

Duration: 2 hours 30 mins

Marks: 75

Q1) (A) Rewrite the sentence after selecting the correct alternative. (any 8) (08)

- 1) When an underwriter agrees to buy a definite number of shares in addition to unsubscribed shares, it is termed as _____.
 - a) Partial Underwriting
 - b) Complete underwriting
 - c) Firm underwriting
 - d) Full underwriting
- 2) Unmarked applications refer to _____.
 - a) Firm underwriting
 - b) Applications issued by the company
 - c) Applications bearing the stamp of underwriter
 - d) Applications from the public received directly by the company without bearing any stamp of underwriter
- 3) Which of the following is not a 'free reserve' for the purpose of buyback of shares? _____.
 - a) Profit & Loss Account
 - b) General Reserve
 - c) Dividend Equalisation Reserve
 - d) Revaluation Reserve
- 4) Generally, the amount of buyback should be less than _____ of the total paid up capital and free reserves (including securities premium account) of the company.
 - a) 25%
 - b) 100%
 - c) 90%
 - d) 65%
- 5) When the merger involves liquidation of one existing sick company and formation of one new company, it is called _____.
 - a) Internal Reconstruction
 - b) External Reconstruction
 - c) Absorption
 - d) Amalgamation
- 6) _____ is not taken into consideration under the NET ASSETS Method for calculating Purchase Consideration.
 - a) Furniture
 - b) Machinery
 - c) Building
 - d) Share issue expenses

- 7) Balance in capital reduction account is generally transferred to _____.
- General Reserve
 - Capital Reserve
 - Profit & Loss A/c
 - Surplus and Reserve A/c
- 8) Reduction of share capital of a company means reduction in _____.
- Only called up share capital
 - Subscribed and/or paid-up share capital
 - Only authorized capital
 - Only uncalled share capital
- 9) _____ shows deficiency or surplus A/c.
- List A
 - List B
 - List C
 - List H
- 10) Interest on debentures and unsecured loan is payable upto the date of actual payment _____.
- If the company is solvent
 - If the company is insolvent
 - Whether the company is solvent or insolvent
 - None of the above

Q1) (B) State whether the following statements are true or false :(any7)

(07)

- Unmarked applications can be distributed among the underwriters in the ratio of gross liability.
- The underwriters may be individuals, partnership firms or joint stock companies.
- Buyback of shares decreases the Earning Per Share (EPS) of the company.
- If equity shares have been bought back out of security premium, there is no need to make any transfer to Capital Redemption Reserve.
- Transferor Company means the company that has been amalgamated into another company i.e. vendor company.
- Absorption is said to take place when an existing company takes over one or more existing companies.
- Only sick companies undertake capital reduction.
- In the scheme of reconstruction, the amount of shares surrendered by shareholders is transferred to the Capital Reduction Account.
- In the statement of affairs, uncalled capital is to be included under Assets.

- 10) If the remuneration to liquidator is payable on distribution, distribution to preferential creditors is included.

Q2) (A) Wally Ltd. agreed to acquire the business of Wonka Ltd. as on 31st March, 2023. (15)
The summary Balance Sheet of Wonka Ltd. as on that date was as under:

<u>Liabilities</u>	<u>(Rs.)</u>	<u>Assets</u>	<u>(Rs.)</u>
Share Capital: 6,000 equity shares of Rs. 10 each fully paid	60,000	Goodwill	10,000
General Reserve	17,000	Building	30,000
Profit and Loss Account	11,000	Machinery	34,000
6% Debentures of Rs. 100 each	10,000	Stock	16,800
Sundry Creditors	2,000	Book debts	3,600
		Bank Account	5,600
	<u>1,00,000</u>		<u>1,00,000</u>

The considerations payable by Wally Ltd. was agreed at as follows:

- Cash payment Rs. 2.50 for every share in Wonka Ltd.
- Issue of 9,000 equity shares of Rs. 10 each of Wally Ltd. having an agreed value of Rs. 15 per share.
- 6% Debentures of Wonka Ltd. are discharged by Wally Ltd. by issuing such number of its 5% debentures of Rs. 100 each, so as to maintain the same amount of interest.

While computing purchase consideration, Wally Ltd. valued building and machinery at Rs. 60,000 each, stock at Rs. 14,200 and Book Debts subject to 5% provision for discount. The cost of liquidation of Wonka Ltd. was Rs. 500.

- Calculate Purchase Consideration.
- Prepare necessary ledger accounts in the books of Wonka Ltd.
- Journalise the transactions in the books of Wally Ltd.

OR

Q2) (B) Following is the summary balance sheet of M/s. JoJo Ltd. as on 31-03-2023. (15)

<u>Liabilities</u>	<u>(Rs.)</u>	<u>Assets</u>	<u>(Rs.)</u>
Equity shares of Rs. 10 each	10,00,000	Fixed Assets	21,00,000
12% Cumulative Preference Shares of Rs. 10 each	7,00,000	Stock	20,00,000
10% Debentures	3,00,000	Sundry Debtors	15,00,000
Sundry Creditors	36,00,000	Bank	1,10,000
Provision For Tax	5,00,000	Share Issue Expenses	40,000
		Profit and Loss A/c	3,50,000
	<u>61,00,000</u>		<u>61,00,000</u>

Note: Preference dividend for 3 years was in arrear Rs.

Following scheme of reconstruction was approved:

- 1) Write off fixed assets by 20%, sundry debtors by 15%, and reduce the value of stock to 55% of its book-value.
- 2) Preference shareholders agreed to forego arrears of preference dividend.
- 3) Directors to give agreed temporary loan of Rs. 5,00,000 to Company.
- 4) The Company settled tax liability to the extent of Rs. 5,40,000 and met the expenses of reconstruction amounted to Rs. 10,000.
- 5) Sundry Creditors to give a remission of 20% of their claims and company to allot 11% Preference shares of Rs. 100 each fully paid up in settlement of the balance amount.
- 6) 10% debentures to be converted into 13% Debentures of Rs. 1,60,000 in full settlement of their claim.
- 7) Equity shares to be reduced to Rs. 2 each fully paid up and 12% cumulative Preference shares to be reduced to 1,00,000 cumulative Preference shares of Rs. 2 each fully paid up.
- 8) Write off debit balance in Profit and Loss Account and Share Issue Expenses.

Draft Journal Entries and Prepare a Capital Reduction A/c.

Q3) (A) Soflive Ltd. made a public issue of 3,00,000 Equity shares of Rs. 10 each, the entire amount is payable on application. The entire issue was underwritten as follows: (15)
Moto - 30%, Roto - 25%, Toto - 25% and Yoto - 20% of public issue respectively. Moto, Roto, Toto and Yoto had also agreed on firm underwriting of 8,000; 12,000; nil and 30,000 shares respectively. Underwriters are entitled to 5% commission on face value. The marked applications excluding firm underwriting were as under:

<u>Underwriter</u>	<u>No. of Shares</u>
Moto	50,000
Roto	30,000
Toto	20,000
Yoto	40,000

The unmarked applications were 50,000 shares and to be divided in the Gross Liability Ratio.

- Ascertain the net liability (number of shares) of each underwriter if the benefit of firm underwriting is given.
- Calculate the amount of commission payable to each underwriter and the Net Amount Payable / Receivable from underwriting.

OR

Q3) (B) Following is the summarized balance sheet of M/s Koly Ltd.
(a non-listed company) as on 31st March 2023.

(15)

<u>Liabilities</u>	<u>Rs.</u>	<u>Assets</u>	<u>Rs.</u>
40,000 Equity shares of Rs. 100 each fully paid	40,00,000	Fixed Assets	1,20,00,000
20,000, 10% redeemable preference shares of Rs. 100 each fully paid	20,00,000	Investments	8,80,000
Capital Redemption Reserve	4,00,000	Stock	14,00,000
Security Premium	3,20,000	Debtors	14,00,000
General Reserve	8,00,000	Bank Balance	4,00,000
Profit and Loss Account	4,00,000		
11% Debentures	40,00,000		
Creditors	41,60,000		
TOTAL	<u>1,60,80,000</u>		<u>1,60,80,000</u>

On the same date it was decided to buy back the maximum number of equity shares at the maximum price possible under the law.

In case of shortage of funds, bank overdraft was to be arranged.

The company decided to utilize the profit and loss account to the maximum extent.

- Ascertain maximum no. of shares to be bought back at maximum possible price.
- Pass journal entries for the above transactions
- Prepare Notes to Accounts for Share Capital and Reserves and Surplus.

Q4) (A) The following was the summary Balance sheet of Dev Ltd. as on 31/3/2023.

(15)

<u>Liabilities</u>	<u>(Rs.)</u>	<u>Assets</u>	<u>(Rs.)</u>
2,500, 8% Cumulative Preference shares of Rs. 100 each	2,50,000	Goodwill	25,000
12,000 Equity shares of Rs. 100 each	12,00,000	Fixed Assets	12,85,000
9% Debentures	5,00,000	Stock	3,03,000
Interest Accrued thereon	45,000	Debtors	2,50,000
Creditors	5,00,000	Bank Balance	7,000
		Share Issue Expenses	25,000
		Profit and Loss A/c	6,00,000
TOTAL	<u>24,95,000</u>		<u>24,95,000</u>

Note: Preference dividend was in arrears Rs. 40,000.

The following scheme of Reconstruction is duly sanctioned:

- A new company Tev Ltd. is formed with Rs. 15,00,000 as Authorised share capital divided into 1,50,000 Equity Shares of Rs. 10 each.
- The company will acquire Dev Ltd. on the following conditions:
 - Old Companies debentures will be paid by same amount of 10% debentures in the new company where as for the arrears of interest, equivalent amounts of equity shares will be issued.
 - The creditors will be paid for every Rs. 100 of their claim, Rs. 16 in cash and ten equity shares in the new company.
 - Preference shareholders are given ten equity shares in the new company for their claim of preference share capital.
 - Equity shareholders will be given ten equity shares in the new company for every three shares held in the old company.
 - Expenses of Rs. 20,000 will be borne by the new company, as a part of purchase consideration.

(3) The new company will take the current assets at their book value, except stock which will be reduced by Rs. 15,000. Intangible assets are not to appear in the new balance sheet, appropriate adjustment being made in the values of fixed assets.

(4) Remaining equity shares in the new company are issued to the public and are fully paid.

You are required to prepare:

a) In the books of Dev Ltd.:

- (1) Realisation Account.
- (2) Dev Equity Shareholders A/c
- (3) Dev Ltd. A/c

(b) Pass the journal entries the books of Dev Ltd.

OR

Q4)(B) From the data relating to a company which went into liquidation, you are required to prepare the Liquidator's Final Statement of Account. (15)

- (i) Cash in hand was Rs. 53,000 and other assets realised Rs. 8,50,000.
- (ii) 6% Debentures of Rs. 1,00,000 were discharged along with interest for 6 months.
- (iii) Preferential creditors to be paid Rs. 36,050.
- (iv) Other unsecured creditors Rs. 2,30,000.
- (v) 5,000, 10% Preference shares of Rs. 100 each fully paid, Preference dividend is in arrears for 1 year.
- (vi) 3,000 Equity shares of Rs. 100 each, Rs. 75 per share paid up.
- (vii) 7,000 Equity shares of Rs. 100 each, Rs. 60 per share paid up.
- (viii) Liquidator's remuneration is 0.5% on the other assets realised (except cash in hand) and 2% on unsecured creditors including preferential creditors.

Q5) A) Explain the types of underwriting in detail. (08)

B) Explain the needs and importance of Internal Reconstruction.? (07)

OR

Q5) C) Write short notes on (any 3):

(15)

- 1) Underwriting Commission
- 2) Winding up of a company v/s Dissolution of a company
- 3) Net Assets Method of calculating Purchase Consideration
- 4) Reduction of share capital
- 5) Benefits of buyback

XXXX

(75 Marks)

Q.1 A. Fill in the blanks with correct alternatives (Any 8)

(8)

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Q.1B. Statement whether the following statements are True or False (Any 7) (7)

1. LLP is convenient for professionals.
2. Yield Value depends on Earnings of the Company.
3. Excess of Normal Profit over Average Profit is termed as Super Profit.
4. Location of customer is one important factor which affects goodwill.
5. NBFC means Non-Banking Funding Company.
6. Average Clause is introduced to discourage over insurance.
7. Reinsurance is done when the risk involved in the subject matter is very heavy.
8. Rate of Interest on Fixed Deposits is lowest.
9. Banking can carry business without a license issued by RBI.
10. LLP Agreement must specify the contribution of partners.

Q.2A. From the following balances, Prepare Balance Sheet of Halo Bank Ltd for the year ended 31st March, 2023. (15)

Particular	Amount
Saving Bank Deposits	19,25,000
Term Deposits	10,00,000
Recurring Deposits	3,75,000
Bills Purchased and Discounted	10,31,250
Borrowings from RBI	16,50,000
Appropriation to Statutory Reserve	2,75,000
Profit & Loss A/c Balance	9,62,500
Capital Reserve	2,06,250
Demand Deposits	16,50,000
Non-Banking Assets acquired in satisfaction of claims	13,75,000
Overdrafts	20,62,500
Investment in Government Securities	5,50,000
Term Loans	34,37,500
Cash Credits	13,75,000
Premises	17,18,750
Share Capital	13,75,000
Statutory Reserve	6,87,500
Revenue Reserve	68,750
Bills Payable	20,62,500
Inter-Office Adjustments (Cr bal)	9,62,500
Cash in Hand	9,62,500
Balance with RBI	17,18,750
Investment in Bonds	13,75,000
Stock of Stationary	27,500
Borrowings from Other Banks	72,46,250
Money at Call and Short Notice	30,93,750
Investment in Shares	17,18,750

Additional Information :

1. The authorized Capital of the Bank is Rs. 40,00,000 divided into shares of Rs. 10 each.
2. The bank has bills for collection to the extent of Rs. 7,00,000

OR

Q.2B. From the following balances of Public Bank Ltd Nashik as on 31st March, 2023, Prepare Profit and Loss A/c and Balance Sheet as on that date : (15)

Rs. in '000

PARTICULARS	DR AMT	CR AMT
Eq Sh Cap of Rs. 100 each Rs. 50 paid up		400
Profit and Loss A/c (1/4/2022)		160
Current Deposit A/c		1,800
Fixed Deposit A/c		1,200
Saving Deposit A/c		950
Directors Fees	10	
Postage and Telegrams	4	
Audit Fees	8	
Furniture (Cost Rs. 400)	348	
Interest and Discount Received		1,040
Commission and Exchange		200
Reserve Fund		140
Printing and Stationary	50	
Rent and Taxes	30	
Salaries	250	
Building (Cost Rs. 1200)	900	
Law Charges	6	
Cash in Hand	396	
Cash with RBI	1,068	
Cash with Other Bank	1,300	
Investment at Cost	480	
Loans, Cash Credit and Overdraft	1,180	
Bills Discounted and Purchased	580	
Interest paid	600	
Borrowings from Lena Bank		800
Branch Adjustment A/c		520
	7,210	7,210

Additional Information:

1. The bank has accepted on behalf of the customers bills worth Rs. 6,00,000 against the securities of Rs. 8,60,000 lodged with the bank.
2. Rebate on bills discounted Rs. 22,000
3. Provide depreciation on building at 10 % and Furniture at 5% on cost
4. Provide Rs. 6,000 for bad and doubtful debts
5. Transfer 25 % of the current years profit to statutory reserve

Q.3 A. Jeevan General Insurance Company submits the following information for the year ended 31st March, 2023 (15)

Particulars	Direct Business	Re-insurance
Premium Received	52,60,000	7,60,000
Premium Paid		3,80,000
Claims Paid during the year	34,00,000	4,00,000
Claims Payable as on		
1 st April, 2022	5,00,000	69,600
31 st March, 2023	5,74,400	48,000
Claims Received		2,60,000
Claims Receivable		
1 st April, 2022		52,000
31 st March, 2023		88,000
Expenses of Management	1,80,000	
Commission		
On Insurance Accepted	1,20,000	8,800
On insurance Ceded		11,200

Additional Information :

- Expenses of management include Rs. 28,000 Surveyors fees and Rs. 36,000 legal expenses for settlement of claims. Expenses of Management were outstanding at the end of the year amounted to Rs. 4,000
- Reserve for Unexpired Risks is to be maintained @ 40 %. The balance of reserve of unexpired risk as on 1/4/2022 was Rs. 19,60,000.

You are required to prepare Revenue A/c for the year ended 31st March, 2023.

OR

Q.3 B. From the following trial balance of Rahul and Shahul you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2023 and Balance Sheet as on that date. (15)

PARTICULARS	DR AMT	CR AMT
Rahul's Capital		3,00,000
Shahul's Capital		2,70,000
Rahul's Drawings	20,000	
Shahul's Drawings	16,675	
Stock (1/4/22)	4,00,000	
Bills Receivable	12,550	
Purchases	3,50,000	
Sales		6,00,000
Bills Payable		60,000
Return Outward		6,750
Return Inward	7,500	
Plant and Machinery	1,50,000	
Goodwill	40,000	
Patents	27,500	
Sundry Debtors	1,87,500	
Sundry Creditors		2,07,000
Cash in Hand	32,500	
Cash at Bank	1,23,775	

Salaries	20,000	
Wages	22,000	
Office Expenses	10,000	
Insurance	8,750	
Advertisement	10,000	
General Expenses	3,000	
Factory Rent	2,000	
	14,43,750	14,43,750

Additional Information :

1. Depreciate Plant and Machinery by 5 % and Patents by 15 %
2. Provide for Reserve for Bad and Doubtful Debts @ 5 % on sundry debtors
3. Prepaid Insurance Rs. 900
4. Provide for Outstanding Expenses : Salary – Rs. 3000, Wages – Rs. 1,500, Advertisement – Rs. 1,050
5. Stock as on 31st March, 2023 was valued at Rs. 1,80,000
6. Goods costing Rs. 9,000 were destroyed by fire and the Insurance Company has admitted a claim for Rs. 5,700.
- * 7. Partners share profits and losses equally.

(15)

Q.4 A. T Ltd and V Ltd propose to amalgamate. Their business as at 31st March, 2023 were as follows :

Liabilities	T Ltd	V Ltd	Assets	T Ltd	V Ltd
Eq Share Capital	15,00,000	6,00,000	Fixed Assets	12,00,000	3,00,000
General Reserve	6,00,000	60,000	Investments	3,00,000	—
Profit and Loss A/c	3,00,000	90,000	(Face Value – Rs. 3 Lac, 6 % tax free GP Notes		
Creditors	3,00,000	1,50,000	Stock	6,00,000	3,90,000
			Debtors	5,10,000	1,80,000
			Cash and Bank Balance	90,000	30,000
	27,00,000	9,00,000		27,00,000	9,00,000

Their Net Profits (after taxation) were as follows :

Date	T Ltd	V Ltd
2020-21	3,90,000	1,35,000
2021-22	3,75,000	1,20,000
2022-23	4,50,000	1,68,000

Normal Trading Profit may be considered at 15 % on closing capital invested. Tax Rate is 40 %. Goodwill may be taken as 4 years purchase of average super profits. The stock of T Ltd and V Ltd are to be taken at Rs. 612000 and Rs. 426000 respectively for the purpose of amalgamation. W Ltd is formed for the purpose of amalgamation of two companies. Compute the value of Goodwill under Super Profit Method

OR

Q.4B. The final accounts of Ratnam Ltd as on 31st March 2023 revealed following significant information: (15)

1. Share Capital (fully Paid up)
Equity – 2,00,000 shares of Rs. 10 each
10 % Preference – 20,000 shares of Rs. 100 each
 2. Reserves and Surplus – Rs. 3,00,000
 3. Preliminary Expenses – Rs. 60,000
 4. The valuation of assets revealed that assets as per accounts are undervalued by Rs. 5,00,000
 5. The average post-tax profits of the past three years were Rs. 8,20,000. Tax applicable to the company is Rs. 4,00,000.
 6. It is anticipated that due to unfavorable market conditions, pre-tax profits will decrease by Rs. 20,000.
 7. Equity Shareholders expect a return at 15 %.
- Find the fair value of shares.

Q.5 A. (i) Explain the concept and computation of Net Own Fund in NBFC. (8)
(ii) Explain Reinsurance and Co-insurance in detail. (7)

OR

Q.5 B. Write Short Notes on : (Any 3) (15)

1. Rebate on Bills Discounted
2. Short Note on Marine Insurance
3. Short Note on LLP
4. Objectives of RBI regulations regarding NBFC
5. Factors affecting valuation of shares

Duration: 2.5 Hrs.

Total Marks: 75

- Note: 1) All questions are compulsory
2) All workings should form part of the answer

Q.1a) Multiple Choice Questions. (any 8)

(08)

- i. Petrol consumption is 24 kms per litre of petrol costing Rs. 60 per litre. A taxi runs 3,960 kms per month. The cost of petrol is _____
 a) Rs. 9,900
 b) Rs. 3,000
 c) Rs. 10,900
 d) Rs. 10,400
- ii. In Operating Costing, Garage Rent is _____
 a) semi-variable cost
 b) fixed cost
 c) variable cost
 d) quarterly variable cost
- iii. Normal output is equal to _____
 a) input – abnormal loss,
 b) input – abnormal gains
 c) input – normal loss
 d) input – normal gain
- iv. Wages control A/c is debited by _____
 a) Direct wages only
 b) Store Ledger Control A/c
 c) Indirect wages only
 d) Direct and Indirect wages
- v. In Non-Integrated system of accounting, Material issued to production is credited to _____
 a) Stores Ledger Control A/c
 b) General Ledger Adjustment A/c
 c) Cash/Bank A/c
 d) WIP Control A/c
- vi. Cost driver for inspection activity is _____
 a) Order value
 b) Inspections plans
 c) Engineering charges
 d) Training requirement
- vii. An activity which generates cost is a _____
 a) Cost Unit
 b) Cost Pool
 c) Cost driver
 d) Cost center
- viii. In Integrated system of accounting, Sales is debited to _____
 a) Stores Ledger Control A/c
 b) WIP Control A/c
 c) Wages A/c
 d) Debtor or Cash A/c
- ix. In Integrated system of accounting, purchase of Material on credit, _____ will be debited.
 a) Stores Ledger Control A/c
 b) WIP Control A/c
 c) Wages A/c
 d) Debtor or Cash A/c
- x. Input is 40,000 units, normal loss is 20%. Output is 34,000 units. Abnormal gain is _____
 a) 3,000 units,
 b) 2,000 units,
 c) 2,500 units
 d) 4,000 units

Q.1b) Match the Following (Any 7)

(07)

Group A	Group B
1. Machine set-ups cost	a) Technique of Evaluation
2. Ordering Cost	b) Debit wages control A/c
3. Abnormal Loss	c) Indirect Cost
4. Abnormal Gains	d) Debit Work in Progress control A/c
5. Transport	e) Per Patient day
6. Hospital	f) Per Kms
7. Issue of direct Materials for Production	g) Actual Output Less Normal Output
8. Overhead	h) Normal Output Less Actual Output
9. Payment of Wages	i) Number of Orders
10. Inter-firm comparison	j) Number of Machine set-up

Q.2. a) Gujarat Transporters maintains a fleet of 20 buses and provides the information for the year as under :

15 buses with carrying capacity of 45 passengers each. 05 buses with carrying capacity of 30 passengers each.

Following is the information available :

(15)

Particulars	Rs.
Salary of 20 bus drivers	17,500 each per month
Salary of 20 cleaners	5,250 each per month
General Supervision Charges	87,500 per year
Operating Manager's Salary	35,000 per month
Interest	32,800 per year
Taxes	8,750 (semi-annually)
Road License	87,500 per year
Garage Rent	1,57,000 per year
Repairs and Maintenance	39,300 per year
Tyres and Tubes	4,375 per month
Diesel Expenses	2,62,500 per month
Oil & Grease	6560 per month

Each bus makes 4 trips a day, covering a distance of 30 kilometres in each trip. 80% of the seats are occupied in each trip on an average basis and 3 buses are sent to repairs every day.

Assuming that the company operates its fleet daily (all 365 days), ascertain the operating cost per Passenger Kilometer.

OR

Q.2.b) The following information is available in respect of Process Z for the month of Feb, 2023

(15)

Opening WIP	1,200 units at ₹ 4,800
Input	7,800 units at ₹ 23,850
Direct Wages	₹ 15,090
Production Overheads	₹ 7,545
Selling overheads	₹ 10,000
Units Scrapped	600 units
Units transferred to next process	7,200 units
Closing WIP	1,200 units

Normal Process Loss	5% of the total input (opening WIP + input)
Scrap value	₹ 3 per unit

Degree of Completion	Opening Stock	Closing Stock	Scrap
Material	100%	100%	100%
Labour	60%	80%	70%
Overheads	60%	80%	70%

You are required to :

- Prepare Statement of Equivalent Production as per FIFO method
- Statement of Cost per equivalent unit
- Statement showing Cost Apportionment
- Prepare Process Account

Q.3a) Pass Journal entries for the following transaction of Sharayu Ltd for the month of January 2023 under Integrated system of Accounting. (15)

	Rs.
1. Material purchased from ASK & Co.(credit 70%)	6,25,000
2. Material issued to production	4,75,000
3. Wages paid to worker	1,87,500
4. Wages applied to production	1,12,500
5. Factory overhead incurred	75,000
6. Machinery purchased from Unicorn Ltd	2,50,000
7. Selling expenses incurred	62,500
8. Salary paid to Amit	25,000
9. Cost of goods produced	4,75,000
10. Office expenses payable	36,250
11. Sales to Rama Ltd (40% on cash)	8,75,000

OR

Q.3.b) The budgeted overheads and cost drivers volume of ABC are as follows. (15)

Cost Pool	Budgeted Overheads(Rs.)	Cost Driver	Budgeted Volume
Material Procurement	7,80,000	No. of Orders	1,500
Material Handling	3,51,000	No. of Movement	975
Set-up	6,60,000	No. of Set Up	825
Maintenance	14,49,000	Maintenance hours	12,600
Quality control	3,51,000	No. Inspections	1,800
Machinery	10,80,000	No. of Machine Hours	18000

The Company has produced a batch 3,900 components of X, its material cost was Rs. 5,25,000 and labour cost was Rs. 7,50,000. The usage activities of the said batch are as follows:

Material orders	75
Material Movement	60
Set-Up	80
Maintenance hours	1,800
Inspection	90
Machine hours	5,400

Ascertain the cost driver rates and also compute the cost of batch of Components using ABC.

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Q.4.a) The following balances existed in Columbus Ltd. Cost Ledger: as on 1st april 2023

(15)

Particulars	Debit (Rs.)	Credit (Rs.)
Store Ledger Control Account	2,40,000	-
Work in Progress Control Account	1,00,000	-
Finished Stock Ledger Control Account	2,00,000	-
Cost Ledger Control Account	-	5,40,000
	540,000	5,40,000

During the next three months, the following items arose

Particulars	Rs.
Finished product (at Cost)	1,68,000
Manufacturing Overhead incurred	72,000
Raw Materials Purchased	1,00,000
Direct wages	40,000
Indirect Wages	18,000
Cost of sale	1,48,000
Materials issued to Production	1,02,000
Sales return at cost	4,400
Materials return to Suppliers	2,400

You are required to prepare

1. Store Ledger Control A/c
2. Manufacturing Overhead Control A/c
3. Work In Progress Control A/c
4. Finished Stock Ledger Control A/c
5. Cost Ledger control A/c
6. Trial Balance as on 30th June 2023

OR

Q.4b) Aisha Limited has provided you the following details :

(15)

Particulars	Process I	Process II	Finished Stock
Opening Stock	16,000	40,000	64,000
Direct material	2,01,600	64,000	-

Direct Wages	1,18,400	96,000	-
Factory Overheads	64,000	76,800	-
Closing Stock	48,000	64,000	1,12,000
Profit % on transfer price to next process	20%	20%	-
Inter-process profit (included in Opening Stock)	Nil	3,600	7,200

Stock in process is valued at prime cost and finished stock has been valued at the price at which it is received from Process II. Sales during the period is Rs. 14,40,000.

Prepare : i. Process I Account

ii. Process II Account

iii. Finished Stock Account

iv. Actual Profit realised statement

Q.5 a) Explain the Non-integrated Costing system.

(08)

b) Explain in brief the advantages of Uniform Costing

(07)

OR

Q.5 c) Write short notes on (Any 3)

(15)

1. Cost Drivers.

2. Normal wastage and Abnormal wastage.

3. Features of Integrated system

4. Inter-process profit

5. Service Costing

Total Marks :75

Q1A. Select the correct option and complete the sentence: (Any8)

(8)

Q1B. Match the column (Any 7)

(7)

Column A		Column B	
1	Retained Earnings	A	Face value = Issue Price
2	Replacement of Equipment	B	Bad debts
3	Benefit Cost Ratio	C	Credit Investigation and Supervision Cost
4	Decision Tree	D	Shareholder funds
5	Entry Load	E	Capital Budgeting Decision
6	Hybrid Funds	F	Profitability Index
7	Maturity Value	G	Risk Analysis
8	Issued at Par	H	Buy
9	Default Cost	I	Balanced Fund
10	Administrative Cost	J	Principal Plus Interest

Q2A. Rajshree products want to introduce a new product with estimated sales life of 5 years (15)
The manufacturing equipment will cost Rs 25,00,000 with scrap value of 1,50,000 at the end of 5 years. The working capital requirement is Rs 2,00,000 which will be realized after 5 years
The profit before depreciation and tax is given below

Year	Rs
1	12,50,000
2	15,00,000
3	18,75,000
4	18,00,000
5	11,25,000

The PV factor applicable is 8% and tax rate is 50%. Calculate payback period and net present value of the project.

OR

Q2B. PQR Ltd is considering a project for which the following estimates are available. (08)

Initial cost of the Project	Rs 5 lacs
Sales price/unit	Rs 75
Cost per units	Rs 45
No of units Sold p.a	6000
Life of the project	5 years
Cost of Capital	9%

Calculate the sensitivity of the project with project cost, annual cash flow and state which is the most sensitive?

Q2C. The total available budget for a company is 20 Lacs .

(07)

Project	Cost (Rs Lakhs)	NPV in lakhs
M	6	3
N	5	1.25
O	7	1.40
P	2	0.30
Q	5	0.50
R	13	5.20

Which projects should be undertaken by the company in order to maximize the Net Present Value under Capital Rationing assuming that each Project is indivisible?

Q3A. Speed Up International Ltd has Equity Share Capital of Rs.5 crores, each share having (15) a Face value of Rs.100 each. It wants to raise further Rs.3 crores for its expansion purpose. The company has the following alternatives for financing its expansion:

- 1) By issuing Equity shares only
- 2) Rs.1 crore through equity shares and Rs.2 crores through 10% Debentures
- 3) By using Term loan at 10% Interest p.a.
- 4) Rs.1 crore through Equity Shares and Rs.2 crores through 8% Preference Shares

The estimated Earnings before Interest and Tax (EBIT) after expansion is Rs.1.5 crores. Tax rate is 35%. You are required to suggest the best financing alternative.

OR

Q3B. Neon Ltd has paid up Equity capital of Rs.80, 00,000 in shares of Rs.100 each. The earnings of the company was Rs.8,00,000. The company paid Dividend of Rs.6,40,000. Required Rate of return 10% and Cost of capital is 8%. Using Walter's formula, calculate the Market Price of the Share. (08)

Q3C. Forex Ltd paid a dividend of Rs.5 per share last year. It is expected to grow at 15% for next two years and then at 8% indefinitely. The required rate of return on Equity is 15%. Calculate the price per share using Gordon Dividend Growth Valuation Model. The Present Value factor at 15% for Year 1 = 0.8696 and Year 2= 0.7561 (07)

Q4A. A trader whose current sales is Rs. 10 Lakh p.a and has an average collection period of 30 days and wants to place a more liberal credit policy to improve sales. Selling price p.u is Rs. 10, average cost p.u is Rs. 6 and variable cost p.u is Rs. 4. Current Bad Debts loss is 1%. The company expects pre – tax return on investment @ 25%. Suggest which credit policy should be adopted. Assume 360 days in a year. (15)

Credit Period	Increase in Collection Period (Days)	Increase in Sales (Units)	Default Anticipated (%)
I	15	20,000	1.5
II	25	40,000	2.5
III	30	60,000	3.5
IV	40	70,000	4.5

OR

Q.4B. What is YTM of each Bond? Which Bond would you recommend for investment? (8)

Bond	Coupon Rate	Maturity	Price/Rs.100 Par Value
Bond P	6%	3 years	Rs. 90
Bond Q	12%	5 years	Rs. 70

Q.4C. A bond of Rs. 100 face value carrying an annual interest rate of 7% is redeemable after 5 years at a premium of 20 % if the required rate of return is 12% what is the present value of the Bond and should the investor buy the bond if the current market price of the bond is Rs. 95? (7)

Q5.A What are the steps in the evaluation of credit policies? (8)
B Explain the objective of strategic financial management (7)

OR

Q5C. Write short notes on (any 3) (15)

- Interest rate risk
- Various parties in Mutual fund
- Credit evaluation
- Indifference analysis
- Wealth Maximation

Time: 2½ hrs.

Total Marks: 75

Note:-

1. All questions are compulsory with internal choices. From Q2 to Q4.
2. Attempt either "A" and "B" or "C" and "D".
3. From Q5 do either "A" and "B" or "C".

Q.1 (A) Select the correct alternatives and rewrite the sentences (Any 8) (08 Marks)

- 1) Rate of tax in compositions scheme for retailer CGST and SGST together is _____
(1%, 2%, 5%, 12%)
- 2) M/s Suraj of Gujarat supplies goods to M/s Viraj of Delhi, this will classify as _____
(Intra State supply, Export supply, Inter State supply, Deemed supply)
- 3) IGST stands for _____
(Integrated Goods and Services Tax, Intra State goods and Services Tax, International Goods and Services Tax, Internet Goods and Services Tax)
- 4) Every deposit made towards tax, interest, penalty fee or any other amount shall be credited to _____
(Electronic Credit Ledger, Electronic Cash Ledger, Electronic Liability Register, Electronic Account Ledger)
- 5) The first 2 digits of GSTIN represent _____
(Entity code, Country code, State code, Checksum character)
- 6) For services of Beauty Treatment, the place of supply is the location _____
(Of recipient, where services are actually performed, of Supplier, of registered Person)
- 7) To take input tax credit in time, the person should pay the supplier of goods and services within _____
(30 days, 60 days, 120 days, 180 days)
- 8) An interstate supplier is _____ required to get registered under GST.
(Compulsorily, Exempted, Exempted subject to certain conditions, Voluntary)
- 9) _____ supply comprise of two or more supplies that attracts highest rate of tax
(Composite, Mixed, Mixed & Composite, Delivered)
- 10) GST is charged on _____ of goods or services.
(Manufacture, Consumption, Demand, Supply)

Q.1(B) State whether the following are True or False: (Any 7)

(07 Marks)

- 1) First copy of invoice is marked for transporter.
- 2) Tax Invoice for goods is prepared in duplicate.
- 3) Discount is included in computing transaction value.
- 4) Value of supply includes GST.
- 5) Exports is Zero rated.
- 6) Rate of Tax on Composition for traders is 10%.
- 7) Consideration shall include any subsidy by government.
- 8) GST applied to whole of India including the territorial water.
- 9) ITC can be claimed on purchase of goods for personal use.
- 10) Registered person can only claim input tax Credit.

Q.2 (A) M/s Vijay works registered in state of Maharashtra, provides following details for the month of August. Calculate its net Tax Liability for the month of August 2023 (15 Marks)

Transactions during the month:

- Sold Goods @ 5% GST to Nikita in Mumbai - Rs 3,60,000/-
- Sold Goods @ 28% GST to Dipti in Nanded - Rs 2,40,000/-
- Purchased goods @ 12% GST from Kolhapur - Rs 8,60,000/-
- Purchased goods @ 28% GST from Akola - Rs 9,00,000/-
- Provided Services @ 18% GST to Dhiren in Solapur - Rs 4,80,000/-
- Provided Services @ 12% GST to Himesh in Bangalore - Rs 12,00,000/-
- Availed Services @ 18% GST Seam Sangli - Rs 70,000/-
- Availed Services @ 5% GST from Jalgaon - Rs 55,000/-

Or

Q.2 (B) Mr. Kishan, registered in state of Uttarakhand provides following details for the month of October. Calculate his net Tax Liability for the month of October 2023. Excess IGST ITC to be utilized in Ratio 50:50 (15 Marks)

Transactions during the month:

- Sold Goods @ 18% GST to Vinil in Ranchi, Jharkhand - Rs 7,65,000/-
- Sold Goods @ 5% GST to Aman in Ajmer, Rajasthan - Rs 9,70,000/-
- Provided Services @ 28% GST to Dishant in Haridwar, Uttarakhand - Rs 28,00,000/-
- Provided Services @ 12% GST to Shekhar in Kollam, Kerala - Rs 6,60,000/-
- Inward Supplies @ 28% GST from Ratlam, MP - Rs 12,00,000/-
- Inward Supplies @ 12% GST from Guwahati, Assam - Rs 18,60,000/-
- Inward Supplies @ 18 % GST from Raichur, Karnataka - Rs 13,50,000/-

Q.3 (A) Find the time of supply in the following case

(08 Marks)

Sr. No	Date of Removal	Date of Invoice	Date of Receipt of Payment
1	01-01-2022	09-01-2022	25-01-2022
2	23-01-2022	01-01-2022	05-01-2022
3	14-01-2022	14-01-2022	11-01-2022
4	15-02-2022	17-02-2022	23-02-2022
5	20-02-2022	19-02-2022	25-02-2022
6	15-03-2022	16-03-2022	05-03-2022
7	17-08-2022	15-08-2022	20-08-2022
8	19-10-2022	18-10-2022	10-10-2022

Or

Q.3 (B) Find out place of supply in the following cases

(07 Marks)

- 1) "Rachit", an architect firm of Mumbai, receives a contract to design shopping mall at Dubai. They courier papers to M/s Shaikh Mall, Dubai.
- 2) Mr. Vimal of Pune got mobile connection from Jio Mobile on post-paid basis.
- 3) Mr. Virat of Nashik purchase mobile card on prepaid basis from M/s Kartik Mobile Ltd Nashik for Rs.500.
- 4) Harshit having registered office in Meerut, imported goods into India from Singapore.
- 5) Mr. Rajesh imports Tourist Bags from China for her Shop (Registered in Mumbai).
- 6) Rakesh Bhansali from Delhi purchase laptop from electronic stores in Maharashtra. Rakesh bhansali takes delivery for laptop in Maharashtra.
- 7) Dr. Rishi of Mumbai performed cosmetic surgery in mumbai on Shreedhar of Delhi for Rs 1,00,000.

Or

Q.3 (C) Determine Place of Supply and give Reasons.

(8 Marks)

1.	Ms. Veena of Maharashtra sells 30 TV set to Mr. Vinom of Karnataka. Goods are delivered by Gati transport to Karnataka. Delivery terminates at karnataka.
2.	Metro Ltd of Delhi gives order to Tata Construction for supply and installed electric panel for metro at Pune, Maharashtra.
3.	GoAir India has its corporate office in Delhi. Food is supplied on board at Mumbai by Sharan caterers on its Mumbai-Bangalore Flight.
4.	Sahid motors of Pune exported motor car to China.
5.	Mr. Sashikumar of Mumbai goes to Delhi for plastic surgery.
6.	Mr. Rishi of Thane, Maharashtra purchase a ticket in Gujarat for watching a movie in Gujarat Cinema Hall.
7.	Ms. Priyank of Punjab gets a DTH Installed at her home from Sunstar Ltd.
8.	Couple Goals Ltd of Jaipur is hired by Mr. Richard to plan and organize his wedding at Amritsar.

Q.3 (D) Ms.Kamlesh entered into a contract with Ms. Kanika for supply of Machine. (7 Marks)

	Rs
Value of Machine including GST @ 28%	16,64,000/-
Taxes (other than CGST/ SGST/ IGST) charged separately by Ms.Kamlesh	75,000/-
Expenses incurred by Ms. Kanika on behalf of Ms.Kamlesh :	
a) Pre. Installation Consultancy	15,000/-
b) Commission	27,000/-
c) Designing Charges	12,000/-
Other information:	
a) Subsidy received from Central government	1,20,000/-
b) Subsidy received from third party	70,000/-
c) Customized Packing charges paid by Ms. Kamlesh on request of Ms.Kanika	13,000/-
Calculate value of supply?	

Q.4 (A) Mr. Amish is new dealer dealing only in goods. From the following information find out on which day he will be liable to register under GST. Give reasons for your answer (8 Marks)

Date	Purchase		Sales	
	Taxable	Tax Free	Taxable	Tax Free
02/04/2023	5,00,000	35,000	-	-
09/04/2023	-	25,000	15,50,000	1,90,000
15/04/2023	3,50,000	92,000	4,50,000	1,05,000
27/04/2023	25,000	35,000	50,000	4,50,000
01/05/2023	1,00,000	29,000	-	-
10/05/2023	59,000	75,000	4,90,000	1,60,000
15/05/2023	1,35,000	-	90,000	3,10,000
20/05/2023	2,50,000	3,10,000	45,000	20,000
29/05/2023	-	4,10,000	9,00,000	7,10,000

Q.4 (B) Calculate Aggregate Turnover of Mr. Hemant based on the following details given by him: (7 Marks)

Sr. No.	Particulars	Amount
1	Exempt supplies	1,93,000
2	Inter — state supplies excluding GST @ 5%	8,40,000
3	Taxable supplies including GST @ 28%	8,96,000
4	Export of goods	1,06,000
5	Inward supplies on which tax is payable under reverse charge	58,000
6	Export of services	427,000
7	Purchase Goods	34,000

Or

Q.4 (C) Following are the activities/transactions decide whether goods and services tax shall be levied on them. (8 Marks)

1. Job work of Agriculture Rs 1 lakhs.
 2. Charges for printing work undertaken for the client Rs 2 lakhs.
 3. Charges for textile processing work for the client Rs 3 lakhs.
 4. Charges for cutting polishing work of diamond and gemstones for the client Rs 4 lakhs.
 5. Charges for manufacture of alcoholic drinks Rs 5 lakhs.
 6. Transfer of a Partnership firm, which is a going concern Rs 6 lakhs
 7. Sale of goods which is liable to nil rate of duty Rs 7 lakhs.
 8. Sale of goods which is liable to @ 12% Rs 8 lakhs.
- Compute Value of taxable services and Non-taxable Services.

Q.4 (D) M/s IKAIASAI and Company from Prabhadevi gives the following information regarding supply of goods. You are required to find out the date from which the company is liable for registration under GST.

Date	Supply of Taxable Goods (Rs.)	Supply of Exempt Goods (Rs.)
10-03-2023	4,80,000	40,000
20-03-2023	6,80,000	1,16,000
30-03-2023	10,80,000	1,44,000
10-04-2023	8,92,000	1,76,000
20-04-2023	1,04,400	1,24,000
30-04-2023	86,000	84,000
10-05-2023	7,76,000	56,000
20-05-2023	2,84,000	36,000
30-05-2023	2,09,000	96,000

Q.5 (A) What are the conditions and restrictions under composition Scheme? (08 Marks)

(B) What is the need for and advantages of Registration under GST? (07 Marks)

Or

Q.5 Write Short Notes (Any 3)

(15 Marks)

- a) Electronic Commerce Operator
- b) Mixed Supply & Composite Supply
- c) Aggregate Turnover
- d) E-Way Bill
- e) Transaction Value

Time : 2 ½ Hours

Marks : 75

N.B

1. All question are compulsory.
2. Make suitable assumptions wherever necessary and state the assumptions made.
3. Answer to the same question must be written together.
4. Numbers to the right indicate marks.

Q1) (A) Multiple Choices Question: (Any Eight)

(08)

1. An option seller is also known as _____.
(a) option copier (b) option holder (c) option creator (d) option writer
2. Using futures contracts to transfer price risk is called: _____.
(a) arbitrage (b) speculating (c) hedging (d) diversifying
3. The underlying asset for a derivative contract can be _____.
(a) Equity (b) Commodities (c) Interest Rate (d) Any of the above.
4. USD 1.67 = 1 Pound sterling is an _____ quote
a) American b) European c) Swap d) Forward
5. The indirect quote for 1 GBP = SGD 2.8272 – 82 is _____.
a) 0.3536 – 0.3575 b) 1.3536 – 1.3575 c) 0.0356 – 0.0357 d) 3.56 – 3.57
6. SGD / USD 0.7000 – 0.7010 is indirect quotation for _____.
a) Singapore b) US c) India d) Pakistan
7. The first exchange traded financial derivative in India commenced with the trading of _____.
(a) Index futures (b) Index Options (c) Stock futures (d) Interest rate swaps.
8. In Holgate Principle, if Bid > Ask, swap points for forward rates are to be _____.
a) Added b) Subtracted c) Multiplied d) Divided
9. India is facing continuous deficit in its balance of payments in the foreign exchange market rupee is expected to _____.
a) Appreciate b) Depreciate c) Show no specific tendency d) FEMA
10. Standard Forward Contracts have a maximum duration of _____ months
a) 3 b) 6 c) 9 d) 12

Q1. B. Answer whether the below statements are true or false (Any seven) (07)

- 1) A put option is in-the-money if the current market price of underlying asset is below its strike price.
- 2) An out-of-the-money option will always be exercised.
- 3) Time value of an option is zero at expiration.
- 4) A three-month stock options contract is also known as near month options contract.
- 5) Premium charged is the highest profit that an option writer can earn.
- 6) Inverse quote of INR / GBP is GBP / USD
- 7) 1 GBP = 102.34 INR is a direct quote for INR.
- 8) Foreign Exchange Markets are decentralized
- 9) LORO account means – 'their account with you'
- 10) If Goldman Sachs US Banks has an INR account with State Bank of India it is called VOSTRO account.

Q2) (A) Mr. X has a long position in a two-month futures contract for 4 lots (lot size is 30 shares) of Reliance Industries Ltd. at a price of Rs. 2,560/- per share. What will be his payoff if price per share on settlement date is (a) Rs.2,520/-, (b) Rs. 2,565 or (c) Rs. 2,640? (08)

Q2) (B) Classify the following Put Options as (i) In The Money, (ii) At The Money and (iii) Out of The Money and the corresponding option payoff per share (ignore the premium charged).

- Current market price Rs. 1,650
- Strike price (a) 1,630, (b) 1,640, (c) 1,650, (d) 1,660 and (e) 1,670

(07)

OR

Q2) (C) Who are the various participants in Derivative Markets? (08)

Q2) (D) Explain payoff for a Call option holder and a Put option holder. (07)

Q3) (A) Mr. X can buy an American call option on the shares of ABC Ltd. with following details on per share basis –

1. Spot price – Rs. 240
2. Strike price – Rs. 225
3. Option premium – Rs. 10

You are required to find out arbitrage opportunity and gain per lot, if any, if the lot size is 50 shares. Assume option is settled on delivery basis. (08)

Q3) (B) Explain the concept of Put-Call parity. (07)

OR

Q3) (C) USD/INR 82.5761 – 6311

Calculate Spread, MID rate, and % Spread. (08)

Q3) (D) Spot EUR/AUD 1.3932

3 months AFM = premium 1.75%

Calculate 3 months forward EUR/AUD rate.

If AUD interest rate = 3.25% p.a. calculate EUR interest rate.

(07)

Q4) (A) Identify names of respective countries where the following is an Indirect quote and find for each direct quote of that country

a) EUR1=INR 82.6877

b) 1 INR= AED 0.0608

c) 100 INR = USD 1.6622

(08)

Q4) (B) What is INR-GBP rate?

GBP USD 1.6666/1.7777

USD INR 60.1111/60.2222

(07)

OR

Q4) (C) From the following RS. US \$ quotation, Calculate the outright forward quotes Explain whether it is at a premium or discount

Spot	1 month fwd	2 months	3 months
47.1110 /220	100/200	300/450	750/900

(08)

Q4) (D) What are the factors affecting the exchange rate

(07)

Q5) (A) Define Foreign exchange market. What are the principal characteristics of this market?

(08)

Q5) (B) Distinction between Direct and Indirect rates.

(07)

OR

Q5) (C) Short Notes (Any three).

(15)

1. Hedging
2. Efficient Market Hypothesis (EMH)
3. Various option strategies.
4. Exchange traded v/s OTC derivatives.
5. Risk and Exposure.

Time Duration 2 ½ hours

Marks 75

Note –

1. Question 1 is compulsory
2. Question 2, 3, 4 and 5 have internal options
3. All questions carry 15 marks each.
4. Figures to the right, indicate full marks assigned to the question.
5. Use of only simple calculator is allowed.

Q.1A) Rewrite the sentence with correct alternative. (Any Eight)

[08]

1. If Share Capital is Rs. 400000, Reserves and surplus is Rs. 120000 and P&L A/c Dr. Balance is Rs. 20000 then Net worth = _____
 - a. Rs. 540000
 - b. Rs. 520000
 - c. Rs. 500000
 - d. Rs. 260000
2. NPV is _____
 - a. Excess of aggregate Present value of Cash inflows over aggregate Present value of Cash outflows
 - b. Ratio of aggregate Present value of Cash inflows and aggregate Present value of Cash outflows
 - c. Product of aggregate Present value of Cash inflows and aggregate Present value of Cash outflows
 - d. Total of aggregate Present value of Cash inflows and aggregate Present value of Cash outflows
3. Financial Analysis is used for evaluation of _____
 - a) Employee performance
 - b) Operating Efficiency
 - c) Profitability and Creditability
 - d) All Employee performance, Operating Efficiency Profitability and Creditability
4. Dividend paid is cash _____
 - a. Inflow from operating activities
 - b. Inflow from investing activities
 - c. Outflow from financing activities
 - d. Outflow from investing activities
5. The inventory method where closing stock is valued at earliest purchases is known as _____ method.
 - a) FIFO
 - b) LIFO
 - c) FIFO and LIFO
 - d) Weighted Average
6. In common size analysis, the items in the balance sheet are expressed as percentage of _____
 - a. Shareholder's Funds
 - b. Total of Assets or Liabilities or Capital Employed
 - c. Total of Fixed Assets
 - d. Working Capital

7. Financial Modeling is _____.
- Process of building financial model
 - Process of advertizing modeling
 - Process of drawing model for building
 - All Process of building financial model, advertizing modeling and drawing model for building.
8. PQ Ltd. has Earning per share of Rs.18. Presently it's shares are traded at Rs.360. Net Profit after Tax (NPAT) is Rs.18 Lakhs. The P/E ratio of PQ Ltd. Will be _____.
- 2
 - 12
 - 20
 - None of these
9. If Fair Value of share is Rs.20 and Yield Value is Rs.22 then intrinsic value will be _____.
- Rs. 2
 - Rs. 11
 - Rs. 18
 - Rs. 42
10. _____ is an example of contingent Liability
- Bank Overdraft
 - Guarantee given
 - Creditors
 - None of these

Q. 1B) Match the following (Any Seven)

[07]

A Group	B Group
1. ARR	a) Net Asset Value
2. IRR	b) Value Based on FMP
3. Profitability ratios	c) Excess of FMP over Normal Profit
4. Turnover ratios	d) Non-Discounting method in capital Budgeting
5. Patents	e) Fixed Asset
6. Advertisement Expenses (not w/off)	f) Fictitious Asset
7. Asset held for long term period	g) Intangible asset
8. Yield Value	h) NPV = zero
9. Book Value	i) Indicates profitability
10. Super Profit	j) Indicates efficiency of operations

Q.2 A] Following is the Trading and Profit & Loss Account of ONG Ltd. For the year ended 31st March, 2023. [08]

Trading and Profit & Loss Account for the year ended 31st March, 2023

Dr.

Cr.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	21,600	By Sales	1,20,000
To Purchase	87,600	By Closing Stock	36,000
To Wages	13,200		
To Carriage Inward	4,800		
To Gross Profit c / d	28,800		
Total	1,56,000	Total	1,56,000
To Operating Expenses	24,000	By Gross Profit b / d	28,800
To Loss on Sale of Assets	6,000	By Interest on Investment	15,600
To Income Tax Provision	2,400		
To Net Profit c / f	12,000		
Total	44,400	Total	44,400

Prepare a common size Income Statement from the above in vertical form.

AND

Q.2B] Following are the trading & Profit and Loss Account of TW Ltd. For the years ended 31st March, 2022 and 2023. [07]

Trading & Profit and Loss Account

Particulars	2022 (Rs.)	2023 (Rs.)	Particulars	2022 (Rs.)	2023 (Rs.)
To Opening Stock	3,50,000	2,00,000	By Sales	11,00,000	12,00,000
To Purchase	7,00,000	9,00,000	By Closing Stock	2,00,000	3,00,000
To Wages	50,000	1,00,000			
To Gross Profit c/d	2,00,000	3,00,000			
	13,00,000	15,00,000		13,00,000	15,00,000
To office Expenses	1,00,000	1,25,000	By Gross Profit b/d	2,00,000	3,00,000
To Selling Expenses	50,000	1,00,000			
To Finance Expenses	20,000	30,000			
To Net Profit c/f	30,000	45,000			
	2,00,000	3,00,000		2,00,000	3,00,000

Prepare a Comparative Income statement from the above in vertical Form

OR

Q.2C] MAA Ltd is considering two alternatives for the purchase of new machine is A and B each costing Rs 600,000. Earnings after Taxes are expected as follows: [15]

Year	Earnings after Tax (Rs.)		Present Value of Re 1 @ 10%
	Machine A	Machine B	
1	60,000	1,80,000	0.909
2	1,80,000	2,40,000	0.826
3	2,40,000	3,00,000	0.751
4	3,60,000	1,80,000	0.683
5	2,40,000	1,20,000	0.621

Determine which Machine the company should purchase on the basis of Net Present Value.

Q.3 A] From the following Balance Sheet of KK Co. Ltd., Compute:

[15]

- Liquid Ratio
- Current Ratio
- Proprietary Ratio
- Capital Gearing Ratio
- Stock Turnover Ratio
- Debtors' Turnover Ratio

Balance Sheet as at 31st December, 2023

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	7,00,000	Fixed Assets	9,00,000
Reserves	8,00,000	Stock	4,60,000
Secured Loans	2,00,000	Sundry Debtors	6,40,000
Current Liabilities	2,60,000	Cash & Bank	5,00,000
Provisions	5,40,000		
	25,00,000		25,00,000

Total Sales during the year was Rs. 21 00 000 (Including cash sales of Rs. 8 20 000) which yielded Gross Profit of $33 \frac{1}{3}\%$ on sales.

The stock on 31st December, 2023 was Rs. 2,40,000

Assume for your working 360 days for the year

OR

Q.3 B] Prepare a cash flow statement from the information provided by M/S VMG & Bros.: [15]

Balance Sheet as on 31st March

Liabilities	2022 (Rs.)	2023 (Rs.)	Assets	2022 (Rs.)	2023 (Rs.)
Creditors	54000	61500	Land	30000	45000
Loan from Partner	-	30000	Building	75000	82500
Loan from Bank	45000	37500	Machinery	120000	129000
Capital	200000	200000	Cash	6000	5400
Reserves and Surplus	22000	23500	Debtor	52500	57600
			Stock	37500	33000
	3,21,000	3,52,500		3,21,000	3,52,500

Additional Information:

- During the year Rs. 39,000 paid as dividend.
- The provision made for depreciation against machinery as on 31st March 2022 was Rs. 40,500 and on 31st March 2023 Rs 54,000.

Q. 4 A] Mr KMD wants to sell his residential property located in Kanpur. Following is the information available of a similar property of Mr ASG:

[08]

Particulars	Property of KMD	Property of ASG
Area	600 sqft	660 sqft
Sales Value(Rs)	--	66,00,000
Additional expenses incurred on property for renovation(Rs)	--	4,75,000
Value of Furniture included along with property(Rs)	--	3,50,000

Mr. KMD also has a parking spot worth 225000 as a part of property. Further, the value of property has generally appreciated by 10% since the sale of property by Mr ASG. Calculate the value of residential property of Mr KMD.

AND

Q. 4 B] The following figures have been extracted from the records of a company: [07]

Year	2020-21	2021-22
Sales(Rs.)	6,00,000	7,87,500
Units Sold	15,000	22,500

Account for changes in sales value due to changes in sales quantity, selling price and both.

OR

Q. 4 C] The net profit after tax of AQ Ltd. for last 3 years are as under [08]

Year	Profit (Rs.)
2020-21	58500
2021-22	55500
2022-23	68000

It is expected that the company will maintain its super profit for Next three years. Calculate the value of Goodwill on 3 years purchase of Super profit. Normal rate of return is 8% and Average Capital Employed is Rs.500000.

AND

Q. 4 D] AB Ltd. Has net assets of Rs. 75 lakhs and total number of shares issued are 2,00,000 with book value of Rs.10. Currently the shares of the company are trade at Rs.180. Profit after Tax of the company was Rs.30 lakhs for the current year. From the given information calculate –Intrinsic Value Earnings Per Share, Price Earnings Ratios, Price to Book Ratio. [07]

Q. 5 A] What are the various factors affecting Business Valuation. [08]

Q. 5 B] Explain the various types of Ratios based on Functions. [07]

OR

Q.5 C] Write Short Notes on following. [any 3] [15]

1. Cash Flow from Operating activities.
2. IRR (Internal Rate of Return).
3. Intrinsic Value
4. Common Size Statement Analysis
5. Forecasting Techniques
