಣಿಯನ್ನು ಬರೆಯಿರಿ.
5. Distinguish between misrepresentation and fraud.
ತಪ್ಪು ನಿರೂಪಣೆ ಮತ್ತು ವಂಚನೆಗಳ ನಡುವಿನ ವ್ಯತ್ಯಾಸಗಳನ್ನು ತಿಳಿಸಿರಿ.
6. State the drawbacks of Information Technology Act.
ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಕಾಯಿದೆಯ ದೋಷಗಳನ್ನು ತಿಳಿಸಿರಿ.

SECTION – B

ವಿಭಾಗ – ಬಿ

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.
8. Write a note on Right to Information Act. Explain the essential features of Right to Information Act, 2005.
ಮಾಹಿತಿ ಹಕ್ಕು ಅಧಿನಿಯಮದ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. ಮಾಹಿತಿ ಹಕ್ಕು ಅಧಿನಿಯಮ 2005ರ ಪ್ರಮುಖ ಅಂಶಗಳ ಬಗ್ಗೆ ವಿವರಿಸಿ.



9. Define consideration. Explain the exceptions to the rule 'No Consideration No Contract'.

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

10. Explain various kinds of 'Mistakes'.

ವಿವಿಧ ರೀತಿಯ 'ತಪ್ಪು ತಿಳುವಳಿಕೆ' ಗಳನ್ನು ವಿವರಿಸಿ.

11. Briefly explain the agreement opposed to public policy.

ಸಾರ್ವಜನಿಕ ನೀತಿಗೆ ವಿರುದ್ಧವಾದ ಒಪ್ಪಂದಗಳನ್ನು ಚುಟುಕಾಗಿ ವಿವರಿಸಿ.

12. Write a note on Bailment. Narrate the duties of Bailor and Bailee in a contract of Bailment.

ನಿಕ್ಷೇಪಣೆಯ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ. ನಿಕ್ಷೇಪಕ ಹಾಗೂ ನಿಕ್ಷೇಪಿತನ ಕರ್ತವ್ಯಗಳನ್ನು ವಿವರಿಸಿ.

SECTION - C

ವಿಭಾಗ - ಸಿ

Answer any two questions.

(2×24=48)

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ.

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

ಅಪ್ರಾಪ್ತ ವಯಸ್ಕ ಎಂದರೆ ಯಾರು ? ಅಪ್ರಾಪ್ತ ವಯಸ್ಕನ ಒಡಂಬಡಿಕೆಗೆ ಸಂಬಂಧಿಸಿದ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿ.

14. What is meant by discharge of contract ? Explain the various remedies available for breach of contract.

ಒಪ್ಪಂದ ವಿಸರ್ಜನೆ ಎಂದರೇನು ? ಒಪ್ಪಂದದ ಉಲ್ಲಂಘನೆಯಾದಾಗ ಲಭ್ಯವಾಗುವ ಪರಿಹಾರೋಪಾಯಗಳನ್ನು ವಿವರಿಸಿ.

15. What is offer ? Explain the legal rules as to valid offer.

ಪ್ರಸ್ತಾಪ ಎಂದರೇನು ? ಒಂದು ನ್ಯಾಯ ಬದ್ಧವಾದ ಪ್ರಸ್ತಾಪಕ್ಕೆ ಕಾನೂನುಬದ್ಧ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿ.

16. Define an "Agent". Explain his rights, duties and liabilities.

ಕಾರ್ಯಭಾರಿಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿ. ಕಾರ್ಯಭಾರಿಯ ಹಕ್ಕುಗಳು, ಕರ್ತವ್ಯಗಳು ಮತ್ತು ಜವಾಬ್ದಾರಿಗಳನ್ನು ವಿವರಿಸಿ.

Reg. No.

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BCMCMC 307

**Credit Based V Semester B.Com. Degree Examination, October/November 2017
(2015-16 and Earlier Batches)**

COMMERCE

Business Taxation – III

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer any four :

(4×6=24)

1. Explain the rules governing the working partners remuneration.
2. Write a short note on section 80DD.
3. What are the donations which come under the purview of “with limit donations” ?
How is the limit determined ?
4. The particulars of Income of Mr. Rajesh for the previous year ended 31 March are as under :
 - 1) Taxable Income from house property ₹ 27,000
 - 2) Profits and gains of business ₹ 4,80,000
 - 3) Capital gains (U/S III A) ₹ 15,000
 - 4) Interest on Government securities ₹ 8,000
 - 5) Winnings from TV game show ₹ 30,000Findout the tax payable.

5. The gross total Income of Ranjit amounted to ₹ 8,32,000 which includes “Long term capital gains” of ₹ 2,00,000, accrued interest on NSC ₹ 40,000 and he donated ₹ 32,000 to PMNRF paid ₹ 32,000 towards medical insurance premium including preventive medical bill of ₹ 7,000. He paid a rent of ₹ 6,000 p.m. for the house, Assuming that the conditions for allowing deduction U/S 80GG are satisfied, compute the total income.

P.T.O.



6. The profit and loss account of ABC firm shared a net profit of ₹ 50,000 for the previous year. The following items were found to be debited.
- Salaries to A, B and C (all working partners) respectively ₹ 25,000, ₹ 15,000 and ₹ 15,000.
 - Commission to 'B' – ₹ 12,000
 - Interest on capital calculated at 15% : ₹ 4,000, ₹ 8,000, ₹ 6,000 to A, B and C respectively.
 - Rent of the business premises paid to Z ₹ 4,000.
- The net profit was arrived at after considering ₹ 2,000 being the dividend received and ₹ 1,500 as interest on drawings by B.

SECTION – B

(4×12=)

Answer any four :

- Write the provisions relating to deductions U/S 80 QDB, 80TTA and 80U.
- Explain the provisions of Minimum Alternate Tax (MAT).
- Compute the income of the firm from business in the following cases :
 - Book loss ₹ 50,000. Remuneration paid to working partners ₹ 1,60,000.
 - Book loss ₹ 80,000. Remuneration paid to working partners ₹ 1,75,000.
 - Book profit ₹ 1,80,000. Remuneration to working partners ₹ 1,50,000.
 - Book profit ₹ 6,00,000. Remuneration to working partners ₹ 4,10,000.
- Mr. Khanna has made the following donations during the previous year :
 - National children's fund ₹ 2,00,000.
 - National Blood Transfusion Council ₹ 2,00,000.
 - KMC Manipal ₹ 4,00,000.
 - An Approved Charitable Institution ₹ 2,00,000.
 - Repairs of notified church ₹ 50,000.
 - Help to poor student ₹ 20,000.
 - Books donated to an approved college ₹ 30,000.
 - Congress party ₹ 55,000.
 - Municipality for family planning ₹ 80,000.

His gross total Income amounted to ₹ 62,00,000. This included long term capital gains ₹ 2,00,000. During the year he paid ₹ 18,000 as medical insurance premium. Compute the total income.



11. Pradeep, a reputed vocal musician who is Partially Blind furnishes the following details :

- a) Salary paid to servant ₹ 12,000
- b) Medical bill for voice culturing ₹ 5,000
- c) Cost of Musical Instruments ₹ 39,000
- d) Gross receipts for the year ₹ 10,00,000
- e) Tuition fees received ₹ 30,000
- f) Payment to supporting artists ₹ 80,000
- g) Travelling expenses ₹ 50,000
- h) LIC premium paid ₹ 24,000
- i) NSC purchased ₹ 40,000
- j) Medical Insurance paid ₹ 12,000
- k) Donations to Government Music Academy ₹ 5,000.

Compute the total income and tax liability.

12. From the following information compute the tax liability of Deepak Trading Company applying MAT U/S 115JB.

Profit and Loss A/C	
To General reserve	18,50,000
To Income tax paid	20,000
To General reserve	40,000
To Provision for contingent liability	60,000
To proposed dividend	80,000
To Net profit	3,80,000
Total	24,30,000
By long term Capital gains	1,00,000
By Amount withdrawn from general reserves	30,000
By Gross Profit	23,00,000
	24,30,000

- 1) Unabsorbed depreciation for accounting purpose is ₹ 80,000 and brought forward business loss for accounting purpose is ₹ 1,00,000.
- 2) Brought forward business loss for Income Tax purpose is ₹ 5,00,000.



SECTION - C

Answer any two :

(24×2=48)

13. Bhupathy a professional tennis player furnishes the following details :

	₹
1) Receipts from playing in India	10,00,000
2) Receipts from playing abroad	5,00,000
3) Payments to the coach	80,000
4) Sports equipments	25,000
5) Travelling expenses :	
i) India	40,000
ii) Abroad	1,40,000
6) Car purchased on 1 st August of the PY and used for professional purposes only (Depreciation at 15%)	3,00,000
7) Received a car as gift abroad (used for personal purposes)	4,00,000
8) Interest on Govt. securities	40,000
9) Interest on SOHP loan (borrowed on 1-5-04)	1,00,000
10) He made the following payments :	
a) Deposit in PPF	50,000
b) Deposit in 5 years PORD	1,000 p.m.
c) Premium paid on 'Jeevan Suraksha' Policy	12,000
d) Medical Insurance for selfs family	20,000
e) Repayment of housing loan (principal)	36,000
f) Donation to National Sports fund	50,000
g) Advance Income Tax	1,00,000

Compute his total income and tax liability.



14. The following details have been supplied by the Karta of a HUF. Compute the total income and the tax payable.

- a) Profit from business ₹ 4,82,000
- b) Salary received by a member of family for services rendered else where ₹ 36,000.
- c) Rent from letout property ₹ 12,000 pa
- d) Municipal taxes paid there on ₹ 1,000 being 10% of Amv.
- e) Annual Municipal value of the Joint family house ₹ 24,000. Municipal taxes paid ₹ 3,000, Interest on loan taken for construction ₹ 22,000, on loan taken for extension ₹ 10,000.
- f) Dividends from companies ₹ 10,000 director fees ₹ 5,000.
- g) Interest on bank deposits ₹ 8,000 on Government securities ₹ 6,000.
- h) Long term capital gains ₹ 25,000.
- i) Donations to government for family planning ₹ 10,000.
- j) Interest on capital from a firm ₹ 18,000 at 12%.
- k) Salary received by Karta (as working partner) ₹ 40,000.
- l) Share of profit from firm ₹ 36,000.
- m) Medical Insurance premium paid on the health of the members ₹ 8,500.
- n) Advance tax paid ₹ 10,000
- o) Insurance premium paid on LIC policies ₹ 16,000 amount deposited in PPF ₹ 20,000 amount invested in NSC ₹ 15,000.

15. X, Y and Z are equal partners in a firm of which Z is sleeping partner. The P/L A/c of the firm is given below :

	₹		₹
To Salaries	25,000	By Gross profit	1,85,000
To Rent	12,000	By Rent from house property	15,000
To Advertisement	8,000	By Discounts	8,000
To Bad debts Reserve	4,800	By Bank Int.	6,000
To Depreciation	10,000	By Bad debts recovered	5,000



To Fire Insurance	1,400	(Previously disallowed)	
To partners salaries :			
X	20,000		
Y	<u>15,000</u>	35,000	
To Donations (recognised)	5,000		
To Commission :			
X	12,000		
Y	<u>10,000</u>	22,000	
To Interest on capital @ 16% :			
X	4,000		
Y	5,000		
Z	<u>10,000</u>	19,000	
To Net profit :			
X	25,600		
Y	25,600		
Z	25,600	76,800	
		2,19,000	2,19,000

- 1) Depreciation was found to be in excess by ₹ 1,500.
- 2) Rent includes the rent for X's godown ₹ 4,000.
- 3) Bad debts to be allowed amounted to ₹ 1,000.
- 4) Fire Insurance includes insurance on letout property ₹ 400.

Compute the total income of the firm and share of each partner from firm.

16. From the following particulars of Prakash Ltd. Compute the total Income.

To purchases	₹ 4,80,000	By Sales	₹ 39,00,000
To Entertainment expenses	30,000	By Amount withdrawn from	
To travelling expenses	50,000	General Reserve	2,00,000
To Depreciation	6,50,000	By rent from letout property	1,00,000
To Income tax	4,10,000	By Commission	1,50,000



To wealth tax	15,000		
To Customs duty O/S	23,000		
To provision for unascertained liability	80,000		
To tax consultation fees	25,000		
To agricultural expenses	15,000		
To Contribution to staff welfare fund	5,000		
To loss from subsidiary company	42,000		
To Salary to M.D.	1,80,000		
To Municipal tax on letout property	15,000		
To Net profit	21,71,500		
Total	42,01,500	Total	42,01,500

- 1) The company gets a long term capital gains of ₹ 50,000.
- 2) Excise duty of 2015-16 paid during the year ₹ 30,000, not debited to the above P/L A/c.
- 3) Depreciation allowable U/S 32 ₹ 6,20,000.
- 4) Unabsorbed business loss is ₹ 11,50,000 for Income tax purposes ₹ 9,50,000.
- 5) Unabsorbed depreciation for accounting purpose is ₹ 3,40,000 and for Income tax purpose ₹ 11,00,000.
- 6) Out of Customs duty due ₹ 23,000, ₹ 10,000 remained unpaid till the last date of filing the returns.
- 7) The purchases includes one bill for ₹ 30,000 was paid in cash under the payment.