



- 3) Inter-state sale to dealer on form C ₹ 3,46,000.
 - 4) Out of sale in (3) sales return within 6 months are ₹ 40,000.
 - 5) Subsequent sale in the course of Inter-state trade to registered dealer ₹ 2,50,000.
 - 6) On other Inter-state sale the rate of tax is 10 %.
5. Calculate the Assessable Value for the purpose of levy of excise duty from the following particulars :
- 1) Cum-Duty Selling Price (inclusive of VAT @ 5 %) ₹ 75,000.
 - 2) Rate of Excise Duty applicable to the product 12.5 %.
 - 3) Trade Discount allowed ₹ 6,960.
 - 4) Freight (to be charged extra) ₹ 2,000.
6. From the following particulars calculate the Customs Duty payable :
- 1) CIF value of goods imported ₹ 8,00,000.
 - 2) Rate of Basic Customs Duty 10 %.
 - 3) Rate of excise duty on such goods produced in India 12.5 %.
 - 4) SAD @ 4 and Education cess @ 3 % also leviable.

SECTION – B

Answer any four:

(4×12=48)

7. Briefly explain the various kinds of customs duties leviable on the imported goods.
8. Explain the following services :
 - a) Mantap keepers services
 - b) Commercial Coaching and Training.
9. How to compute taxable turnover under KVAT? Explain.



10. From the following particulars calculate total turnover, taxable turnover, output tax, input tax and net tax payable by a registered dealer in Karnataka.
- a) Sales of agricultural equipments (I schedule) ₹ 4,00,000 (cost of steel used ₹ 2,00,000 at 4 %).
 - b) Sale of Computers (III schedule, 50 % interstate) ₹ 8,00,000 : out of Computers purchased for price ₹ 6,50,000 50 % is interstate.
 - c) Sales of shares of TCS ₹ 2,00,000.
 - d) Agarbatti sold (input tax ₹ 6,000; III schedule) ₹ 2,00,000. Discount on Agarbatti sale under normal trade ₹ 15,000.
 - e) Export to Dubai III scheduled goods (tax invoice ₹ 10 lakhs) ₹ 15,00,000.
 - f) Purchase and sales made in Kerala ₹ 3,00,000.
 - g) Sale of paints (Unscheduled) ₹ 3,00,000 (invoice from Mumbai for ₹ 2,25,000).

11. A manufacturer prepared an invoice as under

- a) Price of goods (Excluding Excise Duty) ₹ 9,00,000.
- b) Advertising charges ₹ 50,000.
- c) Publicity charges ₹ 25,000.
- d) Marketing and Selling charges ₹ 20,000.
- e) Outward Handling Charges ₹ 5,000.
- f) Servicing charges ₹ 50,000.
- g) Outward freight and insurance ₹ 30,000.
- h) VAT ₹ 50,000.
- i) Allow discount @ 10 % on price of the goods.

If the rate of Central Excise Duty is 12.5 %, how much amount should be charged from the customer as Duty ?



12. Adla cables, a cable operator gives the following details of its operations for the quarter ended 30th September 2016.

	₹
1) Gross monthly collections from subscribers	5,52,600
2) Cost of cable from Control Room to subscribers premises	22,500
3) Installation charges	15,600
4) Entertainment Tax Amount deposited with Govt. (Included in 1 above and shown separately in bills)	52,300
5) Receipts from advertisements displayed on cable network	1,56,800

Calculate the value of taxable service and service tax levied thereupon.

SECTION – C

Answer any two :

(2×24=48)

13. From the following particulars, compute total turnover, taxable turnover and net tax payable by Padmashri Traders, Kundapura under KVAT Act.
- 1) Sale of glass (purchased for ₹ 4,50,000, unscheduled) to traders in Kundapura ₹ 5,75,000.
 - 2) Sale of Abco Steel Rods (Declared, Tax invoice ₹ 7,00,000) ₹ 9,00,000.
 - 3) Sale of gold (II Schedule) in Hubli (out of purchases made from Kochin for ₹ 4,80,000, CST paid ₹ 4,800) ₹ 6,00,000.
 - 4) Sale of cement (V Schedule) to registered dealers in Udupi ₹ 6,00,000. Cement was purchased from a factory in Mysuru for ₹ 4,00,000. Sales return by Udupi dealers ₹ 10,000 within 2 months.
 - 5) Sale of Text Books (I Schedule, Sales Return ₹ 10,000 within two months) ₹ 1,50,000, purchased for ₹ 1,10,000 from K.S.T. Publications, Bengaluru.
 - 6) Transfer of Electronic goods to branch at Nagpur (Maharashtra) with Form F ₹ 1,75,000.
 - 7) Student Note Books (III Schedule) purchased from a dealer of Hyderabad ₹ 1,75,000 and sold to an unregistered dealer of Mangaluru ₹ 2,10,000.
 - 8) Cashew Exported to Dubai (III Schedule) ₹ 3,00,000.



- 9) Sale of Music System (Unscheduled) to a registered dealer of Kerala ₹ 4,10,000. These goods were purchased from a registered dealer in Bengaluru for ₹ 3,50,000.
- 10) Purchase of Jute (declared) from a registered dealer in Shimoga ₹ 3,00,000. Out of this purchase, goods worth ₹ 20,000 were returned within three months.
- 11) Sale of Jute to registered dealer in Kundapura ₹ 4,20,000. Sales return by Kundapura dealers ₹ 20,000 after six months.
- 12) Sale of Narcotics (IV Schedule) in Hubli ₹ 8,00,000 from the purchases made in Bellary for ₹ 6,00,000.
- 13) Furniture for office use ₹ 30,000 KVAT paid at 14.5 % ₹ 4,350.

The above selling prices are not inclusive of tax.

14. Kotilingeshwara Traders Koteshwara, a registered dealer in Karnataka sells goods both inside the State and in the course of interstate trade and commerce. From the following particulars, find out the Total Turnover, Taxable Turnover and tax payable under the CST Act.

- 1) Goods amounting to ₹ 6,30,000 (declared goods) were sold to URD of Goa, out of this, the dealer of Goa has returned goods worth ₹ 15,000 after six months.
- 2) Sale of goods to Bihar Govt. with 'Form C' ₹ 6,12,000 (KVAT rate 5.5 %).
- 3) Goods worth ₹ 2,11,000 taxable at 5.5 % in Karnataka were sold to a registered dealer of Udupi.
- 4) Goods worth ₹ 1,00,000 were purchased from Punjab, but while the goods were in transit, they were sold to a register dealer in Maharashtra with 'Form C' by transferring the documents of title to goods for ₹ 1,14,500. Such goods are taxable in Karnataka at 14.5 %.
- 5) Goods worth ₹ 2,02,000 taxable at 1 % in Karnataka were sold to a registered dealer of Orissa with 'Form C'.
- 6) Goods worth ₹ 3,20,000 were sent to his agent in Gujarath. But while the goods were in transit, they were sold to a registered dealer in Punjab with 'Form C' by transferring the document of title to goods for ₹ 4,08,000 (KVAT rate 5.5 %).
- 7) Goods worth ₹ 1,00,000 were sold to Govt. of Jharkhand. Such goods are exempt under the KVAT Act.



- 8) Sale of declared goods to URD of Goa (KVAT rate 3 %) ₹ 5,15,000.
- 9) Goods worth ₹ 80,000 (declared goods) were transferred to their branch at Andhra Pradesh with Form F.
- 10) Goods worth ₹ 4,00,000 taxable at 5.5 % in Karnataka were sold to a firm of Srilanka in the course of export outside India.
- 11) Goods worth ₹ 1,24,000 were sold to a registered dealer of Tamil Nadu, out of this the dealer of Tamil Nadu has returned goods worth ₹ 4,000 within two months (KVAT rate 20 %).
- 12) Unscheduled goods amounting to ₹ 1,14,500 were sold to an URD of West Bengal. Such goods are taxable at 14.5 % in Karnataka.

The above selling prices include tax.

15. MCF Ltd. Mangaluru, imported a machine from America. From the following information, determine the Assessable value and the customs duty payable.
 - 1) Cost of Machine 26,000 Dollars. It does not include the following.
 - 2) Packing charges 900 Dollars.
 - 3) Transportation charges to Indian Port 1,350 Dollars.
 - 4) Design and Development Expenses incurred outside India 4,100 Dollars.
 - 5) Transportation Charges from Indian Port to factory ₹ 25,500.
 - 6) Insurance Premium paid in India ₹ 17,500.
 - 7) Installation charges of machine in the factory ₹ 9,500.
 - 8) 5 % Commission on Selling Price to Agent in Indian Rupees in India of American Company.
 - 9) Exchange rate :
 - Notified by the Board 1 Dollar = ₹ 60.
 - Declared by the Reserve Bank 1 Dollar = ₹ 60.50.
 - 10) Rate of Basic Custom Duty 10 %.
 - 11) Rate of Excise Duty on such goods produced in India 12.5 %.
 - 12) SAD @ 4 % and Education Cess @ 3 % also leviable.

Find out customs duty payable.



16. A) A company manufactured 14,000 Washing Machines during the year 2016 – 17. In this connection the following information are available :

- 1) Retail price of the Washing Machine ₹ 16,000. It includes excise duty.
- 2) Sold 10,000 Washing Machines to whole sellers. Discount allowed @ 20 % on retail price.
- 3) Washing Machines sold in retail 2,000.
- 4) The balance 2,000 Washing Machines not removed from factory.
- 5) The company purchased inputs for manufacture of Washing Machines ₹ 3,00,00,000. It includes Basic Excise Duty ₹ 40,00,000.
- 6) The closing stock of inputs is ₹ 25,00,000.
- 7) The company is liable to pay Basic Excise Duty @ 12.5 %.
- 8) Rate of Abatement is 35 %.

Determine the Excise Duty Payable.

B) Kamath Travels, Udupi furnishes the following details :

- 1) Package tour to South India ₹ 18,00,000.
- 2) Package tour to Australia ₹ 15,00,000.
- 3) Travels services offered to US embassy ₹ 5,00,000.
- 4) Package tour to North India (includes tour to J & K ₹ 6,00,000) ₹ 24,00,000.
- 5) One day site seeing trips conducted ₹ 8,50,000.
- 6) Non-package tour in Karnataka ₹ 6,00,000.
- 7) Bills charged for hotel booking ₹ 2,00,000.

Calculate taxable service and service tax payable.

Reg. No.

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BCMCMC 367

**Credit Based VI Semester B.Com. Examination, April/May 2017
(2016-17 Batch)**

**COMMERCE
Business Taxation – IV**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer any four: **(4×6=24)**

1. Explain the inclusions and exclusions in transaction value under Central Excise Duty.
2. Write a note on 'Schedules' under KVAT.
3. Distinguish between VAT and CST.
4. Gross value of the services provided by a service provider is ₹ 10,00,000. He is entitled for an abatement of 60%. The customer has been allowed 5% discount. Find out the value of taxable service and service tax payable assuming that :
 - a) Service tax has been separately collected.
 - b) Service tax has not been separately collected.
5. From the following information calculate the customs duty payable :
 - i) Assessable value of imported goods ₹ 7,50,000.
 - ii) Basic customs duty @ 10%.
 - iii) The imported goods are also produced in India on such goods excise duty is leviable @ 12.5%.
 - iv) Special additional duty @ 4% and education cess @ 3% leviable.

P.T.O

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6. RK productions limited has supplied a machine to a buyer for door delivery at an all inclusive price of ₹ 16,00,000. The price includes central excise duty @ 12.5% and VAT @ 14.5%. The company had incurred ₹ 18,500 as cost of transportation. Calculate the assessable value under Central Excise Act.

SECTION – B

Answer any four:

(4×12=48)

7. Explain briefly the Form 'C' and 'F' and the procedure to be followed to avail concessional rate of tax under CST.
8. Explain the general exemptions available for a service provide.
9. Explain the term 'Dealer' under KVAT Act.
10. Adithya Traders imported goods from England through air route at a CIF price £ 2,500. The freight and insurance charges were £ 750 and £ 250 respectively included in the above price. Landing charges incurred were ₹ 5,000. CBEC notified rate is 1 £ = ₹ 80. Calculate the assessable value.
11. Himalaya Travels, Kanpur furnishes following details :

	₹
a) Package tour to South India	16,00,000
b) Package tour to North India (above includes tour to J and K ₹ 8,00,000)	22,00,000
c) One day sight seeing trips conducted	6,50,000
d) Package tour to Singapore	13,00,000



- e) Non-package tours in Karnataka 5,00,000
f) Bill charged for hotel booking 1,00,000
g) Travel services offered to US embassy 3,00,000

Compute taxable service and service tax payable.

12. A company manufactured and sold 1000 cars in the current financial year. The price of the car is ₹ 2,50,000 and Excise duty and Sales tax are charged separately. From the following information, determine the central excise duty payable and the CENVAT Credit.

The company purchased inputs ₹ 50,00,000. It includes basic excise duty of ₹ 5,00,000. The company purchased capital goods during the financial year ₹ 6,00,00,000. It includes basic excise duty of ₹ 70,00,000. On car the basic excise duty is charged at 12.5%.

SECTION – C

Answer any two :

(2×24=48)

13. Compute the total turnover, taxable turnover, input tax, output tax and net tax payable under KVAT Act by a registered dealer of Bangalore from the following information for the month of March.

- 1) Sale of declared goods to Registered dealer of Udupi ₹ 5,00,000.
- 2) Sale of banana chips originated from Karnataka (50% interstate, purchase price ₹ 22,00,000) ₹ 30,00,000.
- 3) Sale of unscheduled goods (purchase cost ₹ 7,00,000) ₹ 8,00,000.
- 4) Sale of bulk drugs to a trader of Kerala (goods delivered in Mangalore III Schedule) ₹ 6,00,000.
- 5) Purchase of areca nuts from unregistered dealer of Coorg ₹ 7,50,000.



- 6) Sale of wheat (I Schedule) ₹ 65,000.
 - 7) Sale of goods to a registered dealer of Goa ₹ 8,00,000. These goods were purchased from a registered dealer in Mysore for ₹ 6,00,000 (unscheduled).
 - 8) Sale of Tobacco products with in Karnataka ₹ 16,00,000 (Purchase price ₹ 10,00,000).
 - 9) Transfer of goods to branch at Kasargod ₹ 1,80,000.
 - 10) Transfer of goods to branch at Dharwad ₹ 4,60,000.
 - 11) Sale of Ice cream inter-state (inclusive of CST) ₹ 3,00,000.
 - 12) Sales returns of unscheduled goods with in 5 months ₹ 50,000.
14. Pradeep is a registered dealer in Jaipur Rajasthan. He sells goods both inside the state and in the course of interstate trade and commerce. Find out the total turnover, taxable turnover and the tax payable under CST Act
- a) Goods worth ₹ 41,800 (declared goods) sold to a registered dealer of Punjab (Tax rate in Rajasthan 3%)
 - b) Goods worth ₹ 72,000 were purchased from Delhi, but while the goods were transit, they were sold to a registered dealer of Kerala by transferring the title to goods ₹ 80,200 (Tax rate 14.5%)
 - c) Goods worth ₹ 50,000 taxable at 4% were transferred to their branch at Andhra Pradesh.
 - d) Goods worth ₹ 59,800 were sold to the Government of Bihar. Out of this Bihar Government returned goods worth ₹ 7,800 with in two months from the date of sale.
 - e) Goods worth ₹ 28,700 (declared goods) were sold to an unregistered dealer of Uttar Pradesh. Such goods are taxable in Rajasthan.
 - f) Undeclared goods amounting to ₹ 62,700 were sold to an unregistered dealer of Madhya Pradesh. The rate of tax in respect of such goods in Rajasthan is 14.5%.



- g) Goods amounting to ₹ 57,000 were sold to a firm of London in the course of export outside India (tax rate 5%).
- h) Goods amounting ₹ 32,640 taxable at 14.5% were sold to a registered dealer of Delhi. Such goods are taxable in Rajasthan at 2%.
- i) Goods worth ₹ 30,000 taxable at 12.5% were sold to a registered dealer in Ajmeer of Rajasthan.
- j) Goods worth ₹ 40,000 were invoiced to the agent of Aligarh, but while the goods were in transit they were sold to an unregistered dealer of Agra of Uttar Pradesh for ₹ 44,800 (Rate of tax in Rajasthan 12.5%).

The dealer has submitted necessary certificates and declarations. The above selling prices include CST.

15. An importer has imported a machine from New York for an invoice price of 15,000 dollars. But it doesnot include the following :
- i) Freight from USA to India port was 500 Dollars.
 - ii) Insurance was paid to insurer in India ₹ 15,000.
 - iii) Design and development charges at 3,500 dollors were paid to a consultancy firm in USA.
 - iv) The importer sent some materials to the exporter for the machine free of cost. It was used in manufacturing of machine ₹ 80,000.
 - v) ₹ 30,000 were spent in transporting the machine from Indian port to the factory of importer.
 - vi) Installation charges of machine in the factory ₹ 55,000.
 - vii) Rate of exchange as announced by RBI was ₹ 42 = one dollar.

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- viii) Rate of exchange as announced by Central Government (CBEC) ₹ 65 = one dollar.
- ix) Foreign exporter has an agent in India. Commission is payable to the agent in India ₹ @ 5% of Invoice price.
- x) Customs duty payable was 10% if similar goods were produced in India. Excise duty payable as per tariff is 12.5%.

Find out Assessable value and customs duty payable.

16. a) A manufacturer has prepared an invoice as under.

16

- 1) Price of goods (Excluding excise duty) ₹ 18,00,000.
- 2) Internal transport ₹ 25,000.
- 3) Advertisement charges ₹ 70,000.
- 4) Royalty ₹ 35,000.
- 5) Marketing and selling expenses ₹ 20,000.
- 6) Commission @ 1% on the price of goods.
- 7) Testing and research expenses ₹ 40,000.
- 8) Servicing charges ₹ 48,000.
- 9) Design and development expenses ₹ 15,000.
- 10) Outward handling charges ₹ 5,000.
- 11) KVAT @ 20%.
- 12) Outward freight and insurance ₹ 40,000.
- 13) Discount allowed @ 5% on price of goods.

If the rate of central excise duty @ 12.5%, how much amount he should charge to the customer as duty. Find the price payable by the customer.



b) From the following information supplied by a company. Compute the assessable value of excisable goods, excise duty payable and CENVAT credit available, if any, according to Central Excise Act of 1944 under MRP Method.

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- a) Manufactured 12,000 colour Television sets.
- b) Retail price per set is ₹ 15,000 that includes excise duty.
- c) Sold 8,000 sets to whole salers. Discount allowed is 20% on retail price. Television sets sold in retail 2000.
- d) Balance of 2000 sets not removed from the factory.
- e) Company purchased inputs for manufacture of Television sets ₹ 2 crore including the basic excise duty of ₹ 40,00,000.
- f) The closing stock of inputs ₹ 50,00,000.
- g) The company is liable to pay excise duty at 12.5% and the rate of abatement is 33%.

14

Reg. No.

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BCMCMC 355

**Credit Based VI Semester B.Com. Degree Examination, April/May 2017
(Semester Scheme) (2015 – 16 & Earlier Batches)
COMMERCE**

Cost and Management Accounting – IV

Time : 3 Hours

Max. Marks : 120

Instruction : Provide working notes wherever necessary.

SECTION – A

Answer **any four** questions.

(4×6=24)

1. What is meant by cash flow analysis ? Give the example of cash flows from operating activities.
2. Distinguish between Marginal costing and Absorption costing.
3. What is variance analysis ? How it is helpful to the management ?
4. Define Standard Costing. What are the steps involved in standard costing ?
5. Calculate funds from operation from the information given below as on 31st March 2015 :
 - a) Net profit for the year ended 31st March 2015 ₹ 5,00,000.
 - b) Discount on issue of shares written off during the year ₹ 1,700.
 - c) Preference share capital of ₹ 1,00,000 is redeemed at 10% premium.
 - d) Old machinery worth ₹ 8,000 has been sold for ₹ 6,500 during the year.
 - e) Goodwill appears in the books at ₹ 1,90,000, out of which 10% has been written off during the year.
 - f) Income received from non-trading investment ₹ 20,000.

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P.T.O.



6. From the following information find out :

- i) Labour Rate Variance
- ii) Labour Cost Variance
- iii) Labour Efficiency Variance

Standard**Actual**

Output – 1,000 units

1,200 units

Rate of payment = ₹ 6 per unit

Wages paid ₹ 8,000

Time taken 50 Hrs.

40 Hrs.

SECTION – B

Answer **any four** questions.

(4×12=48)

7. What are the advantages and limitations of Standard Costing ?
8. What is Fund Flow Statement ? Explain the uses of Fund Flow Statement.
9. Calculate :
 - a) Labour Cost Variance.
 - b) Labour Rate Variance.
 - c) Labour Efficiency Variance for Departments A and B

	Dept. A	Dept. B
Actual direct wages	₹ 2,000	₹ 1,800
Standard hours produced	8,000	6,000
Standard rate per hour	₹ 3	3.5 paise
Actual hours worked	8,200	5,800

10. Compute cash from operation from the following :

Particulars	31-12-2015	31-12-2016
	₹	₹
Sundry Creditors	9,000	13,500
Bills Payable	7,200	3,600
Outstanding expenses	5,400	9,000
Stock	18,000	21,600

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Sundry Debtors	27,000	36,000
Bills receivable	9,000	14,400
Prepaid expenses	1,800	900
Profit and Loss Account Balance	12,500	28,000

Other information :

- a) Depreciation on Fixed Assets ₹ 2,000.
- b) Loss on sale of Machinery ₹ 1,000.
- c) Dividend received on investments ₹ 450.
- d) Preliminary expenses written off ₹ 1,250.
- e) Goodwill written off ₹ 1,000.
- f) Transfer to general reserve ₹ 5,000.
- g) Proposed dividend ₹ 10,000.
- h) Profit on sale of Building ₹ 4,000.
- i) Operating expenses ₹ 5,000.

11. The Bright Company Ltd. plans to sell its products as follows :

Month	Estimated sales (in units)
January 2016	1,08,000
February 2016	1,20,000
March 2016	1,32,000
April 2016	1,56,000
May 2016	1,38,000
June 2016	1,50,000
July 2016	1,80,000

At the beginning of January 2016, there are 18,000 units of the product in the stock. At the end of each month, the company plans to have an inventory equal to one-sixth of the sales of the next month. Prepare a production budget for six months ending June 2016.

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12. Find out the
- a) Labour cost variance
 - b) Labour rate variance
 - c) Labour mix variance.

From the following data :

Budgeted labour composition for producing 500 units

100 Men at ₹ 15 per hour for 20 hours

200 Women at ₹ 12.5 per hour for 15 hours

Actual labour composition for producing 500 units

120 Men at ₹ 17.5 per hour for 15 hours

200 Women at ₹ 12.5 per hour for 20 hours

SECTION – C

Answer **any two** questions.

(2×24=48)

13. The Balance Sheet of A Ltd., as on 1-1-2015 and 31-12-2015 are given below.

Particulars	1-1-2015	31-12-2015
	₹	₹
Share Capital	4,00,000	5,00,000
General Reserve	1,80,000	2,30,000
Profit and Loss Account	70,000	90,000
Debentures	3,00,000	2,00,000
Current liabilities	1,30,000	1,20,000
Provision for tax (NCL)	80,000	60,000
Proposed dividend (NCL)	40,000	50,000
	12,00,000	12,50,000
Fixed assets at cost	10,00,000	10,00,000
Less : Accumulated depreciation	(2,60,000)	(3,10,000)
Trade investments	1,10,000	90,000
Current assets	3,20,000	4,50,000
Preliminary expenses	30,000	20,000
	12,00,000	12,50,000

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During the year the company :

- 1) Sold one machine for ₹ 40,000, the cost of which was ₹ 80,000 and the depreciation provided on it was ₹ 30,000.
- 2) Provided ₹ 1,00,000 as depreciation.
- 3) Redeemed the debentures of ₹ 100 at ₹ 105.
- 4) Sold Investments at a profit of ₹ 20,000.
- 5) Decided to write off fixed assets (fully depreciated) costing ₹ 20,000.
- 6) Decided to value opening stock at cost which was valued previously at cost less 10%. The opening stock according to book was ₹ 63,000. The closing stock was correctly valued at cost.

Prepare the statement of sources and application of funds for the year ended 31-12-2015, showing the changes in working capital. Show working notes.

14. From the following Balance Sheet of Sun Ltd. Prepare Cash Flow Statement for the year ending 31-3-2016. Together with the relevant Ledger A/cs.

Balance Sheet as on 31-3-2016

Liabilities	As on		Assets	As on	
	31-3-2015	31-3-2016		31-3-2015	31-3-2016
	₹	₹		₹	₹
Equity Share Capital	4,50,000	5,00,000	Goodwill	1,15,000	90,000
Profit & Loss A/c	70,000	1,18,000	Land and Buildings	2,00,000	1,70,000
Creditors	97,000	1,33,000	Machinery	80,000	2,00,000
Bills Payable	20,000	16,000	Stock	77,000	1,09,000
Taxation provision	40,000	50,000	Bills Receivable	20,000	30,000
			Debtors	1,60,000	2,00,000
			Bank A/c	25,000	18,000
	6,77,000	8,17,000		6,77,000	8,17,000

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Additional Information :

- i) Depreciation of ₹ 10,000 and ₹ 20,000 have been charged on machinery and land and building respectively.
- ii) An interim dividend of ₹ 20,000 has been paid during current accounting year.
- iii) ₹ 35,000 income tax was paid during current accounting year.

15. During the month of January the following data applies :

Materials	Standard mix			Actual mix		
	Units (kgs)	Price (₹)	Amount (₹)	Units (kgs)	Price (₹)	Amount (₹)
X	60	25	1,500	56	25	1,400
Y	40	50	2,000	44	50	2,200
Total	100		3,500	100		3,600
Loss	30			26		
Yield	70			74		

Calculate :

- a) Material cost variance.
- b) Material price variance.
- c) Material usage variance.
- d) Material mix variance.
- e) Material yield variance.

2021



16. Supreme Ltd. furnishes the following information of its cost and profit for the year 2015 and 2016.

	Cost	Sales
	₹	₹
2015	12,00,000	14,00,000
2016	15,00,000	18,00,000

Calculate the following :

- a) P/V ratio
- b) Fixed cost
- c) Variable cost for 2015 and 2016
- d) Margin of safety for 2015 and 2016
- e) The most likely profit when the sales are ₹ 20,00,000
- f) B.E.P. sales
- g) Estimated sales when the desired profit is ₹ 5,00,000.

**Credit Based VI Semester B.Com. Examination, April/May 2017
(2015-16 and Earlier Batches)**

COMMERCE

Financial Accounting – VI

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **any four** questions :

(4×6=24)

1. What is amalgamation ? Explain the different methods of calculating purchase consideration.
2. State any four differences between Internal reconstruction and External reconstruction.
3. What is cost of control under holding company ?
4. What is accounting ratio ? State any four advantages of ratio analysis.
5. The Niraj Limited went into liquidation. Its assets realised Rs. 70,00,000 excluding amount realised by sale of securities held by the secured creditors. The following was the position :
Share capital 20000 shares of Rs. 100 each Rs. 20,00,000.
Secured creditors (securities realised Rs. 8,00,000) Rs. 7,00,000.
Preferential creditors Rs. 1,20,000.
Unsecured creditors Rs. 28,00,000.
Debentures having a floating charge on the assets of the company Rs. 50,00,000.
Liquidation expenses Rs. 10,000.
Liquidator's remuneration Rs. 15,000.
Prepare the liquidator's final statement of account.
6. The following information of Ninandh Ltd. company is given
Current ratio 2.5 : 1 Acid test ratio 1.5 : 1 Current liabilities Rs. 4,00,000.
Find out : a) Current assets b) Liquid assets c) Inventory.



SECTION – B

Answer any four questions :

(4×12=48)

7. Explain the different forms of Internal Reconstruction.
8. Star Ltd., agreed to absorb the business of Shine Ltd., on that date stood as follows :

Liabilities	₹	Assets	₹
Fully paid share capital in shares of Rs. 10 each	6,00,000	Goodwill	90,000
General Reserve	1,50,000	Land/Buildings	6,50,000
P and L A/c	1,30,000	Stock	1,70,000
10% Debentures	1,00,000	Debtors	34,000
Creditors	14,000	Bank	50,000
	9,94,000		9,94,000

Star Ltd. agreed to pay

- Rs. 2.50 in cash for each share of Shine Ltd. Allotment of 90000 shares of Rs. 10 at Rs. 15.
 - The debenture holders to get 11% debentures in Star Ltd.
 - The directors of Star Ltd. valued land and buildings at Rs. 12,00,000; stock at 1,50,000, debtors at 5% RBD.
 - Absorption expenses amounted to Rs. 8,000 and it was met by Star Ltd.
- Show necessary ledger accounts to close the books of vendor company and incorporating entries in the books of Star Ltd.

9. **Balance Sheet of Unsuccessful Ltd. on 31st December, 2015**

Liabilities	₹	Assets	₹
Share capital		Land and Building	1,00,000
Authorized and subscribed :		Plant and machinery	2,50,000
2000, 6% Preference shares of Rs. 100 each	2,00,000	Patents	40,000
1000 Equity shares of Rs. 100 each, Rs. 75 paid	75,000	Stocks at cost	55,000
3000 Equity shares of Rs. 100 each Rs. 60 paid	1,80,000	Sundry Debtors	1,10,000
5% Debentures having a floating charges on all assets	1,00,000	Cash at banks	30,000
Interest outstanding	5,000	Profit and Loss Account	1,20,000
Creditors	1,45,000		
	7,05,000		7,05,000

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The company went into liquidation on the above date. The preference dividends were in arrears for two years and are payable on liquidation as per the Articles of Association. Creditors include a loan for Rs. 50,000 on the mortgage of land and building. The assets were realized as follow :

- Land and Building Rs. 1,20,000
- Plant and Machinery Rs. 2,00,000
- Patents Rs. 30,000
- Stocks at cost Rs. 60,000
- Sundry Debtors Rs. 80,000

The expense of liquidation amounted to Rs. 10,900. The liquidator is entitled to a commission of 3% on all assets realized except cash and a commission of 2% on amounts distributed among unsecured creditors. Preferential creditors amounted to Rs. 15,000. Assume that the payable was made on June 30, 2016. Prepare the liquidator's Statement of Account.

10. The Balance Sheet of Nandhana Industries Ltd. at 31st December 2016 was as under :

Liabilities	Rs.	Assets	Rs.
2000 Preference shares of Rs. 100 each	2,00,000	Freehold property	2,00,000
4000 Equity shares of Rs. 100 each	4,00,000	Plant and machinery	3,00,000
Creditors	1,00,000	Stock	50,000
5% debentures 20000	1,00,000	Debtors	40,000
Bank overdraft	50,000	Goodwill	15,000
	8,50,000	Profit and Loss A/c	2,45,000
			8,50,000

The company gets the following scheme of capital reduction approved by the court :

- a) The Preference shares to be reduced to Rs. 75 per share, fully paid up and Equity shares to Rs. 30.
- b) The debenture holders took over the stock in trade and book debts in full satisfaction of the amount due to them.
- c) The goodwill account to be eliminated.
- d) The free hold properties to be depreciated by 50%.
- e) The value of plant and machinery to be increased by Rs. 50,000.

Give journal entries for the above and prepare the revised Balance Sheet.

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11. Following is the Balance Sheet of Kundra Ltd. as on 31st March 2016.

Liabilities	Rs.	Assets	Rs.
Equity share capital	25,00,000	Goodwill	2,00,000
6% Preference share capital	15,00,000	Machinery	25,00,000
General reserve	2,00,000	Building	17,50,000
Profit and Loss Account	1,50,000	Furniture	1,00,000
5% debentures	10,00,000	Stock	9,00,000
Creditors	2,80,000	Debtors	2,10,000
Bills payable	1,20,000	Bank	50,000
		Preliminary expenses	40,000
	57,50,000		57,50,000

Additional information :

- a) Total sales is Rs. 40,00,000 of which 20% made on credit.
- b) Gross profit for the year amounted to Rs. 8,00,000 and net profit Rs. 2,00,000.

Calculate :

- a) Current ratio
- b) Liquid ratio
- c) Debt equity ratio
- d) Gross profit ratio
- e) Net profit ratio
- f) Fixed asset turnover ratio

12. From the Balance Sheets given below prepare a consolidated Balance Sheet of H Ltd. and its subsidiary company S Ltd. Also calculate pre-acquisition profit post-acquisition profit, minority interest and goodwill. Shares were acquired on 1st October 2015.

Balance Sheet of H Ltd., as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	1,40,000
15000 Equity shares of Rs. 10 each fully paid	1,50,000	Investment : Shares of Rs. 10 each in S Ltd.	27,000
General Reserve	20,000	Current Assets	58,000
Profit and Loss Account	30,000		
Creditors	25,000		
	2,25,000		2,25,000

2.5



Balance Sheet of S Ltd., as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed assets	40,000
3000 Equity shares of Rs. 10 each fully paid	30,000	Current assets	10,000
Profit and Loss Account :			
Balance on 1-4-2015	4,500		
Add : Net profit for the year	<u>6,000</u>		
Creditors	9,500		
	50,000		50,000

SECTION - C

Answer **any two** questions :

(2x24=48)

13. X Ltd. and Y Ltd. carrying on a similar business agreed to amalgamate by transferring their undertaking to a new company called Z Ltd. The Balance Sheet of the two companies as on the date of transfer were as follows :

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
	Rs.	Rs.		Rs.	Rs.
Issued capital (Shares of Rs. 10 each	5,00,000	3,00,000	Land and Building	4,65,000	2,55,000
8% Preference shares of Rs. 100 each	5,00,000	2,50,000	Plant and Machinery	5,60,000	3,58,000
P and L A/c	1,15,000	55,000	Furniture and Fittings	79,000	34,000
7% debenture	-	40,000	Stock	81,500	52,000
Creditors	75,000	35,000	Debtors	56,000	24,600
General reserve	2,00,000	70,000	Cash at bank	87,000	22,500
			Cash in hand	6,400	3,900
			Preliminary expenses	55,100	-
	13,90,000	7,50,000		13,90,000	7,50,000

The terms of agreement were as follows :

- 1) Purchase consideration consisted of
 - a) The assumption of liabilities of both the companies.
 - b) The discharge of debentures in Y Ltd., at a premium of 5% by the issue of 8% debentures in Z Ltd.

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- c) The issue of 10 Equity shares of Rs. 10 each at a premium of Rs. 2 per share for each Preference share held in both the companies.
 - d) The issue of 10 Equity shares of Rs. 10 each at a premium of Rs. 2 per share and Rs. 22 in cash for Equity share in X Ltd. and 5 Equity shares of Rs. 10 each at a premium of Rs. 2 per share and Rs. 80 in cash for every shares held in Y Ltd.
- 2) All the assets and liabilities of the two companies were taken over at their book values except that a provision at 5% to be raised on debtors.
 - 3) In order to raise working capital and to pay the consideration, Z Ltd. decided to issue 30000 Equity shares of Rs. 10 each at a premium of Rs. 2.50 per share.

Prepare Realisation Account, Equity share holders and Preference share holders Account in the book of X Ltd. and Y Ltd. and Balance Sheet of Z Ltd.

14. Silver Ltd. has just recovered from a great financial difficulty. Its Balance Sheet as on 31st Dec. 2015 is as follows :

Liabilities	Rs.	Assets	Rs.
Share capital		Building	4,00,000
Shares of Rs. 10 each	6,00,000	Plant and machinery	2,00,000
5% Preference share capital	4,00,000	Current assets	2,00,000
Liabilities	1,50,000	Profit and Loss A/c	3,50,000
	11,50,000		11,50,000

Gold Ltd., is formed to takeover Buildings at Rs. 3,00,000, Plant and machinery at Rs. 1,40,000 and stock at Rs. 60,000.

Purchase consideration is to be satisfied by 7%, Preference shares and Equity shares of Rs. 10 of Gold Ltd. in the ratio of 3 : 2. Preference share holders are to be settled in full by allotment of the new Preference shares.

Sundry debtors realised Rs. 1,50,000 and Rs. 1,10,000 was paid to creditors in full settlement. There is no other current asset except stock and debtors. Cost of winding up amounted to Rs. 10,000.

Prepare the necessary ledger accounts in the books of Silver Ltd. and opening journal entries in the books of Gold Ltd.

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15. The following Balance Sheets are presented to you.

Balance Sheet as at 31-3-2016

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital		
In shares of 100 each	5,00,000	2,00,000
General Revenues	1,00,000	-
Profit and Loss A/c	80,000	-
6% debentures	-	1,00,000
Creditors	75,000	45,000
Loan from H Ltd.	-	50,000
Total	7,55,000	3,95,000
Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Fixed assets	3,00,000	2,00,000
Stock	90,000	40,000
Debtors	60,000	30,000
6% debentures in S Ltd. acquired at cost	60,000	-
Shares in S Ltd. 1500 shares	1,20,000	-
Cash at bank	75,000	25,000
Profit and Loss Account	-	1,00,000
Loan to S Ltd.	50,000	-
Total	7,55,000	3,95,000

H Ltd. acquired the share on 1st August 2015. The Profit and Loss A/c of S Ltd. showed a debit balance of Rs. 1,50,000 on 1st April 2015. During June 2015 goods costing Rs. 6,000 were destroyed by fire against which the insurance paid only Rs. 2,000. Trade creditors of S Ltd. include Rs. 20,000 for goods supplied by H Ltd. on which H Ltd. made a profit of Rs. 2,000. Half of the goods were still in stock on 31-12-2016. Prepare consolidated Balance Sheet.

28/2



16. From the following financial statement of Zinda Ltd.

calculate :

- | | |
|--------------------------|---------------------------|
| a) Liquid ratio | e) Debt-equity ratio |
| b) Operating ratio | f) Net profit ratio |
| c) Working capital ratio | g) Stock turnover ratio |
| d) Proprietary ratio | h) Capital gearing ratio. |

Profit and Loss Account for the year ending 31-3-2016

	₹		₹
To Opening stock	5,00,000	By Sales	20,00,000
To Purchases	11,00,000	By Closing stock	6,00,00
To Manufacturing expenses	5,00,000		
To Gross profit	5,00,000		
	26,00,000		26,00,000
To Administration expenses	75,000	By Gross profit	5,00,000
To Selling expenses	50,000	By Dividend	10,000
To Debenture interest	20,000	By Profit on sale of	20,000
To Depreciation	60,000	furniture	
To Loss on sale of motor car	5,000		
To Net profit	3,20,000		
	5,30,000		5,30,000

Balance Sheet as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Equity share capital	10,00,000	Goodwill	5,00,000
6% Preference share capital	5,00,000	Land and Building	7,00,000
General reserve	1,00,000	Plant and Machinery	6,00,000
Profit and Loss Account	4,00,000	Furniture	1,00,000
Provision for tax	1,76,000	Stock in trade	6,00,000
Bills payable	1,24,000	Bills receivable	30,000
Bank overdraft	2,00,000	Debtors	1,50,000
Creditors	4,00,000	Cash at bank	2,20,000
	29,00,000		29,00,000

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**Credit Based VI Semester B.Com. Examination, April/May 2017
(New Scheme) (2016-17 Batch)**

COMMERCE**Financial Management – II**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer any four :

(6×4=24)

- Jaydev Ltd. issues 50,000 equity shares of Rs. 10 each at a premium of 20%. The share issue expenses are estimated to be 10% of total sale proceeds. Calculate the cost of equity share if the company is planning to declare dividend at 13.5% for the current year.
- Anusha Co. Ltd. achieved an EPS of Rs. 20 for the year 2015-16. Its cost of equity was 16% and the rate of return was 20%. The dividend payout ratio was 20%. Calculate market price of the share using Gordon's model. What will be the share price, if the payout ratio was increased to 50% ?
- Following is the Balance Sheet of Karunya Agro Ltd. as on 31-3-2016.

31-3-15 Rs.	Liabilities	31-3-16 Rs.	31-3-15 Rs.	Assets	31-3-16 Rs.
1,00,000	Share Capital	1,00,000	50,000	Fixed Assets	45,000
20,000	P/L A/c	35,000	30,000	Investments	65,000
30,000	Debentures	30,000	80,000	Current Assets	70,000
10,000	Creditors	15,000			
1,60,000		1,80,000	1,60,000		1,80,000

Prepare a comparative Balance Sheet.

- How is a Mutual Fund formed and managed ?
- Explain the concept of Working Capital, Briefly.
- What are the effects of Cash Deficit ?

SECTION – B

Answer any four :

(12×4=48)

- The transactions of a small scale industrial unit for the month of August 2016 are as given below :
 - Cash sales Rs. 4,29,800
 - Credit sale Rs. 8,90,000 always 50% of the credit sale is realised in the same month, 25% in the next month (1 month after) and remaining 25% two months after.

P.T.O.

3018



- 3) Cash purchases Rs. 2,23,500.
- 4) Credit purchases Rs. 1,60,000. always, 10% of the credit purchases is payable in the same month, 40% in the next month and the remaining 50% two months after.
- 5) Wages Rs. 1,20,000, These are weekly wages. $\frac{3}{4}$ of the wages is paid in the same month and $\frac{1}{4}$ in the next month.
- 6) Salary Rs. 80,000 payable in the first week of the next month.
- 7) Power bill Rs. 38,000 which is always payable in the next month.
- 8) Closing balance of cash is expected to be Rs. 2,60,000 further the firm estimates the following figures for the month of September 2016.

i) Cash sale	Rs. 7,80,000
ii) Credit sale	Rs. 9,40,000
iii) Cash purchases	Rs. 3,20,000
iv) Credit purchases	Rs. 2,30,000
v) Wages	Rs. 1,30,000
vi) Salaries	Rs. 90,000
vii) Sale of investment	Rs. 1,20,000
viii) Sale of old machinery	Rs. 90,000
ix) Purchase of new machinery	Rs. 2,10,000
(The payment is expected to be made in October 2016)	
x) Power	Rs. 46,000
xi) Investment in corporate securities	Rs. 10,00,000

Prepare the cash budget of the industrial unit for September 2016.

8. Prepare an estimate of working capital requirement from the following data of a manufacturing concern.

Sales (Credit period 3 months)	Rs. 20,00,000
Raw materials	Rs. 6,00,000
Wages paid 15 days in arrears	Rs. 4,80,000
Manufacturing expenses – 1 month in arrears	Rs. 3,00,000
Administrative expenses – 1 month in arrears	Rs. 60,000
Sales promotion expenses payable in advance for 3 months	Rs. 50,000
Income tax payable	Rs. 12,500

The company enjoys one month credit from suppliers of raw materials. It maintains two months stock of raw materials and one month stock of finished goods. Cash balance is maintained at Rs. 50,000 as a precautionary balance. Assume 10% for contingences.

3108



9. From the following data relating to ten Pharmaceutical Companies. Calculate their cost of equity for the year 2015-16.

Company	Face value Rs.	Dividend %	Market price Rs.
i) Ranbaxy Lab	5	50	431
ii) Wook Hardt	5	100	390
iii) Zandu Pharma	100	50	2,800
iv) Dabur Pharma	1	10	59
v) Amrutanjan	10	35	211
vi) Cadila health care	5	120	620
vii) Cipla	2	175	225
viii) Dr. Reddy Labs	5	100	1,100
ix) Matrix Lab	2	60	228
x) Nicholas Piramal	2	150	177

10. Apply Modigliani-Miller hypothesis and determine the share prices of the following companies after the declaration of dividend.

Company	Face Value (Rs.)	Price before declaration of dividend (Rs.)	Dividend per share (Rs.)	Cost of equity (%)	Net profit (Rs. Crores)
Bajaj Auto	10	600	12	5	320
Gluco	10	418	6	6	110
Mataji Auto	10	206	5	7	56
Matrix Auto	10	165	12	4	250
Napier Co.	10	5,980	20	5	175

11. Why should an investor invest through a mutual fund ? Explain.

12. Explain the important techniques of financial analysis.

SECTION - C

Answer any two questions :

(2x24=48)

13. A Ltd. has the following capital structure :

Equity share capital (200000 shares)	Rs. 40,00,000
6% preference shares	10,00,000
8% Debentures	30,00,000
	80,00,000

3288



The market price of the company's equity share is Rs. 20. It is expected that the company will pay a current dividend of Rs. 2 per share, which will grow at 7% forever. The tax rate may be presumed at 50%. You are required to compute the following :

- a) Weighted average cost of capital based on existing capital structure.
- b) The new weighted average cost of capital, if the company raises an additional Rs. 20,00,000 debt by issuing 10% debentures. This would result in increasing the expected dividend to Rs. 3 and leave. The growth unchanged, but the price of the share will fall to Rs. 15 per share.

14. You are supplied with the following information in respect of Sangama Pvt. Ltd. for the year 2016.

- Production – 69000 units
- Finished goods in stores – 3 months
- Raw materials in stores – 2 months
- Production process – one month
- Credit allowed by creditors – 2 months
- Credit given to debtors – 3 months
- Selling price per unit – Rs. 50
- Raw materials – 50% of selling price
- Direct wages – 10% selling price
- Over heads – 20% of selling price

There is a regular production and sales cycle. Wages and over-heads accrue evenly. Wages are paid in the next month of accrual, materials are introduced at the beginning of the production cycle.

You are required to calculate the working capital requirement.

15. Tata Motors Ltd. furnishes the following details. You are required to prepare trend values and make an analysis of that.

	(Rs. in crores)				
	March 2016	December 2014	December 2013	December 2012	December 2011
Inventory	300	205	144	75	45
Sundry Debtors	46	11	12	6	4
Cash and Bank	45	43	19	4	3
Sales	6,984	3,320	1,918	1,179	742

16. Explain in detail the role and functions of different parties to a mutual fund.

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BCMCMC 351

**Credit Based VI Semester B.Com. Examination, April/May 2017
(Semester Scheme) (2015-16 Batch and Earlier Batches)**

**COMMERCE
Indian Corporate Law**

Time : 3 Hours

Max. Marks : 120

SECTION – A/ವಿಭಾಗ-ಎ

Answer any four questions :

(4×6=24)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳನ್ನು ಉತ್ತರಿಸಿರಿ :

1. State the facts and judicial decisions in the case of "Soloman Vs Soloman and company".

“ಸೊಲೋಮನ್ ವಿರುದ್ಧ ಸೊಲೋಮನ್ ಮತ್ತು ಕಂಪೆನಿ” ಪ್ರಕರಣದ ತೀರ್ಪಿನ ಬಗ್ಗೆ ವಿವರಿಸಿರಿ.

2. What is a share certificate ? What are its contents ?

ಶೇರು ಪತ್ರ ಎಂದರೇನು ? ಅದರ ಅಡಕಗಳು ಯಾವುವು ?

3. State the meaning and importance of prospectus.

ಪರಿಚಯ ಪತ್ರದ ಅರ್ಥ ಹಾಗೂ ಪ್ರಾಮುಖ್ಯತೆಯನ್ನು ತಿಳಿಸಿರಿ.

4. Define a preference share and bring out its features.

ಆದ್ಯತಾ ಶೇರುಗಳನ್ನು ವ್ಯಾಖ್ಯಾನಿಸಿ ಹಾಗೂ ಅದರ ಗುಣಲಕ್ಷಣಗಳನ್ನು ಗುರುತಿಸಿ.

5. Explain the term company secretary.

ಕಂಪನಿಯ ಕಾರ್ಯದರ್ಶಿಯ ಬಗ್ಗೆ ವಿವರಿಸಿರಿ.

6. Write a note on statutory report.

“ಶಾಸನಬದ್ಧ ವರದಿ” ಯ ಕುರಿತು ಒಂದು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

SECTION – B/ವಿಭಾಗ-ಬಿ

Answer any four questions :

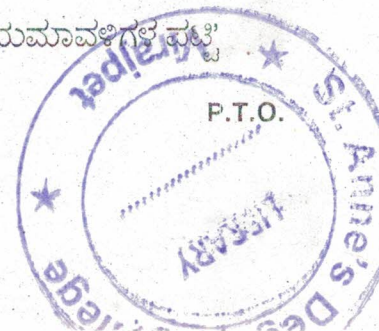
(4×12=48)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳನ್ನು ಉತ್ತರಿಸಿರಿ :

7. What is 'Articles of Association' ? Distinguish between Memorandum of Association and Articles of Association.

‘ಕಂಪನಿಯ ನಿಯಮಾವಳಿಗಳ ಪಟ್ಟಿ’ ಎಂದರೇನು ? ‘ಸಂವಿಧಾನ ಪಟ್ಟಿ’ ಹಾಗೂ ‘ನಿಯಮಾವಳಿಗಳ ಪಟ್ಟಿ’ ಇವೆರಡರ ವ್ಯತ್ಯಾಸಗಳನ್ನು ಗುರುತಿಸಿರಿ.

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8. Explain the various methods by which the membership of a company is acquired.

ಕಂಪನಿಯ ಸದಸ್ಯತ್ವವನ್ನು ಪಡೆಯುವ ವಿವಿಧ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿರಿ.

9. Explain the 'Doctrine of indoor management'. Narrate the exceptions to this doctrine.

ಆಂತರಿಕ ಆಡಳಿತ ತತ್ವ ಎಂದರೇನು ? ಈ ತತ್ವದ ಅಪವಾದಗಳನ್ನು ವಿವರಿಸಿರಿ.

10. Who is a proxy ? Explain the provisions of companies act regarding appointment of proxies.

ಬದಲಿ ಪ್ರತಿನಿಧಿ ಎಂದರೆ ಯಾರು ? ಬದಲಿ ಪ್ರತಿನಿಧಿಯನ್ನು ನೇಮಿಸುವುದಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಶಾಸನಿಕ ನಿಬಂಧನೆಗಳನ್ನು ವಿವರಿಸಿರಿ.

11. Explain the various methods by which the membership of a company is terminated.

ಕಂಪನಿ ಸದಸ್ಯತ್ವವು ಕೊನೆಗೊಳ್ಳುವ ವಿವಿಧ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿರಿ.

12. What is registration of charges ? What are the consequences of non registration ?

ಆಧಾರಗಳ ನೋಂದಣಿ ಎಂದರೇನು ? ಆಧಾರಗಳ ನೋಂದಣಿ ಮಾಡದಿರುವುದರಿಂದ ಉಂಟಾಗುವ ಪರಿಣಾಮಗಳು ಯಾವುವು ?

SECTION - C/ವಿಭಾಗ - ಸಿ

Answer any two questions :

(2x24=48)

ಯಾವುದಾದರೂ ಎರಡನ್ನು ಉತ್ತರಿಸಿರಿ :

13. What is corporate veil ? Explain the circumstances under which it is lifted.

ಕಂಪನಿಯ ಪರದೆ ಎಂದರೇನು ? ಯಾವ ಸಂದರ್ಭಗಳಲ್ಲಿ ಕಂಪನಿಯ ಪರದೆಯನ್ನು ಸರಿಸಬಹುದು ? ವಿವರಿಸಿರಿ.

14. Discuss the provisions of companies act regarding the appointment and removal of company directors.

ಕಂಪನಿ ನಿರ್ದೇಶಕರ ನೇಮಕಾತಿ ಮತ್ತು ಸ್ಥಾನದಿಂದ ವಜಾಗೊಳಿಸುವುದರ ಬಗ್ಗೆ ಕಂಪನಿಗಳ ಕಾಯ್ದೆಯಲ್ಲಿರುವ ನಿಯಮಗಳನ್ನು ವಿವರಿಸಿರಿ.

15. Define and explain the term 'debenture'. Explain the various classes of debentures.

'ಸಾಲಪತ್ರ'ವನ್ನು ವ್ಯಾಖ್ಯಾನಿಸಿರಿ ಮತ್ತು ವಿವರಿಸಿರಿ. ಸಾಲಪತ್ರಗಳ ವಿವಿಧ ವರ್ಗಗಳನ್ನು ವಿವರಿಸಿರಿ.

16. Define a joint stock company. Explain its features in detail.

ಕಂಪನಿಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿ. ಅದರ ಗುಣಲಕ್ಷಣಗಳನ್ನು ವಿವರಿಸಿರಿ.



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BCMCMC 362

Credit Based VI Semester B.Com. Examination, April/May 2017

(2016-17 Batch)

COMMERCE

Auditing

Time : 3 Hours

Max. Marks : 120

SECTION – A

ವಿಭಾಗ - ಎ

Answer any four questions :

(4×6=24)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ :

1. Write a note on Government Audit.

ಸರ್ಕಾರಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಕುರಿತು ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

2. Write a note on 'CARO' report.

'ಕಾರೋ' ವರದಿ ಬಗ್ಗೆ ಟಿಪ್ಪಣಿ ಬರೆಯಿರಿ.

3. List out the contents of audit note book.

ಲೆಕ್ಕಪರಿಶೋಧನಾ ಟಿಪ್ಪಣಿ ಪುಸ್ತಕದಲ್ಲಿ ಅಡಕವಾಗಿರುವ ಅಂಶಗಳನ್ನು ಪಟ್ಟಿಮಾಡಿ.

4. Write the importance of internal audit.

ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಮಹತ್ವವನ್ನು ವಿವರಿಸಿರಿ.

5. Explain the procedure for vouching of 'Cash Sales'.

'ನಗದು ಮಾರಾಟ'ದ ದೃಢೀಕರಣದ ವಿಧಾನಗಳನ್ನು ವಿವರಿಸಿ.

6. Explain about general EDP controls.

ಸಾಮಾನ್ಯ ಎಲೆಕ್ಟ್ರಾನಿಕ್ಸ್ ಅಂಕಿ ಅಂಶಗಳ ಸಂಸ್ಕರಣ ನಿಯಂತ್ರಣಗಳ ಬಗ್ಗೆ ವಿವರಿಸಿರಿ.

SECTION – B

ವಿಭಾಗ - ಬಿ

Answer any four questions :

(4×12=48)

ಯಾವುದಾದರೂ ನಾಲ್ಕು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

7. Distinguish between continuous audit and periodical audit.

ನಿರಂತರ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮತ್ತು ಕಾಲಾವಧಿ ಲೆಕ್ಕಪರಿಶೋಧನೆ ವ್ಯತ್ಯಾಸಗಳನ್ನು ತಿಳಿಸಿರಿ.

8. What is internal check ? Suggest a suitable system of internal check applicable to the payment of wages.

ಆಂತರಿಕ ಪ್ರತಿಬಂಧ ಎಂದರೇನು ? ಮಜೂರಿ ಪಾವತಿಗೆ ಸಂಬಂಧಪಟ್ಟ ಸೂಕ್ತವಾದ ಆಂತರಿಕ ಪ್ರತಿಬಂಧ ವ್ಯವಸ್ಥೆಯ ಬಗ್ಗೆ ಸಲಹೆ ನೀಡಿರಿ.

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9. "Vouching is the essence of audit". Explain. What are the main points to be kept in mind while examining vouchers ?

"ದೃಢೀಕರಣವು ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯ ಸಾರ" ವಿವರಿಸಿ. ದಾಖಲೆಗಳನ್ನು ಪರೀಕ್ಷಿಸುವಾಗ ಯಾವ ಅಂಶಗಳನ್ನು ನೆನಪಿಟ್ಟು ಕೊಳ್ಳಬೇಕು ?

10. How are auditors of a company appointed under different circumstances ?

ಕಂಪನಿ ಲೆಕ್ಕಪರಿಶೋಧಕನನ್ನು ವಿವಿಧ ಸಂದರ್ಭಗಳಲ್ಲಿ ಹೇಗೆ ನೇಮಕ ಮಾಡುತ್ತಾರೆ ?

11. What is "Audit of computerised accounts" ? What are the problems faced in the audit of computerised accounts ?

"ಕಂಪ್ಯೂಟರೀಕೃತ ಲೆಕ್ಕಗಳನ್ನು ಪರಿಶೋಧನೆ ಮಾಡುವುದು" ಎಂದರೇನು ? ಕಂಪ್ಯೂಟರೀಕೃತ ಲೆಕ್ಕಗಳನ್ನು ಪರಿಶೋಧನೆ ಮಾಡುವಾಗ ಎದುರಿಸಬೇಕಾದ ಸಮಸ್ಯೆಗಳಾವುವು ?

12. Explain the computer assisted auditing techniques.

ಕಂಪ್ಯೂಟರ್ ಸಹಾಯಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ತಾಂತ್ರಿಕತೆಯ ಬಗ್ಗೆ ವಿವರಿಸಿ.

SECTION - C

ವಿಭಾಗ - ಸಿ

Answer any two questions :

(2×24=48)

ಯಾವುದಾದರೂ ಎರಡು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ :

13. Define auditing and explain the various objects and advantages of auditing.

ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ವ್ಯಾಖ್ಯೆ ನೀಡಿರಿ. ಅದರ ವಿವಿಧ ಉದ್ದೇಶಗಳನ್ನು ಮತ್ತು ಪ್ರಯೋಜನಗಳನ್ನು ವಿವರಿಸಿರಿ.

14. What is an audit programme ? Explain its advantages and disadvantages. Suggest measures to overcome its disadvantages.

ಲೆಕ್ಕಪರಿಶೋಧನೆಯ ಕಾರ್ಯಕ್ರಮ ಎಂದರೇನು ? ಅದರ ಪ್ರಯೋಜನಗಳು ಮತ್ತು ದೋಷಗಳನ್ನು ವಿವರಿಸಿರಿ. ದೋಷಗಳನ್ನು ಸರಿಪಡಿಸಲು ತೆಗೆದುಕೊಳ್ಳಬೇಕಾದ ಕ್ರಮಗಳ ಬಗ್ಗೆ ಸಲಹೆ ನೀಡಿರಿ.

15. Explain the verification and valuation of assets. State how an auditor would verify stock in trade.

ಆಸ್ತಿಗಳ ಪರಿಶೋಧನೆ ಮತ್ತು ಮೌಲ್ಯ ನಿರ್ಣಯ ಎಂದರೇನು ? ವಿವರಿಸಿ. ಲೆಕ್ಕಪರಿಶೋಧಕನು ಸರಕು ದಾಸ್ತಾನುಗಳ ಪರಿಶೋಧನೆಯನ್ನು ಹೇಗೆ ನಡೆಸುತ್ತಾನೆ ?

16. What is an audit report ? Explain its types. What are the details to be incorporated in the report of a company by an auditor ?

ಲೆಕ್ಕಪರಿಶೋಧಕನ ವರದಿ ಎಂದರೇನು ? ಅದರ ವಿವಿಧ ಪ್ರಕಾರಗಳನ್ನು ವಿವರಿಸಿರಿ. ಕಂಪನಿಯ ಲೆಕ್ಕಪರಿಶೋಧಕನ ವರದಿಯಲ್ಲಿ ಸೇರಿಸಬೇಕಾದ ಅಂಶಗಳಾವುವು ?

**Credit Based VI Semester B.Com. Examination, April/May 2017
(New Scheme) (2016-17 Batch)**

COMMERCE

Financial Management – II

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer any four :

(6×4=24)

- Jaydev Ltd. issues 50,000 equity shares of Rs. 10 each at a premium of 20%. The share issue expenses are estimated to be 10% of total sale proceeds. Calculate the cost of equity share if the company is planning to declare dividend at 13.5% for the current year.
- Anusha Co. Ltd. achieved an EPS of Rs. 20 for the year 2015-16. Its cost of equity was 16% and the rate of return was 20%. The dividend payout ratio was 20%. Calculate market price of the share using Gordon's model. What will be the share price, if the payout ratio was increased to 50% ?
- Following is the Balance Sheet of Karunya Agro Ltd. as on 31-3-2016.

31-3-15	Liabilities	31-3-16	31-3-15	Assets	31-3-16
Rs.		Rs.	Rs.		Rs.
1,00,000	Share Capital	1,00,000	50,000	Fixed Assets	45,000
20,000	P/L A/c	35,000	30,000	Investments	65,000
30,000	Debentures	30,000	80,000	Current Assets	70,000
10,000	Creditors	15,000			
1,60,000		1,80,000	1,60,000		1,80,000

Prepare a comparative Balance Sheet.

- How is a Mutual Fund formed and managed ?
- Explain the concept of Working Capital, Briefly.
- What are the effects of Cash Deficit ?

SECTION – B

Answer any four :

(12×4=48)

- The transactions of a small scale industrial unit for the month of August 2016 are as given below :
 - Cash sales Rs. 4,29,800
 - Credit sale Rs. 8,90,000 always 50% of the credit sale is realised in the same month, 25% in the next month (1 month after) and remaining 25% two months after.



- 3) Cash purchases Rs. 2,23,500.
- 4) Credit purchases Rs. 1,60,000. always, 10% of the credit purchases is payable in the same month, 40% in the next month and the remaining 50% two months after.
- 5) Wages Rs. 1,20,000, These are weekly wages. $\frac{3}{4}$ of the wages is paid in the same month and $\frac{1}{4}$ in the next month.
- 6) Salary Rs. 80,000 payable in the first week of the next month.
- 7) Power bill Rs. 38,000 which is always payable in the next month.
- 8) Closing balance of cash is expected to be Rs. 2,60,000 further the firm estimates the following figures for the month of September 2016.

i) Cash sale	Rs. 7,80,000
ii) Credit sale	Rs. 9,40,000
iii) Cash purchases	Rs. 3,20,000
iv) Credit purchases	Rs. 2,30,000
v) Wages	Rs. 1,30,000
vi) Salaries	Rs. 90,000
vii) Sale of investment	Rs. 1,20,000
viii) Sale of old machinery	Rs. 90,000
ix) Purchase of new machinery	Rs. 2,10,000
(The payment is expected to be made in October 2016)	
x) Power	Rs. 46,000
xi) Investment in corporate securities	Rs. 10,00,000

Prepare the cash budget of the industrial unit for September 2016.

8. Prepare an estimate of working capital requirement from the following data of a manufacturing concern.

Sales (Credit period 3 months)	Rs. 20,00,000
Raw materials	Rs. 6,00,000
Wages paid 15 days in arrears	Rs. 4,80,000
Manufacturing expenses – 1 month in arrears	Rs. 3,00,000
Administrative expenses – 1 month in arrears	Rs. 60,000
Sales promotion expenses payable in advance for 3 months	Rs. 50,000
Income tax payable	Rs. 12,500

The company enjoys one month credit from suppliers of raw materials. It maintains two months stock of raw materials and one month stock of finished goods. Cash balance is maintained at Rs. 50,000 as a precautionary balance. Assume 10% for contingences.

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9. From the following data relating to ten Pharmaceutical Companies. Calculate their cost of equity for the year 2015-16.

Company	Face value	Dividend	Market price
	Rs.	%	Rs.
i) Ranbaxy Lab	5	50	431
ii) Wook Hardt	5	100	390
iii) Zandu Pharma	100	50	2,800
iv) Dabur Pharma	1	10	59
v) Amrutanjan	10	35	211
vi) Cadila health care	5	120	620
vii) Cipla	2	175	225
viii) Dr. Reddy Labs	5	100	1,100
ix) Matrix Lab	2	60	228
x) Nicholas Piramal	2	150	177

10. Apply Modigliani-Miller hypothesis and determine the share prices of the following companies after the declaration of dividend.

Company	Face Value (Rs.)	Price before declaration of dividend (Rs.)	Dividend per share (Rs.)	Cost of equity (%)	Net profit (Rs. Crores)
Bajaj Auto	10	600	12	5	320
Gluco	10	418	6	6	110
Mataji Auto	10	206	5	7	56
Matrix Auto	10	165	12	4	250
Napier Co.	10	5,980	20	5	175

11. Why should an investor invest through a mutual fund? Explain.

12. Explain the important techniques of financial analysis.

SECTION - C

Answer any two questions :

(2×24=48)

13. A Ltd. has the following capital structure :

	Rs.
Equity share capital (200000 shares)	40,00,000
6% preference shares	10,00,000
8% Debentures	30,00,000
	80,00,000

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SECTION – C

Answer any two questions :

(2x24=48)

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6% preference shares	10,00,000
8% Debentures	30,00,000
	80,00,000

40



The market price of the company's equity share is Rs. 20. It is expected that the company will pay a current dividend of Rs. 2 per share, which will grow at 7% forever. The tax rate may be presumed at 50%. You are required to compute the following :

- a) Weighted average cost of capital based on existing capital structure.
- b) The new weighted average cost of capital, if the company raises an additional Rs. 20,00,000 debt by issuing 10% debentures. This would result in increasing the expected dividend to Rs. 3 and leave. The growth unchanged, but the price of the share will fall to Rs. 15 per share.

14. You are supplied with the following information in respect of Sangama Pvt. Ltd. for the year 2016.

- Production – 69000 units
- Finished goods in stores – 3 months
- Raw materials in stores – 2 months
- Production process – one month
- Credit allowed by creditors – 2 months
- Credit given to debtors – 3 months
- Selling price per unit – Rs. 50
- Raw materials – 50% of selling price
- Direct wages – 10% selling price
- Over heads – 20% of selling price

There is a regular production and sales cycle. Wages and over-heads accrue evenly. Wages are paid in the next month of accrual, materials are introduced at the beginning of the production cycle.

You are required to calculate the working capital requirement.

15. Tata Motors Ltd. furnishes the following details. You are required to prepare trend values and make an analysis of that.

	(Rs. in crores)				
	March 2016	December 2014	December 2013	December 2012	December 2011
Inventory	300	205	144	75	45
Sundry Debtors	46	11	12	6	4
Cash and Bank	45	43	19	4	3
Sales	6,984	3,320	1,918	1,179	742

16. Explain in detail the role and functions of different parties to a mutual fund.

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**Credit Based VI Semester B.Com. Examination, April/May 2017
(2015-16 and Earlier Batches)**

**COMMERCE
Financial Accounting – VI**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **any four** questions :

(4×6=24)

1. What is amalgamation ? Explain the different methods of calculating purchase consideration.
2. State any four differences between Internal reconstruction and External reconstruction.
3. What is cost of control under holding company ?
4. What is accounting ratio ? State any four advantages of ratio analysis.
5. The Niraj Limited went into liquidation. Its assets realised Rs. 70,00,000 excluding amount realised by sale of securities held by the secured creditors. The following was the position :
Share capital 20000 shares of Rs. 100 each Rs. 20,00,000.
Secured creditors (securities realised Rs. 8,00,000) Rs. 7,00,000.
Preferential creditors Rs. 1,20,000.
Unsecured creditors Rs. 28,00,000.
Debentures having a floating charge on the assets of the company Rs. 50,00,000.
Liquidation expenses Rs. 10,000.
Liquidator's remuneration Rs. 15,000.
Prepare the liquidator's final statement of account.
6. The following information of Ninandh Ltd. company is given
Current ratio 2.5 : 1 Acid test ratio 1.5 : 1 Current liabilities Rs. 4,00,000.
Find out : a) Current assets b) Liquid assets c) Inventory.

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SECTION - B

Answer any four questions :

(4x12)

7. Explain the different forms of Internal Reconstruction.
 8. Star Ltd., agreed to absorb the business of Shine Ltd., on that date stood as follows :

Liabilities	₹	Assets	
Fully paid share capital in shares of Rs. 10 each	6,00,000	Goodwill	90,000
General Reserve	1,50,000	Land/Buildings	6,50,000
P and L A/c	1,30,000	Stock	1,70,000
10% Debentures	1,00,000	Debtors	34,000
Creditors	14,000	Bank	50,000
	9,94,000		9,94,000

Star Ltd. agreed to pay

- a) Rs. 2.50 in cash for each share of Shine Ltd. Allotment of 90000 shares of Rs. 10 at Rs. 15.
 b) The debenture holders to get 11% debentures in Star Ltd.
 c) The directors of Star Ltd. valued land and buildings at Rs. 12,00,000; stock at Rs. 1,50,000, debtors at 5% RBD.
 d) Absorption expenses amounted to Rs. 8,000 and it was met by Star Ltd.
 Show necessary ledger accounts to close the books of vendor company and incorporating entries in the books of Star Ltd.

9. Balance Sheet of Unsuccessful Ltd. on 31st December, 2015

Liabilities	₹	Assets	
Share capital		Land and Building	1,00,000
Authorized and subscribed :		Plant and machinery	2,50,000
2000, 6% Preference shares of Rs. 100 each	2,00,000	Patents	40,000
1000 Equity shares of Rs. 100 each, Rs. 75 paid	75,000	Stocks at cost	55,000
3000 Equity shares of Rs. 100 each Rs. 60 paid	1,80,000	Sundry Debtors	1,10,000
5% Debentures having a floating charges on all assets	1,00,000	Cash at banks	30,000
Interest outstanding	5,000	Profit and Loss Account	1,20,000
Creditors	1,45,000		
	7,05,000		7,05,000

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The company went into liquidation on the above date. The preference dividends were in arrears for two years and are payable on liquidation as per the Articles of Association. Creditors include a loan for Rs. 50,000 on the mortgage of land and building. The assets were realized as follow :

- Land and Building Rs. 1,20,000
- Plant and Machinery Rs. 2,00,000
- Patents Rs. 30,000
- Stocks at cost Rs. 60,000
- Sundry Debtors Rs. 80,000

The expense of liquidation amounted to Rs. 10,900. The liquidator is entitled to a commission of 3% on all assets realized except cash and a commission of 2% on amounts distributed among unsecured creditors. Preferential creditors amounted to Rs. 15,000. Assume that the payable was made on June 30, 2016.

Prepare the liquidator's Statement of Account.

10. The Balance Sheet of Nandhana Industries Ltd. at 31st December 2016 was as under :

Liabilities	Rs.	Assets	Rs.
2000 Preference shares of Rs. 100 each	2,00,000	Freehold property	2,00,000
4000 Equity shares of Rs. 100 each	4,00,000	Plant and machinery	3,00,000
Creditors	1,00,000	Stock	50,000
5% debentures 20000	1,00,000	Debtors	40,000
Bank overdraft	50,000	Goodwill	15,000
	8,50,000	Profit and Loss A/c	2,45,000
			8,50,000

The company gets the following scheme of capital reduction approved by the court :

- a) The Preference shares to be reduced to Rs. 75 per share, fully paid up and Equity shares to Rs. 30.
- b) The debenture holders took over the stock in trade and book debts in full satisfaction of the amount due to them.
- c) The goodwill account to be eliminated.
- d) The free hold properties to be depreciated by 50%.
- e) The value of plant and machinery to be increased by Rs. 50,000.

Give journal entries for the above and prepare the revised Balance Sheet.

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11. Following is the Balance Sheet of Kundra Ltd. as on 31st March 2016.

Liabilities	Rs.	Assets	Rs.
Equity share capital	25,00,000	Goodwill	2,00,000
6% Preference share capital	15,00,000	Machinery	25,00,000
General reserve	2,00,000	Building	17,50,000
Profit and Loss Account	1,50,000	Furniture	1,00,000
5% debentures	10,00,000	Stock	9,00,000
Creditors	2,80,000	Debtors	2,10,000
Bills payable	1,20,000	Bank	50,000
		Preliminary expenses	40,000
	57,50,000		57,50,000

Additional information :

- a) Total sales is Rs. 40,00,000 of which 20% made on credit.
- b) Gross profit for the year amounted to Rs. 8,00,000 and net profit Rs. 2,00,000

Calculate :

- a) Current ratio
- b) Liquid ratio
- c) Debt equity ratio
- d) Gross profit ratio
- e) Net profit ratio
- f) Fixed asset turnover ratio

12. From the Balance Sheets given below prepare a consolidated Balance Sheet H Ltd. and its subsidiary company S Ltd. Also calculate pre-acquisition profit, post-acquisition profit, minority interest and goodwill. Shares were acquired on 1st October 2015.

Balance Sheet of H Ltd., as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	1,40,000
15000 Equity shares of Rs. 10 each fully paid	1,50,000	Investment : Shares of Rs. 10 each in S Ltd.	2,00,000
General Reserve	20,000	Current Assets	5,00,000
Profit and Loss Account	30,000		
Creditors	25,000		
	2,25,000		2,25,000

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Balance Sheet of S Ltd., as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed assets	40,000
3000 Equity shares of Rs. 10 each fully paid	30,000	Current assets	10,000
Profit and Loss Account :			
Balance on 1-4-2015	4,500		
Add : Net profit for the year	<u>6,000</u>		
Creditors	9,500		
	50,000		50,000

SECTION - C

Answer **any two** questions : **(2x24=48)**

13. X Ltd. and Y Ltd. carrying on a similar business agreed to amalgamate by transferring their undertaking to a new company called Z Ltd. The Balance Sheet of the two companies as on the date of transfer were as follows :

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
	Rs.	Rs.		Rs.	Rs.
Issued capital (Shares of Rs. 10 each	5,00,000	3,00,000	Land and Building	4,65,000	2,55,000
8% Preference shares of Rs. 100 each	5,00,000	2,50,000	Plant and Machinery	5,60,000	3,58,000
P and L A/c	1,15,000	55,000	Furniture and Fittings	79,000	34,000
7% debenture	-	40,000	Stock	81,500	52,000
Creditors	75,000	35,000	Debtors	56,000	24,600
General reserve	2,00,000	70,000	Cash at bank	87,000	22,500
			Cash in hand	6,400	3,900
			Preliminary expenses	55,100	-
	13,90,000	7,50,000		13,90,000	7,50,000

The terms of agreement were as follows :

- 1) Purchase consideration consisted of
 - a) The assumption of liabilities of both the companies.
 - b) The discharge of debentures in Y Ltd., at a premium of 5% by the issue of 8% debentures in Z Ltd.

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- c) The issue of 10 Equity shares of Rs. 10 each at a premium of Rs. 2 per share for each Preference share held in both the companies.
 - d) The issue of 10 Equity shares of Rs. 10 each at a premium of Rs. 2 per share and Rs. 22 in cash for Equity share in X Ltd. and 5 Equity shares of Rs. 10 each at a premium of Rs. 2 per share and Rs. 80 in cash for every shares held in Y Ltd.
- 2) All the assets and liabilities of the two companies were taken over at their book values except that a provision at 5% to be raised on debtors.
 - 3) In order to raise working capital and to pay the consideration, Z Ltd. decided to issue 30000 Equity shares of Rs. 10 each at a premium of Rs. 2.50 per share.

Prepare Realisation Account, Equity share holders and Preference share holders Account in the book of X Ltd. and Y Ltd. and Balance Sheet of Z Ltd.

14. Silver Ltd. has just recovered from a great financial difficulty. Its Balance Sheet as on 31st Dec. 2015 is as follows :

Liabilities	Rs.	Assets	Rs.
Share capital		Building	4,00,000
Shares of Rs. 10 each	6,00,000	Plant and machinery	2,00,000
5% Preference share capital	4,00,000	Current assets	2,00,000
Liabilities	1,50,000	Profit and Loss A/c	3,50,000
	11,50,000		11,50,000

Gold Ltd., is formed to takeover Buildings at Rs. 3,00,000, Plant and machinery at Rs. 1,40,000 and stock at Rs. 60,000.

Purchase consideration is to be satisfied by 7%, Preference shares and Equity shares of Rs. 10 of Gold Ltd. in the ratio of 3 : 2. Preference share holders are to be settled in full by allotment of the new Preference shares.

Sundry debtors realised Rs. 1,50,000 and Rs. 1,10,000 was paid to creditors in full settlement. There is no other current asset except stock and debtors. Cost of winding up amounted to Rs. 10,000.

Prepare the necessary ledger accounts in the books of Silver Ltd. and opening journal entries in the books of Gold Ltd.

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15. The following Balance Sheets are presented to you.

Balance Sheet as at 31-3-2016

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital		
In shares of 100 each	5,00,000	2,00,000
General Revenues	1,00,000	—
Profit and Loss A/c	80,000	—
6% debentures	—	1,00,000
Creditors	75,000	45,000
Loan from H Ltd.	—	50,000
Total	7,55,000	3,95,000
Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Fixed assets	3,00,000	2,00,000
Stock	90,000	40,000
Debtors	60,000	30,000
6% debentures in S Ltd. acquired at cost	60,000	—
Shares in S Ltd. 1500 shares	1,20,000	—
Cash at bank	75,000	25,000
Profit and Loss Account	—	1,00,000
Loan to S Ltd.	50,000	—
Total	7,55,000	3,95,000

H Ltd. acquired the share on 1st August 2015. The Profit and Loss A/c of S Ltd. showed a debit balance of Rs. 1,50,000 on 1st April 2015. During June 2015 goods costing Rs. 6,000 were destroyed by fire against which the insurance paid only Rs. 2,000. Trade creditors of S Ltd. include Rs. 20,000 for goods supplied by H Ltd. on which H Ltd. made a profit of Rs. 2,000. Half of the goods were still in stock on 31-12-2016. Prepare consolidated Balance Sheet.

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16. From the following financial statement of Zinda Ltd.

calculate :

- a) Liquid ratio
- b) Operating ratio
- c) Working capital ratio
- d) Proprietary ratio
- e) Debt-equity ratio
- f) Net profit ratio
- g) Stock turnover ratio
- h) Capital gearing ratio.

Profit and Loss Account for the year ending 31-3-2016

	₹		₹
To Opening stock	5,00,000	By Sales	20,00,000
To Purchases	11,00,000	By Closing stock	6,00,000
To Manufacturing expenses	5,00,000		
To Gross profit	5,00,000		
	26,00,000		26,00,000
To Administration expenses	75,000	By Gross profit	5,00,000
To Selling expenses	50,000	By Dividend	10,000
To Debenture interest	20,000	By Profit on sale of	20,000
To Depreciation	60,000	furniture	
To Loss on sale of motor car	5,000		
To Net profit	3,20,000		
	5,30,000		5,30,000

Balance Sheet as on 31st March 2016

Liabilities	Rs.	Assets	Rs.
Equity share capital	10,00,000	Goodwill	5,00,000
6% Preference share capital	5,00,000	Land and Building	7,00,000
General reserve	1,00,000	Plant and Machinery	6,00,000
Profit and Loss Account	4,00,000	Furniture	1,00,000
Provision for tax	1,76,000	Stock in trade	6,00,000
Bills payable	1,24,000	Bills receivable	30,000
Bank overdraft	2,00,000	Debtors	1,50,000
Creditors	4,00,000	Cash at bank	2,20,000
	29,00,000		29,00,000

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