

Time Duration: 2 ½ hours

Marks: 75

Instructions: All questions are compulsory.

Figures to the right indicate full marks.

Working notes should form part of your answer.

Q. 1 A Multiple-Choice question: (Any 8 out of 10)

8 marks

1. Use of Computer Controlled Machines in Manufacturing is called as _____.
 - a) CIM
 - b) CAD
 - c) CRM
 - d) COD
2. The objective of cost management is to have _____.
 - a) Minimum utilisation of Resources
 - b) Maximum utilisation of Resources
 - c) No utilisation of Resources
 - d) Optimum utilisation of Resources
3. Sales are converted under inflation accounting at _____.
 - a) Average rate for the year
 - b) Indices on the date of sales
 - c) Indices on the date of purchases
 - d) Indices at the beginning of the year
4. Strategic goals are set by _____.
 - a) Top Level managers
 - b) Middle Level managers
 - c) Medium Level managers
 - d) Lower Level managers
5. MBO stands for _____.
 - a) Management by objectives
 - b) Multiple Business organization
 - c) Multinational Business Outsourcing
 - d) Management of Business Organisation
6. Sensitivity analysis is to find out _____.
 - a) Most sensitive factor
 - b) Most effective factor
 - c) Most economical factor
 - d) Most efficient factor
7. Return on investments = $\frac{\text{operating income} \times 100}{\text{_____}}$
 - a) Contribution margin
 - b) Inventory turnover
 - c) Capital employed
 - d) Average capital employed

8. Transfer pricing gives _____ to the divisions.
- a) Autonomy
b) Profit bailout
c) Sale bailout
d) Revenue
9. _____ is determined by the forces of demand and supply.
- a) Market Price
b) Transfer Price
c) Opportunity Cost
d) Variable Cost
10. _____ is a Monetary item
- a) Land & building
b) Investment
c) Furniture
d) Debenture

Q. 1 B State whether the following statements as True or False: (Any 7 out of 10)

7 marks

1. ERP is an integrated system.
2. Waste can be reduced by JIT.
3. Financial goals are deeply rooted in creditors value.
4. Managing Director is included in lower level management.
5. EVA shows contribution to wealth of shareholders.
6. A Cost centre manager is responsible for revenue generation.
7. Under cost pricing method, transfer price depends on product cost.
8. Transfer price may be decided by negotiation between the selling division and buying division.
9. Under CPP Method stock valuation may be done by LIFO method or FIFO Method.
10. Creditors is a non - monetary item.

Q. 2 A] John Ltd Provides you the following information.

15 marks

Production and Sales at 50% level of Activity

Variable Expenses	₹
Direct Material	5,00,000
Direct Labour	3,00,000
Direct Expenses	2,00,000
Semi- Variable Expenses	
Plant Maintenance	1,50,000
Sundry Expenses	1,60,000
Salesman salaries	1,20,000

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Fixed Expenses	
Office expenses	3,00,000
Depreciation	1,50,000
Rent & Taxes	3,00,000
Total Sales	25,00,000

Semi-Variable expenses remain constant between 50% and 65% capacity, increases by 10% if the capacity exceeds 75% upto 85% and by 15% if capacity exceeds 85%.

Prepare a Performance Budget at 60%, 80% and 100% Capacity level showing profit earned by John Ltd at different capacity levels.

OR

Q. 2 B] Rishabh Ltd is engaged in manufacturing machine parts. The following records are available from the company: **15 marks**

Sales	₹ 50,00,000
Less Variable Cost	₹ 22,50,000
Less Fixed Cost	₹ 9,00,000

Following is the additional information on the performance of three departments:

Particulars	Department A (₹)	Department B (₹)	Department C (₹)
Sales	15,00,000	15,00,000	20,00,000
Variable cost	7,00,000	7,50,000	8,00,000
Direct Fixed Cost	1,80,000	2,00,000	3,20,000

- Prepare a performance Evaluation Report of all the three departments and Rank them.
- If the company expects 15% increase in sales by incurring and additional advertisement expenditure of ₹ 240,000; Analyze what would be the effect on company as a whole and on each department? Also rank the departments on the basis of profitability.

Q. 3 A] Company ABC LTD has three divisions. Details of which are as follows: **15 marks**

Particulars	Division A	Division B	Division C
Capacity in units	15,000	15,000	15,000
Cost of Production (₹)			
Material Cost	30	25	20
Processing Cost	20	30	25
Annual Fixed Cost (₹)	3,00,000	3,00,000	3,00,000
Investments in Fixed Assets (₹)	20,00,000	18,00,000	14,00,000
Investments in Current Assets (₹)	15,00,000	12,00,000	6,00,000
Targeted ROI	12%	10%	15%

- Determine Transfer Price for Each Division on the basis of cost plus Return on Investment
- What minimum price Division C should charge to an External customer?
- If due to competition Division C can sell the product at a Maximum price of ₹ 250, Should the company continue to manufacture this product?

OR

Q.3 B] Carlson Ltd provides you the following information as on 31st March, 2023

15 marks

Balance Sheet as at 31st March, 2023

Liabilities	₹	Assets	₹
Equity Share Capital	7,00,000	Fixed Assets	10,00,000
15% Long Term Loan	5,00,000	Current Assets	5,00,000
Sundry Creditors	3,00,000		
	15,00,000		15,00,000

Additional Information as follow:

- 1) Profit Before Interest and Taxes ₹ 7,00,000
- 2) Tax Rate 40%
- 3) Risk Free Rate 13%
- 4) Long Term Market Rate - 15%
- 5) Beta (β) is 1.35

You are required to Calculate Economic Value Added (EVA)

Q.4 A]

1. Ascertain the net monetary result as on 31st December from information given below:

8 marks

Particulars	1 st January	31 st December
Cash at Bank	₹ 15,000	₹ 20,000
Sundry Debtors	₹ 25,000	₹ 30,000
Bills Payable	₹ 25,000	₹ 25,000
Sundry Creditors	₹ 25,000	₹ 20,000
General Price Index Number:		
1 st January 2022 – 220		
31 st December 2022 - 250		
Average for the year – 240		

2. Calculate Incremental Return on Investment (IROI) from the following information:

7 marks

Particulars	2022	2023
15% Debenture	₹ 7,00,000	₹ 9,00,000
Equity Capital	₹ 8,00,000	₹ 11,00,000
NPAT	₹ 4,20,000	₹ 5,00,000
Provision for Tax	₹ 1,50,000	₹ 2,00,000

OR

Q. 4 B] Find the missing data in following table of Sarvesh Ltd:

15 marks

Particulars	Department A	Department B	Department C
Sales (₹)	2,75,000	2,00,000	3,00,000
Operating Income (₹)	?	70,000	1,10,000
Operating Assets (₹)	8,00,000	?	10,00,000
Return on Investment	12%	10%	?
Minimum Required Rate of Return	10%	?	10%
Residual Income (₹)	?	14,000	?

Q. 5 A What is EVA? State its merits and demerits.

8 marks

Q. 5 B Write a note on Inflation Accounting.

7 marks

OR

Q.5 Write short notes(Any 3 out of 5)

15 marks

- Total Quality Management (TQM)
- Return on Investments (ROI)
- Transfer pricing based on Dual pricing method
- Customer Relationship Management (CRM)
- Computer Aided Manufacturing (CAM)

Tax
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28/1/2023

Duration : 2.5 hrs

75 Marks

Note : 1. Question No. 1 is Compulsory.

2. Question No. 2,3,4 and 5 have internal options.

3. Each question carry 15 marks.

Q1(A) Multiple Choice:(Any 8)

(8)

1. The Deductor has to deduct tax from deductee where the total value of supply under contract exceeds _____.
 - a) Rs. 1,00,000
 - b) Rs. 10,00,000
 - c) Rs. 2,50,000
 - d) Rs. 50,000
2. Fees of _____ per day shall be levied for delay in furnishing of return.
 - a) Rs. 25
 - b) Rs. 50
 - c) Rs. 75
 - d) Rs. 100
3. The books of accounts required to be maintained by a registered person are to be retained for a period of _____ from the date of filing the Annual Return.
 - a) 8 Years
 - b) 72 months
 - c) 4 Years
 - d) 1 Year
4. Indian Exclusive Economic Zone means an area up to _____ nautical miles into sea from base line of India.
 - a) 12
 - b) 24
 - c) 200
 - d) 100
5. Bill of Entry for _____ is filed by importer for making imported goods part of mass of India.
 - a) Warehousing
 - b) Home Consumption
 - c) Clearance
 - d) Indian Consumption
6. _____ is an extension of Customs Port.
 - a) Container Freight Station
 - b) Air Freight Station
 - c) Foreign Post Office
 - d) Inland Container Depot
7. _____ Duty is charged to counter-balance sales tax, VAT on like article being sold in India.
 - a) Additional Custom Duty u/s 3(1)
 - b) Additional Custom Duty u/s 3(3)
 - c) Additional Custom Duty u/s 3(5)
 - d) Additional Custom Duty u/s 3(6)

8. In case imported goods are being cleared from warehouse for home consumption _____
 - a) Date of ex-bond bill of entry
 - b) Date of Into-bond bill of entry
 - c) Date granting entry inward
 - d) Date of Presentation of goods
9. Duty drawback u/s 74 for re-export of goods imported shall be provided at a maximum _____ % of duty paid on imported goods.
 - a) 95%
 - b) 99%
 - c) 98%
 - d) 100%
10. Maximum warehousing period for goods belonging to 100% Export Oriented Unit is _____.
 - a) 5 Years
 - b) 3 Years
 - c) 1 Years
 - d) No Limit on Time Period

Q1.B) Match the following: (Any 7)

Column A	Column B
1. GSTR-9	Within 90 Days
2. Special Audit	Annual Return
3. High Sea	Price at seller's factory gate
4. Entry Inward	Pilferage
5. Injury Margin	6% p.a.
6. Ex-factory	5 Days
7. Goods Consumed on board a vessel	Beyond 200 nautical miles from Indian base line
8. Petty theft	Bill of Entry for warehousing
9. Interest Free period for duty drawback	Rate at which safeguard Duty is charged
10. TDS Certificate	Regarded as stores

Q2.A) Mr. Rakesh a registered supplier of goods, pays GST under regular scheme and provides the following information for the month of August 2022: (15)

Inter-State taxable supply of goods Rs.10, 00,000
 Intra-State taxable supply of goods Rs.2, 00,000
 Intra-State purchase of taxable goods Rs.49,500,
 He has the following Input Tax Credit at the beginning of August 2022
 CGST: Rs. 20,000, SGST: Rs. 30,000, IGST: Rs. 25,000
 Rate of CGST, SGST, & IGST is 9%, 9% & 18% respectively. Both inward and outward supplies are exclusive of taxes wherever applicable. All the conditions availing necessary for availing the Input tax credit have been fulfilled. Compute the net GST payable by X for the month of August 2022.

OR

Q2.B) Mr. Shinde registered in state of Maharashtra provides following details for the month of August. Calculate his net Tax Liability for the month of August. (15)

Opening Balance in Electronic Credit Ledger as on 1st August

- IGST Rs. 10,000
- CGST Rs. 35,000
- SGST Rs. 35,000

Transactions during the month :	(Rs.)
Sold Goods @ 5% GST to Yash in Nasik	3,15,000
Sold Goods @ 18% GST to Priti in Nanded	8,26,000
Sold Goods @ 28% GST to Kalpana in Nagpur	5,12,000
Purchased Goods @ 12% GST from Pune	5,60,000
Purchased goods @ 5% GST from Kolhapur	4,20,000
Purchased goods @ 18% GST from Surat	2,36,000
Provided Services @ 28% GST to Ruhi in Akola	6,40,000
Provided Services @ 18% GST to Diyya in Agra	7,08,000
Provided Services @ 12% GST to Shridhar in Ajmer	10,08,000
Availed Services @ 28% GST from Ahmadnagar	8,96,000
Availed Services @ 12% GST from Latur	6,72,000
Availed Services @ 5% GST from Amravati	8,40,000

All the amounts are inclusive of GST

Q3.A) An importer from Gujarat imports goods from an exporter in Canada. The vessel carrying the goods reaches Mumbai port first and from there goods are transhipped to Gujarat port. Determine the assessable value of the imported goods under the Customs Act, 1962, from the following particulars: (15)

Particulars	Amount	
Cost of the machine at the factory of the exporter	CAD	54,000
Transport charges from the factory of exporter to the port for shipment	CAD	2,200
Handling charges paid for loading the machine in the ship	CAD	250
Freight charges from exporting country to India	CAD	6,500
Buying commission paid by the importer	CAD	250
Charges for design and engineering work undertaken for the machine in Canada	CAD	10,000
Transport charges from Mumbai to Gujarat port	INR	70,000

Actual insurance charges paid are not ascertainable. Exchange rate is CAD 1 = 57.

OR

Q3.B) Mr. Sambhu imported goods from a Singapore supplier by air, which was contracted on CIF basis. However, there were changes in prices in the international market between the date of contract and actual importation. As a result of several negotiations, the parties agreed for a negotiated price payable as follows: (15)

Particulars	In SGD		
	Contract Price	Changed price	Negotiated Price
CIF value	8,000		
Freight charges		8,900	8,800
Insurance	400	700	600
	300	500	500

Commission to local agent was paid @ 1% of F.O.B. in SGD.

	Date	BCD	Exchange rate	
			notified by CBIC	Interbank rate
Date of bill of entry	25-10-21	10%	SGD 1 = INR 51	USD 1 = INR 50
Date of arrival of aircraft	22-10-21	12%	SGD 1 = INR 50	USD 1 = INR 51

Compute the assessable value and custom duty payable by Mr. Prashant.

Q4.A)(i) Determine the Customs Duty Payable under Customs Tariff Act, 1975 including the safeguard duty of 25% under section 8B of the said act with the following information made available by the importer:

Assessable value of Fibre Granules imported from three developing countries during July 2022	Rs.25,00,000
Share of imports of Fibre Granules from three developing countries take together against total imports of Fibre Granules to India	10%
Rate of Basic Customs Duty	
Rate of Integrated Goods & Services Tax u/s 3(7)	10%
Rate of Social Welfare Surcharge	12%
	10%

Q4.A)(ii) Mr. Du Peng, a tourist of Chinese origin aged 40 years come to India on tourist visa for a period of one month on 1/4/2022 along with his wife aged 39 years and a child Xiaoching aged 2 years.

He brought following items along with him:

- Personal effects like clothes Of Mr. Du Peng valued at Rs. 30,000, of Mrs. Du Peng valued at Rs. 51,000 and of the Xiaoching worth Rs.29,000.
- 2 Laptop computer worth Rs.45,000 each.
- 3 bottles of wine of 1 liter each of total value of Rs.7,500.
- Digital camera worth Rs.19,000.
- Mobile worth Rs.25,000.

What is the Customs duty payable?

OR

Q4.B)(i) Explain and solve the following:

- Data Shoe manufacturers, registered in Mumbai, sold goods to a retail seller in Delhi at value of Rs.48,000(Excluding GST of 18%).whether E-Way bill is required?
- Mr. X erroneously refunded as sum of Rs.20,000 in excess of actual drawback on 20.06.22. the same was returned to the department on 20.10.2022.you are required to calculate the amount of interest chargeable from X.

3. M/s Govind Ltd register taxable person file normal return on July, 31 which was due on 21st July 2022. What fees Govind should pay?
4. Bill of Entry (Fill the following)

Types	Color of BOE	No of Copies for BOE
For Home Consumption	?	?
?	Yellow	
For Ex Bond Clearance	?	

Q4.B)(ii) Krishna Ltd. a manufacturer has exported following goods to Brazil. You are required to calculate duty these goods based on information given below – (7)

Product	FOB value of exported goods	Market price of goods	Duty drawback
P	8,70,000	7,20,000	28% of FOB
Q	12,00,000	13,00,000	3% of FOB
R	2,40,000	1,80,000	0.80% of FOB
S	6,00,000	7,00,000	1.20% of FOB

Other information:

- Imported value of Product Q is Rs.16,00,000.
- Product S is manufactured out of duty free inputs.

Working notes should form part of your answer.

Q5.A)(i) Explain Provisions for Furnishing the Returns by Taxable Person under GST. (8)

Q5.A)(ii) State & Explain different types of Duties charged under Customs Law. (7)

OR

Q5.B) Write Short notes (Any 3) (15)

- a) Electronic Cash Ledger
- b) E-way Bill
- c) Social Welfare Surcharge
- d) Types of Warehouse
- e) TCS Provision Under GST

(2½ Hours)

(Total Marks : 75)

- Notes :- 1) All questions are compulsory.
 2) Each question carries 15 Marks.
 3) Figures to the right indicate full marks.
 4) Working should form part of answer.

Q.1 A) Match the Column (Any 8) :

(8)

Column A	Column B
1) Master Budget	A) Always Unfavorable
2) Limiting Factor	B) Variable Cost
3) BEP	C) Based on Marginal Cost
4) Sales Budget	D) Limiting Factor
5) Minimum Price	E) Decrease in BEP
6) Increase in Selling Price	F) Equal to Marginal Costing
7) Key Factor	G) Estimate of sales
8) Make or Buy	H) No Profit, No loss stage
9) Marginal Cost	I) Constraint
10) Idle Time Variance	J) Summary of all functional budget

B) State whether the statements True or False (Rewrite the sentence) (Any 7) :

(7)

- Excess of actual cost over standard cost is a favorable variance.
- Cost incurred in the past is future cost.
- Flexible budget is rigid.
- Budget manual is budget prepared annually.
- Sales manager is responsible for efficient buying.
- Labour strike causes idle time variance.
- The most profitable sales mix is the one which gives maximum contribution.
- Contribution variance is under the control of management.
- P/V ratio shows the relationship between contribution & sales.
- At shutdown point operating loss is equal to loss due to shutdown.

Q.2. The Jayawant Battery Co, furnishes you the following income information :

(15)

Year 2019

	First Half Year	Second Half Year
	Rs.	Rs.
Sales	8,10,000	10,26,000
Profit earned	21,600	64,800

From the above , you are asked to compute the following assuming that the fixed cost remains

the same in both the periods:-

- Profit / Volume Ratio
- Fixed Cost
- Break Even Point in Rs.
- Amount of profit or loss when sales are Rs. 6,48,000
- Amount of sales required to earn a profit of Rs. 1,08,000

OR

Following information is available :

	Product 'X' Per Unit Rs.	Product 'Y' Per Unit Rs.
Direct Material	80	100
Direct Wages	40	50
Variable Overheads	30	50
Selling Price	200	275

Total Fixed Overheads Rs. 20,000/-

From the following alternative which sales mixed will bring higher profits.

- 250 units of X and 150 units of Y
- 150 units of X and 250 units of Y
- 400 units of X only
- 400 units of Y only
- 200 units of X and 200 units of Y

Support your answer with working.

Q.3. A department company, **Gunjal** stores attains a sale of Rs.12,00,000 at 80% of its normal capacity and as expenses are given below:

(15)

Particulars	Rs.
<u>Administration Cost</u>	
Office Salaries	1,80,000
General Expenses	2% of Sales
Depreciation	15,000
Rates and Taxes	17,500
<u>Selling Cost</u>	
Salaries	8% of Sales
Travelling Expenses	2% of Sales
Sales Office Expenses	1% of Sales
General Expenses	1% of Sales
<u>Distribution Cost</u>	
Wages	30,000
Rent	1% of Sales
Office Expenses	4% of Sales

Draw up flexible administration, selling and distribution costs budget operating at 90% , 100% and 110% of capacity.

OR

An estimate shows that there is a market for 10,00,000 units of an electric bell. Two big companies, producing this electric bell will probably divide 80% of the market. Among other companies, producing the bell **Avadhut Ltd.** should get 15% of the total market. 60% of Avadhut sales will probably be evenly divided between the first and the last calendar quarter of the year, with twice as many sales being made in the second quarter as in the third.

The bell sells for Rs. 30 a unit, with manufacturing costs as follows:-

Particulars	Rs.
Direct Material Cost	15
Direct Labour Cost	7.50
Variable Overhead Cost	2.50
Fixed Overhead Cost	1,00,000

Prepare a sales budget for the year showing cost of production and gross profit by calendar quarter. Assume no change in the inventory levels during the year. :

Q.4. Calculate material and labour variances from the following data:-

(15)

For 5 units of product X the standard data are:

Material – 80 Kg @ Rs. 50 per kg

Labour – 200 Kg @ Rs. 5 per hour

Actual Data:-

Actual Production – 5,000 units

Material – 79,800 kg @ Rs. 52 per kg

Labour – 2,00,000 Hours @ Rs. 4.90 per hour

OR

From the following information about sales, variances:

a) Total Sales Variance,

b) Sales Price Variance,

c) Sales Volume Variance

d) Sales Mix Variance,

e) Sales Quantity Variance

	Units	Standard Rate in Rs. Per unit	Rs.	Units	Actual Rate in Rs per unit	Rs.
A	5,000	5	25,000	6,000	6	36,000
B	4,000	6	24,000	5,000	5	25,000
C	3,000	7	21,000	4,000	8	32,000
Total	12,000		70,000	15,000		93,000

Q.5. (A) What is budget? Explain its types.

(8)

(B) Explain Marginal Costing. What are its advantages Marginal Costing?

(7)

OR

(C) Write a note on any Three :

(15)

1. Absorption Costing

2. Benefits of Standard Costing

3. Condition for budgetary control

4. Break Even Chart

5. Zero Base Budgeting

Time : 3 Hours

Marks: 75

Note:

1. All questions are compulsory
2. Figures to the right indicate full marks
3. Working notes should form part of your answer
4. Use of simple calculator is allowed

Q.1 A. Select the correct alternative and rewrite the sentence (Any 8) (8)

- I. Interest on security deposit from electricity consumers _____
 - a. is not payable
 - b. is payable at bank rate or more as prescribed
 - c. is payable only at bank rate
 - d. may be paid at a rate lower than the bank rate
- II. Electricity Tariffs are fixed _____
 - a. by appropriation commission
 - b. under Electricity (Supply) Act, 1948
 - c. under Electricity Act, 1910
 - d. Under Electricity Regulatory Commission Act, 1998
- III. If market value of investment held as current asset is less than cost _____
 - a. Difference is credited to profit & loss a/c
 - b. Difference is debited to profit & loss a/c
 - c. Difference is ignored
 - d. Difference is debited to capital reserve a/c
- IV. Under the Maharashtra Co-Op. Societies Act, a society must prepare the profit & loss A/c and the Balance Sheet for an Accounting year. _____
 - a. As per Schedule VI
 - b. In Form M
 - c. In Form N
 - d. In Form X
- V. Companies having a net worth of Rs. 250 crores and whose equity shares are listed on any stock exchange in India must implement Ind AS for accounting period beginning on or after _____
 - a. 01/04/2015
 - b. 01/04/2016
 - c. 01/04/2017
 - d. 01/04/2018

- VI. In case of electricity companies' depreciation is charged as per _____
- The rate prescribed by the central electricity regulatory commission
 - The rate prescribed by the companies act
 - The rate prescribed by the income tax act
 - The rate prescribed by the comptroller and auditor general of India
- VII. A close ended scheme of a mutual fund is governed by _____
- Exchange rules of the stock exchange where it is listed
 - Listing agreement between the fund and the stock exchange
 - Guidelines issued by the ministry of commerce
 - Companies act provisions relating to transactions in securities
- VIII. Investment policies of a mutual fund are determined by _____
- The fund manager
 - The AMC management
 - The marketing department based on what distributors want
 - The investors
- IX. Section _____ of the Act states that society shall construct its relevant annual financial statement and arrive at its consequent net profit or loss in the manner prescribed
- 65(1)
 - 65(2)
 - 64
 - 68
- X. The maximum amount of cash allowable to be kept by sugar factories
- Rs. 5,000
 - Rs. 1,000
 - Rs. 500
 - Rs. 300

Q.1 B. State whether the following statement is True or False (Any 7)

(7)

- The main purpose of the electricity act, 2003 is to distance state electricity boards from tariff determination
- Interest security deposit from electricity consumers is payable at bank rate or more as prescribed
- Entrance fees are treated as revenue receipts
- Water charges are divided among the members on the basis of the area of the flats
- Interest is paid to the holder of the security on the due date, in respect of his actual period of holding
- Profit on sale of current investment is transferred to profit and loss account. While profit on sale of long term investment is transferred to capital reserve

- VII. Open-ended schemes generally offer exit option to investors through stock exchange
- VIII. Investment in gold is a hedge against inflation but investment in a gold fund is risky
- IX. A fund's declared NAV does not include loads
- X. IFRS 4 deals with consolidated financial statements

Q.2 A. The trial balance of Vijaya electric supply ltd. for the year ended 31st March, 2022 is as below: (15)

PARTICULARS	Dr. Rs. ('000)	Cr. Rs. ('000)
Share Capital:		
Equity Shares of Rs. 10 each		6,250.00
14% Preference Shares of Rs. 100 each		1,875.00
Patents and Trademark	313.00	
15% Debentures		3,087.50
16% Term Loan		1,912.50
Land	1,556.25	
Building	4,391.75	
Plant Machinery	7,132.25	
Mains	565.50	
Meters	393.75	
Electrical Instrument	191.25	
Office Furniture	306.25	
Capital Reserve		627.50
Contingency Reserve		1,503.75
Transformers	2,055.00	
Net Revenue Account		668.75
Stock in Hand	1,506.25	
Sundry Debtors	780.75	
Contingency Reserve Investment	1,501.25	
Cash and Bank	406.75	
Public Lamps	380.00	
Depreciation Fund		3,227.00
Sundry Creditors		815.50
Proposed Dividend		1,512.50
	21,480.00	21,480.00

During 2022-2023, Rs ('000) 12,50 of 14% preference shares were redeemed at a premium of 10% out of proceeds of fresh issue of Equity shares of necessary amounts at a premium of 10%. Prepare for the above period Balancesheet as on 31st March, 2023 as per schedule III of the companies Act, 2013.

OR

Q.2 B. From the following trial balance as on 31-3-2022, prepare final accounts in the prescribed format as per applicable legal provisions. (15)

DIVYA CHS LTD.

Trial Balance

Particulars	Rs.	Particulars	Rs.
1 Share of MDCH Federation	100	Collection from members	3,97,761
Cash in Banks	3,08,575	Collection for Sinking Fund	10,000
Cash on Hand	6	Income and Expenditure Account	26,605
Electricity Charges	76,170	Interest - Fixed Deposit	62,726
Fixed Deposits	8,00,568	Interest - Savings Bank	8,022
Furniture and Fittings	734	Sinking Fund - Opening	1,65,000
Insurance Charges	9,557	Statutory Reserve Fund - Opening	7,95,661
Office Expenses	1,344	Subscribed :	
Professional Fees	7,000	100 Shares of Rs. 50 each	5,000
Property Taxes	1,49,723		
Repairs & Maintenance	42,940		
Salaries	36,500		
Subscription of Housing Federation	500		
Subscription to the Education Fund	300		
Water Charges	36,758		
	14,70,775		14,70,775

Adjustments:

(a) Outstanding expenses -

(i) Salary Rs. 3,200

(ii) Water charges Rs. 12,394

(iii) Repairs and Maintenance Rs. 4,200

(iv) Electricity Charges Rs. 13,500

(b) Depreciation on Furniture @ 10%

(c) Authorized Capital: 180 shares of Rs. 50 each

(d) Dues from members for establishment expenses Rs. 43,242

Q.3 A. During the year ended 31st March, 2023 Mr. Virag bought and sold the following 12% Debentures of Rs. 100 each of Limozin Ltd. Interest being payable by Limozin Ltd. on 1st April and 1st October each year. (15)

Date	Particulars
1st June, 2022	Bought 300 Debentures at Rs.92 ex-interest
1st September, 2022	Bought 100 Debentures at Rs.94 cum-interest
1st December, 2022	Sold 200 Debentures at Rs.95 ex-interest
1st February, 2023	Bought 150 Debentures at Rs. 98 cum-interest

Books are closed on 31st March every year. Market price on 31st March, 2023 was Rs.90 per Debenture. You are required to prepare Investment in 12% Debentures in Limozin Ltd. Account for the year ended 31st March, 2023 in the books of Mr. Virag (Apply AS 13).

OR

Q.3 B. Miss Bhagawati entered into the following transactions of purchase and sales of 12% Debentures of 100 each of Mansi Ltd. Interest is payable on 30th June and 31st December every year. Transactions are as under: (15)

Date	No. of Debentures	Terms
01-04-2022	800	Opening Balance at a cost of Rs. 76,000
01-06-2022	300	Sold at Rs. 105 each cum-interest
01-09-2022	700	Purchased at Rs. 98 each Ex-Interest
01-12-2022	400	Purchased at Rs. 108 each Cum-Interest
01-02-2023	900	Sold at Rs.97 each Ex-Interest.

Prepare Investment Account of 12% Debentures in the books of Bhagawati for the year ended 31st March, 2023. The market value on 31st March, 2023 was Rs 67,500 of the said Investment. Apply AS-13

Q.4 A. On 1st April, 2022, Good Return Mutual Fund has the following assets and prices at 3.00 p.m (15)

Shares of	No. of Shares	Market Price Per Shares
X Ltd.	10000	18.50
Y Ltd.	35000	384.40
Z Ltd.	10000	263.60
A Ltd.	75000	575.60
B Ltd.	20000	27.65
No. of Units of Fund		5,00,000 units

(a) Calculate the Net Asset Value (NAV) of the fund.

(b) Assuming Mr. Suresh, send a cheque of Rs.75,00,000 to the fund on 1st April, 2022 and Fund of Manager purchases 15,000 shares of Z Ltd. and balance is held in bank. What will be the new position of the fund?

(c) Calculate the new Net Asset Value (NAV) of the fund if on 2nd April, 2022, at 3.00 p.m. the market price of shares is as follows:

Shares of	Rate per Shares (in Rs.)
X Ltd.	21.30
Y Ltd.	417.00
Z Ltd.	289.80
A Ltd.	512.20
B Ltd.	35.00

OR

Q.4 B. A Mutual Fund Co. has the following assets under it on the close of business as on: (15)

Company	No. of shares	1st February 2022 Market Price Per Share (Rs.)	2nd February 2022 Market Price Per Share (Rs.)
L Ltd.	20,000	20.00	20.50
M Ltd.	38,000	312.40	360.00
N Ltd.	20,000	361.20	383.10
P Ltd.	60,000	505.10	503.90

Total No. of Units 6,00,000

1. Calculate Net Assets Value (NAV) of the fund.
2. Following information is given: Assuming one Mr. A, submits a cheque of Rs.30,00,000 to the Mutual Fund and the Fund Manager of this company purchases 8,000 shares of M Ltd.; and the balance amount is held in Bank. In such a case, what would be the position of the fund?
3. Find new NAV of the fund as on 2nd February, 2022.

Q.5 A. Explain the need of convergence with IFRS in India (8)

Q.5 B. Enumerate Advantages and disadvantages of a mutual fund (7)

OR

Q.5 A. Write short Note (Any 3) (15)

- 1) Tax Saving Schemes
- 2) Debenture investment Account
- 3) Types of Mutual Fund
- 4) Large cap, Mid Cap and small Cap
- 5) ELSS

Marks: 75

Duration : 2.30 hours

- N.B.: 1. All Questions are compulsory.
 2. Working Notes should form part of answer.
 3. Figures to the right indicates full marks.
 4. Use of simple calculator is allowed.

Q1. A. State whether following statement True or False (Any 8)

(08)

- Salvage Value is the sale value of an old asset after its usage.
- Fair Value of the shares is equal to average of intrinsic value and yield value.
- Preference dividend is deducted from NPAT for calculation of EPS.
- Pooling of resources by two or more companies under a common entity is called as merger.
- Fictitious assets are written off to capital reduction account.
- Appreciation in land and building is debited to capital reduction account.
- Cost of asset is cash outflow to lessee.
- Annual lease rental is considered as cash outflow for lessor.
- MPBF refers to Minimum Permissible bank finance.
- Depreciation is an external source of finance.

Q1.B. Match the Column (Any 7)

(07)

Column A	Column B
1. Super Profit	a. Initial Payment
2. Normal rate of return	b. Excess of FMP over Normal Profit
3. Horizontal Merger	c. Rate of Interest Plus Rate of Risk
4. Conglomerate	d. Merger of unrelated line
5. Creditors accepting part payment	e. Two Companies in the Same line
6. Loss on Revaluation of asset	f. Compromise
7. Hire Purchase Price	g. Debit Capital Reduction
8. Down Payment	h. Cash Price Plus Interest
9. Bill Payable	i. Normal Profit over FMP
10. Working Capital Finance	j. Cash Price less Interest
	k. Spontaneous Source of Finance
	l. Provided against inventories

Q2.A. The Balance Sheet of Abhishek Ltd. as on 31/03/2023 is as follows:

(15)

Balance Sheet As On 31/03/2023

Liabilities	Amount Rs.	Assets	Amount Rs.
4,000 Equity share of Rs. 100 each	4,00,000	Land & Building	2,20,000
General Reserve	40,000	Plant & Machinery	2,60,000
Profit & Loss A/c	64,000	Patent & Trademark	44,000
Creditors	2,56,000	Stock	60,000
Income Tax (provision)	1,20,000	Bank	1,04,000
		Preliminary Expenses	24,000
		Debtors	1,68,000
	8,80,000		8,80,000

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1. The assets are valued as under:

Land & Building	Rs. 3,80,000
Goodwill	Rs. 2,80,000
Plant & Machinery	Rs. 2,82,500

2. Out of total Debtors it was found that debtors of Rs. 8,000 are bad.
3. The profits of the Company has been as follows:

YEAR	Rs.
2020-2021	1,60,000
2021-2022	1,80,000
2022-2023	2,12,000

4. The Co. follows the practise of transferring 25% of profits to General Reserves.
5. Similar type of business earns 10%.

Calculate the value of business under:

- a. Intrinsic Value
b. Yield Value
c. Fair Value

OR

Q2.B. Calculate EVA from the following on March 2022 for ZT Ltd

(08)

Financial Leverage	1.4 times
Equity Capital	Rs 340 lakhs
Reserves and Surplus	Rs 260 lakhs
10 % Debentures	Rs 800 lakhs
Cost of Equity	17.5%
Income Tax rate	30 %

Q2.C. Calculate MVA from the following information of Beta Ltd.

(07)

Liabilities	Amt (in Lakhs)	Assets	Amt (in Lakhs)
Equity share capital of Rs 10 each	2,400	Buildings	3,600
Retained earning	1,200	Machinery	1,600
8% Term loan	1,600	Stock	200
Bills Payable	700	Debtors	160
Provision	860	Bank	1200
	6760		6760

Profit after Tax (PAT) = Rs 4,542 P/E Ratio = 2

Q3.A. The following information is provided related to the acquiring firm S Limited and the target firm T limited. (15)

Particulars	S Limited	T Limited
Earning After Tax	Rs 8,000 lakhs	Rs 600 lakhs
Number of Shares	800 lakhs	300 lakhs
P/E ratio (Times)	10	5

Required:

1. What is the swap ratio based on current market price?
2. What is the EPS of S Limited after acquisition?
3. What is the expected market price per share of S Limited after acquisition assuming P/E ratio of T Limited remains unchanged?
4. Determine the market value of the merged firm
5. Calculate gain/loss for shareholders of the two independent companies after acquisition.

OR

Q3.B. The balance sheet of VST limited as on 31/03/2022, as follows: (15)

Balance sheet as on 31/03/2022

Liabilities	Rs.	Assets	Rs.
Equity share of Rs. 100 each	1,00,00,000	Fixed asset	1,50,00,000
6% cumulative preferences of Rs.100 each	50,00,000	Investments (market value rupees 19,00,000)	20,00,000
5% debentures of Rs. 100 each	40,00,000	Current assets	60,00,000
Sundry creditors	50,00,000	Profit and loss A/C	12,00,000
Provision for taxation	2,00,000		
	2,42,00,000		2,42,00,000

The following scheme of internal reconstruction is sanctioned

1. All the existing Equity Shares are reduced to Rs 40 each
2. All Preference Shares are reduced to Rs 60 each
3. The rate of interest on debentures increased to 6%. The debenture holders surrender their existing the debenture of rupees 100 each and exchange the same for Fresh debentures of Rs 70 is for every debenture held by them.
4. Fixed Asset are to be written down by 20%
5. Current Assets are to be valued at Rs 46,00,000
6. Investments are to be brought to their market value
7. One of the creditors of the company to whom the company owes rupee 40,00,000 decides to forgo 40% of his claim and was allotted with 60,000 equity shares of rupees 40. each in full and final settlement of his claim.
8. The taxation liability is to be settled at rupees 3,00,000
9. It is decided to write off debit balance of profit and loss account

You are required to:

1. Pass necessary journal entries
2. Balance sheet after reduction.

Q4.A. AB Ltd requires an equipment costing 2,00,000 the same will be utilized over the period of 5 years it has 2 financing option in this regard. The Salvage value of Equipment at the end of 5th year is zero. The company uses straight line depreciation. Assume tax rate is 40 % (15)

Option 1:

To buy with borrowed fund at the cost of 18% p.a repayable in 5 equal instalments of Rs 64,000 p.a

Option 2:

To take equipment on lease and on an annual rent of Rs 32,000

Discount Factor at 18%

Year	Value
1	0.847
2	0.718
3	0.609
4	0.516
5	0.437
Total	3.127

Advise the company which option should go for if internal rate of return 18%

OR

Q4.B. MCO Ltd issued commercial paper worth RS 20 crores as per following details (08)

Date of Issue	16/01/2022
Date of Maturity	17/04/2022
No of Days	91
Interest Rate	12 % p.a

What was the amount received by the company on issue of commercial paper (Changes of intermediary may be ignored) (Assume number of days in a year is assumed to be 365 days)

Q4.C. A firm has total credit sales of Rs 2,00,00,000 and its average collection period is 80 days. Bad debts are around 1% of credit sale. The firm spends Rs 2,20,000 per year on administer credit sale. A factor is prepared to buy firm receivable. He will advance receivable to the firm at 18 % interest after keeping 10 % as reserve. Suggest whether the company should opt for inhouse management of debt and or factoring service (Assume number of days in a year is assumed to be 360 days) (07)

Q5.A. Distinguish between Merger and Takeover (08)

Q5.B. Explain different types of leases? (07)

OR

Q5. Write note on the following (Any 3) (15)

- Variations of Shareholders rights
- Retained Earning
- Types of Factoring
- Certificate of Deposit
- Synergy