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NS – 436

V Semester B.Com./B.A. Examination, Nov./Dec. 2016
(CBCS) (Semester Scheme) (Fresh)
(2016-17 and Onwards)
COMMERCE

5.1 : Entrepreneurship Development
(For both Regular and Vocational Course)

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any five** sub-questions. Each sub-question carries **two** marks. (5×2=10)

1. a) What is entrepreneurship ?
- b) List out any four functions of an entrepreneur.
- c) What do you mean by ancillary industry ? Give an example.
- d) Write any four common pitfalls to be avoided in the preparation of a business plan.
- e) Name any four institutions offering financial assistance to SSI's ?
- f) Write any four objectives of Khadi and village industries corporation.
- g) Expand :
 - i) TECSOK.
 - ii) SIDO.

SECTION – B

Answer **any three** questions. Each question carries **six** marks. (3×6=18)

2. Explain the characteristics of an entrepreneur.
3. Write a note on social aspects of a business plan.
4. Explain any six merits of partnership.
5. Explain any six functions of SISI.
6. Write the internal and external problems of small scale enterprises.

P.T.O.



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SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. **(3×14=42)**

7. Explain the role played by SSI in the development of the Indian economy.
8. Explain the financial assistance provided by SIDBI to SSI's.
9. Explain the characteristics of a successful entrepreneur.
10. Discuss the various steps involved before commencing a business.
11. Explain the steps taken to solve the problems of SSI's ?



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V Semester B.Com. Examination, Nov./Dec. 2016
(CBCS) (Fresh) (2016-17 and Onwards)
COMMERCE

Paper – 5.2 : International Financial Reporting Standards

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written either in **English** or **Kannada**.

SECTION – A

Answer **any five** sub-questions from the following. Each sub-question carries 2 marks. (5×2=10)

1. a) Mention 2 objectives of I.F.R.S.
- b) Expand I.A.S.B. and G.A.A.P.
- c) What is investment property as per Ind AS – 40 ?
- d) What are Govt. Grants ?
- e) What do you mean by the term inventories ?
- f) Give the meaning of events after the reporting period.
- g) What are accounting policies ?

SECTION – B

Answer **any 3** of the following, each question carries 6 marks. (3×6=18)

2. Briefly explain the merits of I.F.R.S.
3. Mention the list of close members of the family as per Ind AS-24.
4. Veena Traders purchased a plant from Sujay Ltd. 30-9-2015 with a quoted price of Rs. 200 lakhs. Sujay Ltd. offer 3 months credit with a condition that discount of 1.5% will be allowed if the payment were made with in one month. VAT is 14% on the quoted price. Company incurred 2% on transportation cost and 3% on erection cost of the quoted price. Pre operative cost amounted to Rs. 2 lakhs. Estimated life of the plant is 8 years. Residual value of the plant 20 lakhs.
 - a) Calculate the original cost of the plant.
 - b) Carrying amount of the plant on 31-3-2016.



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5. You are given the following extracts of Ledger Balances taken from Shankar Ltd. for the year ending 31-3-2016 prepare a statement of P/L.

Revenue from operations	98,000
Other income	2,000
Advertising	5,250
Salaries	27,000
Depreciation	2,800
Insurance	1,000
Interest on debentures	1,000
Preliminary exp. written off	1,000
Bad debts	500
Discount	500
Printing and stationery	1,000
Cost of materials consumed	25,000

6. H Ltd. acquired 75% of the shares of 'S' Ltd. on 31-7-15 and earned a profit of Rs. 67,500 for the year ending 31-3-2016.

The face value of shares of 'S' Ltd. is Rs. 10 per share.

The 'S' Ltd. had a balance of Rs. 82,500 in P/L A/c as on 31-3-2016 and Rs. 1,05,000 in General Reserve.

Calculate the non controlling interest.

SECTION – C

Answer **any three** of the following, **each** question carries **14** marks. (3×14=42)

7. A) Briefly explain the scope, recognition criteria and disclosure requirements of provisions and contingent liabilities as per Ind AS – 37.

B) Give the list of any 15 Ind AS issued by ministry of corporate affairs.

8. A) What is a interim financial report ? What are disclosure requirements ?

B) Briefly explain the scope and disclosure requirements of Intangible assets as per Ind AS – 38.

9. A) From the following Trial Balance of Reddy prepare statement of financial position of the company as on 31-3-2016.

Debit	Rs.	Credit	Rs.
Cash at bank	1,50,000	Equity share capital	2,50,000
Non current assets	1,00,000	Reserves and surplus	50,000
Non current investments	50,000	Non-current liabilities	4,00,000
Land and building	4,00,000	Current liabilities	1,00,000
Furniture	1,00,000	Staff provident fund	1,00,000



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Office equipment	50,000	Deposits from public	1,00,000
Goodwill	1,00,000	Preference capital	2,50,000
Stock	2,00,000		
Trade receivables	1,00,000		
	12,50,000		12,50,000

B) Calculate the Non-controlling interest from the following :

Geetha Ltd. acquired 75% of equity shares in Seetha Ltd. on 1-7-2015. The following balances are extracted from the financial position of Seetha Ltd. as on 31-3-2016.

1) Share Capital

20000 equity shares of Rs. 10 each

2) Balances as on 1-4-2015

General Reserve 70,000

Profit and Loss A/c 55,000

3) Net profit for the year

ending 31.3.2016 Rs. 45,000

10. A) From the following balances of Kumar Co. Ltd. as on 31-3-2016, prepare a statement of P/L.

	Rs.
Interest on Debentures	32,400
Travelling Expenses	15,000
Delivery Van Expenses	5,000
Bad debts	6,000
Discount	7,000
Purchases	3,15,000
Opening stock	75,000
Freight charges	8,000
Depreciation	25,000
Insurance	5,000
Commission Received	7,500
Sales	6,50,000
Share Transfer Fees	5,000

B) Ashok Ltd. took a loan of Euros 5000 on 1st April 2015 for the purpose of setting up a new subsidiary. The company took a loan at an interest rate of 5% p.a. payable annually. On 1 April 2015 the exchange rate was determined at Rs. 60 per Euro. The exchange rate on 31-3-2016 stood at Rs. 65 per Euro. The amount corresponding could have also been borrowed at 12% p.a. in the local currency on 1-4-2015.

Calculate :

- Borrowing cost.
- Increase in the liability towards the principal amount.
- Exchange rate difference accounted.

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11. A) Ravi Ltd. purchased a equipment for its company the price paid for the equipment is 2,50,000 inclusive of value added tax of Rs. 60,000. The entity gets a credit of VAT while calculating the tax payable on the finished goods sold.

Additional cost incurred are

Freight Rs. 10,000 customs duty Rs. 8,000

Installation Expenses of Rs. 5,000

The estimate of dismantling and removing the item would be Rs. 5,000

After the equipment was put to use Rs. 5,000 was spent on cleaning the spare parts.

Calculate the cost of the asset according to Ind AS – 16.

- B) Sri Ram Ltd. purchased a machine costing Rs. 40,00,000 on 10-01-2015. The company received grants from the govt. to the extent of 50% of the assets cost. The products are to be supplied to the govt. upto the extent of 50% of the production and at a price which is 20% below the average market price.

**Average market price of
the product**

**The capacity utilisation of the
machine in %**

Year	Price	Year	% capacity utilisation
2015	37.5	2015	50%
2016	40	2016	50%
2017	42.5	2017	60%
2018	45	2018	70%
2019	47.5	2019	80%

The production capacity is 1 lakh units per annum.

Calculate the (a) Revenue subsidy (b) Gain from grants.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ 5 ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

(5×2=10)

- I.F.R.S. ನ ಎರಡು ಉದ್ದೇಶಗಳನ್ನು ತಿಳಿಸಿ.
- I.A.S.B. ಮತ್ತು G.A.A.P. ಯನ್ನು ವಿಸ್ತರಿಸಿ.
- Ind AS – 40 ರ ಪ್ರಕಾರ ಹೂಡಿಕೆ ಆಸ್ತಿಗಳೆಂದರೇನು?
- ಸರ್ಕಾರದ ಅನುದಾನ ಎಂದರೇನು?
- ಸರಕುಗಳು ಎಂದರೇನು?
- ವರದಿ ನಂತರದ ಘಟನೆಯ ಅರ್ಥ ನೀಡಿ.
- ಲೆಕ್ಕ ಪತ್ರದ ನೀತಿಗಳು ಯಾವುವು ?



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V Semester B.Com. Examination, November/December 2016
(2016 – 17 and Onwards) (CBCS) (Fresh)
Commerce
5.3 : INCOME TAX – I

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **two** marks. (5×2 = 10)
- Define Assessment Year.
 - Mention any two examples of exempted incomes.
 - What is Standard Rent ?
 - Expand CBDT and PAN.
 - Give the meaning of salary for the purpose of calculating exempted RPF contribution by employer.
 - What do you mean by Agricultural Income ?
 - What is Capital expenditure ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. (3×6 = 18)

2. Mr. Kumar is a non- government employee getting pension of Rs. 16,000 per month from a company. During the previous year 2015–16 he got his $\frac{2}{3}$ rd pension commuted and received Rs. 9,84,000. Compute taxable pension for the Assessment Year 2016 – 17.



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3. Mr. Ramesh is a citizen of America comes to India on 20-3-2015 for the first time and on 01-09-2015 he left India and went to Nepal on a business trip. Again he comes back to India on 26-02-2016. Determine his residential status for the Assessment Year 2016 – 17.

4. State whether the following are agricultural or non-agricultural Income.

a) Income from agricultural land situated in Australia.

b) Income derived from sale of seeds.

c) Income from sale of forest trees of spontaneous growth.

d) Lease rent received from land given to tenants for agricultural operations.

e) Income derived from land used as stone quarries.

f) Income from sale of plants from nursery.

5. Explain the Canons of Taxation.

6. From the following information compute Net Annual value of House Property for the A.Y. 2016 – 17

Municipal value Rs. 1,00,000

Fair Rental value Rs. 1,80,000

Let out (per month) Rs. 16,000

Standard Rent Rs. 1,20,000

Unrealised rent for one month

Municipal tax paid by owner of House Property Rs. 20,000

Municipal tax paid by tenant Rs. 10,000



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SECTION – C

Answer **any three** questions. Each question carries **fourteen** marks. (3×14 = 42)

7. Mrs. Smitha is working as Sales Executive in Maruthi Suzuki Ltd. Kolkata and her salary details are as follows for the previous year 2015 – 16

- a) Basic salary Rs. 21,000 per month
- b) Bonus equal to two months basic salary
- c) Commission 3% on sales (During the year she reached sales target of Rs. 5,00,000)
- d) Dearness allowance Rs. 7,000 per month. (Eligible for Retirement benefits)
- e) Medical allowance Rs. 1,400 per month. (Medical expenses Rs. 15,000 p.a.)
- f) Children Hostel Allowance for her two children @ Rs. 500 per month per child.
- g) Children Education Allowance for her two children @ Rs. 400 per month per child.
- h) RPF contribution by the company Rs. 6,000 per month.
- i) RPF contribution by employee Rs. 5,000 per month.
- j) Interest credited on RPF @ 11% Rs. 44,000.
- k) She has been provided with company's owned rent free furnished house in Mumbai and cost of furniture provided Rs. 60,000.
- l) Mrs. Smitha paid her professional tax Rs. 2,400 p.a.

Compute Taxable Salary for the A.Y. 2016 – 17.



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8. Mr. Akshay furnishes the following particulars of his income for the previous year 2015–16. Determine his taxable income for the A.Y. 2016–17. If his residential status is
- Ordinary resident
 - Not ordinary resident
 - Non-resident.
 - Income from business in Hubli Rs. 1,00,000
 - Profit from business in UK controlled from India Rs. 60,000
 - Income from House Property in Japan received there Rs. 50,000
 - Income from business in India received in Pakistan Rs. 30,000
 - Salary received in India for service rendered in USA Rs. 70,000
 - Interest on deposits with SBI in Mysore Rs. 20,000
 - Profit from business in Singapore controlled from India ($\frac{1}{3}$ rd received in India) 30,000
 - Past untaxed foreign income brought into India Rs. 8,000
 - Dividend received from a domestic company Rs. 5,000
 - Agricultural income earned in Nepal Rs. 25,000
 - Commission received in India for service given in Japan Rs. 10,000
 - Income from profession in India but received in France Rs. 10,000



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9. Mr. Shankar is the owner of three house Properties in Bangalore and let-out all the houses throughout the year

Particulars	House – A (Rs.)	House – B (Rs.)	House – C (Rs.)
Fair Rent	1,80,000	1,50,000	1,20,000
Municipal valuation	1,50,000	2,00,000	1,00,000
Let out (per month)	20,000	15,000	25,000
Use by tenant	Residential	Office	Residential
Repair charges	10,000	–	40,000
Collection charges	20,000	5,000	–
Interest on loan :			
a) For construction	1,00,000	–	–
b) For Marriage of daughter	–	60,000	–
c) For repairs	–	–	10,000

Municipal tax is 10% of Municipal valuation. Municipal tax of House – A was paid by owner but Municipal tax of House – B was not paid upto 31st March 2016 and Municipal tax of House – C was paid by tenant. The House – C was remained vacant for 2 months.

Compute Income from House Property for the A. Y. 2016 – 17 by making assumption housing loan in respect of House A and C was taken after 1-4-1999.



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10. Mr. Yadav is an employee of State Bank of India Bangalore and he submits the following information relevant for the A.Y. 2016 – 17. Compute his taxable income from salary :

- a) Basic salary Rs. 8,000 per month.
- b) Dearness allowance Rs. 1,500 per month (does not form part of salary).
- c) City compensatory allowance Rs. 300 p.m.
- d) Bonus Rs. 10,000 per annum.
- e) Conveyance allowance Rs. 2,000 p.m. (60% spent for office duties).
- f) House Rent allowance Rs. 5,000 p.m.
(Rent paid by employee Rs. 7,000 p.m.)
- g) Payment of LIC Premium by SBI Rs. 4,000 p.a.
- h) Services of sweeper paid by SBI Rs. 200 per month.
- i) Leave Travel Concession Rs. 5,000 (First time in current Block period).
- j) Reimbursement of gas, electricity and water bill by the SBI Rs. 2,500 per annum.
- k) RPF contribution by the bank and own contribution of employee 14% of salary.
- l) Interest credited to RPF at 14% Rs. 14,000.
- m) Professional tax paid by Yadav Rs. 5,000.



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11. Mr. Suryakantha has three houses in Mandya and particulars of which are relating to previous year as under :

Particulars	House – I (Rs.)	House – II (Rs.)	House – III (Rs.)
Use of House	Let out	Let out	S.O.P.
Standard Rent	1,50,000	2,00,000	—
Municipal value	1,00,000	3,00,000	3,00,000
Fair rental value	1,80,000	1,80,000	3,50,000
Actual rent per month	15,000	20,000	—
Municipal tax paid	10% of M.V.	10% of M.V.	10% of M.V.
Repair charges	—	—	2,000

Suryakantha borrows Rs. 3,00,000 at 20% per annum from the bank for construction of House – III. (date of borrowing 01-06-2008, date of repayment of loan 10-5-2016) Construction of all houses is completed in May 2013.

Determine the taxable income from house property for the assessment year 2016 – 17.

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ವಿಭಾಗ - ಎ

1. ಯಾವುದಾದರೂ ಐದು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿರಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು. (5x2 =10)

a) ಕರ ವರ್ಷ ವ್ಯಾಖ್ಯೆ ನೀಡಿರಿ.

b) ಯಾವುದಾದರೂ ಎರಡು ತೆರಿಗೆ ರಹಿತ ಆದಾಯವನ್ನು ತಿಳಿಸಿರಿ.

c) ಸ್ಟಾಂಡರ್ಡ್ ಬಾಡಿಗೆ ಎಂದರೇನು?



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V Semester B.Com. Examination, November/December 2016
(CBCS) (Semester Scheme) (Fresh) (2016-17 and Onwards)
COMMERCE

5.4 : Costing Methods

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

1. Answer **any five** of the following. **Each** question carries **2** marks. **(5x2=10)**
- What is retention money ?
 - What is abnormal loss ?
 - What is meant by work uncertified ?
 - What is meant by job cost sheet ?
 - What is economic batch quantity ?
 - What are standing charges in operating costing ?
 - Give the meaning of by-products.

SECTION – B

Answer **any three** of the following. **Each** question carries **six** marks. **(3x6=18)**

2. Calculate the cost and selling price of the job after adding 20% profit on total cost.
Materials Rs. 12,030.
Wages – Dept. A – 60 hrs at Rs. 50/hr
Dept. B – 40 hrs at Rs. 30/hr
Dept. C – 20 hrs at Rs. 25/hr
Variable O/H – Rs. 20 per hour
Fixed O/H – Rs. 25,000 for 1000 hours.
3. Briefly explain treatment of normal loss and abnormal loss in process accounts.
4. Following is the information relating to a contract.

	Rs.
Contract price	6,00,000
Raw Materials	1,20,000
Wages	1,60,000
Sub-contract	5,000



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Plant	20,000
Materials transferred to other contract	2,000
General expenses	7,600

At the end of the year, cash received from the contractee was Rs. 2,40,000 being 80% of work certified. Value of materials unused at the end of the year was Rs. 18,000. Plant to be depreciated at 20%. Prepare contract account.

5. A transport company is running 5 busses between two cities which are 40 kms apart. The seating capacity of each bus is 50 passengers. The actual passengers carried were 80% of the capacity. Each bus makes one round trip per day. All the busses run on all the days of the month.

Calculate total passenger kms for the month of September.

6. Calculate EBQ and No. of batches from the following :

Annual consumption	–	50,000 units
Setting-up cost per batch	–	Rs. 100
Cost of manufacture	–	Rs. 20/unit
Rate of interest	–	10%
Carrying cost	–	0.50 paise per unit p.a. (50 paise)

SECTION – C

Answer **any three** of the following. **Each** question carries **14** marks. (3×14=42)

7. A product passes through 3 processes for its completion. For the year ending 31-3-2013 the following are the details :

Particulars	Total (Rs.)	Processes		
		X (Rs.)	Y (Rs.)	Z (Rs.)
Materials	84,820	20,000	30,200	34,620
Labour	1,20,000	30,000	40,000	50,000
Prod. O/H	60,000	–	–	–
Direct expenses	7,260	5,000	2,260	–
Normal loss	–	10%	5%	10%
Sale of scrap per unit (in Rs.)	–	3	5	6
Production in units	–	920	870	800

1000 units at Rs. 50 per unit were introduced to Process – X. Prod. O/H to be allocated on the basis of direct labour.

Prepare process accounts, abnormal loss and abnormal gain accounts.



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8. A) A company manufactures a main product – M and two by-products X and Y. The cost data is as under

Particulars	M	X	Y
Sales (Rs.)	1,50,000	12,000	7,000
Production cost			
a) Before separation (Rs.)	75,000	–	–
b) After separation (Rs.)	23,000	2,200	1,800
Ratio of distribution of selling expenses	85%	10%	5%
Administrative cost (Rs.)	12,000	1,500	1,000
Net profit on sales	20%	15%	10%

Prepare a statement of apportionment of joint cost among three products using reverse cost method.

- B) A transport company has 4 busses running between two cities which are 60 kms apart. Seating capacity of each bus is 60 passengers. The actual capacity carried is 80%. Each bus makes one round trip per day. Calculate total kilometers and total passenger kms for the month of September assuming that 25% of the busses are off the road always for repairs and maintenance.
9. A person owns a bus which runs between Bangalore and Mysore and back for 10 days in a month. The distance between B'lore and Mysore is 140 kms. The bus completes one round trip each day. The bus goes for another 10 days in the month to Chitradurga. The distance between B'lore and Chitradurga is 200 kms. The bus completes one round trip each day. For the rest 4 days of its operation in a month, it runs in the local city. The daily distance covered in the local trip is 60 kms. Calculate the rate, the person should charge, if he wants to earn a profit of 25% on his takings. The other details are as follows :
- Cost of the bus 6,00,000
 - Depreciation 15% P.A.
 - Salary of the driver 4,000 P.M.
 - Salary of the conductor 3,000 P.M.
 - Accountant salary 1,800 P.M.
 - Insurance 12,000 P.A.
 - Diesel consumption 5 kms per litre costing Rs. 40 per litre
 - Token tax 2,500 P.A.
 - Lubricant oil Rs. 10 for 50 kms.
 - Repairs and maintenance Rs. 5,000 p.m.
 - permit fee Rs. 3,800 per 6 months.
 - Normal capacity 50 passengers.
- The bus is generally occupied 80% of its capacity when it goes to Mysore and 90% when it goes to Chitradurga. It is normally full when it runs with in the city.



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10. The following data relates to a building construction contract for Rs. 10,00,000.

	2005 (Rs.)	2006 (Rs.)
Materials issued	3,00,000	84,000
Direct wages	2,30,000	1,05,000
Direct expenses	22,000	10,000
Indirect expenses	6,000	1,400
Work certified	7,50,000	10,00,000
Work uncertified	8,000	-
Material at site (31/12)	5,000	7,000
Plant issued	14,000	2,000
Cash received from the contractee	6,00,000	10,00,000

Value of plant at the end of 2005 and 2006 was Rs. 7,000 and Rs. 5,000 respectively.

Show for 2005 and 2006.

- Contract A/c
- Contractee A/c.

11. India products Ltd., has received an enquiry for the supply of 2,00,000 units of special type of machine screws. The management has estimated fixed investment of Rs. 6 lakhs and working capital investment of Rs. 3,20,000 for the above project. The following further estimates are also made.

- Requirement of raw materials 20,000 kgs at Rs. 23 per kg.
- Required labour hours 18,000 of which 2,000 are overtime payable at double the normal labour hour rate. Normal LHR is Rs. 10.
- Works O/H - Rs. 10 per LHR.
- There are no admn. O/H but selling and dist. exp. are Rs. 2,31,000. Amount realised from the sale of scrap is Rs. 20,000.

Management intends to have a return of 25% on the total capital employed. You are required to prepare estimated job cost sheet to ascertain the price to be quoted.



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V Semester B.Com. Examination, November/December 2016
(CBCS) (Semester Scheme) (Fresh) (2016-17 and Onwards)
COMMERCE

5.4 : Costing Methods

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

1. Answer **any five** of the following. **Each** question carries **2** marks. **(5×2=10)**

- What is retention money ?
- What is abnormal loss ?
- What is meant by work uncertified ?
- What is meant by job cost sheet ?
- What is economic batch quantity ?
- What are standing charges in operating costing ?
- Give the meaning of by-products.

SECTION – B

Answer **any three** of the following. **Each** question carries **six** marks. **(3×6=18)**

- Calculate the cost and selling price of the job after adding 20% profit on total cost.
Materials Rs. 12,030.
Wages – Dept. A – 60 hrs at Rs. 50/hr
Dept. B – 40 hrs at Rs. 30/hr
Dept. C – 20 hrs at Rs. 25/hr
Variable O/H – Rs. 20 per hour
Fixed O/H – Rs. 25,000 for 1000 hours.
- Briefly explain treatment of normal loss and abnormal loss in process accounts.
- Following is the information relating to a contract.

	Rs.
Contract price	6,00,000
Raw Materials	1,20,000
Wages	1,60,000
Sub-contract	5,000

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Plant	20,000
Materials transferred to other contract	2,000
General expenses	7,600

At the end of the year, cash received from the contractee was Rs. 2,40,000 being 80% of work certified. Value of materials unused at the end of the year was Rs. 18,000. Plant to be depreciated at 20%. Prepare contract account.

5. A transport company is running 5 busses between two cities which are 40 kms apart. The seating capacity of each bus is 50 passengers. The actual passengers carried were 80% of the capacity. Each bus makes one round trip per day. All the busses run on all the days of the month.

Calculate total passenger kms for the month of September.

6. Calculate EBQ and No. of batches from the following :

Annual consumption	–	50,000 units
Setting-up cost per batch	–	Rs. 100
Cost of manufacture	–	Rs. 20/unit
Rate of interest	–	10%
Carrying cost	–	0.50 paise per unit p.a. (50 paise)

SECTION – C

Answer **any three** of the following. **Each** question carries **14** marks. **(3x14=42)**

7. A product passes through 3 processes for its completion. For the year ending 31-3-2013 the following are the details :

Particulars	Total (Rs.)	Processes		
		X (Rs.)	Y (Rs.)	Z (Rs.)
Materials	84,820	20,000	30,200	34,620
Labour	1,20,000	30,000	40,000	50,000
Prod. O/H	60,000	–	–	–
Direct expenses	7,260	5,000	2,260	–
Normal loss	–	10%	5%	10%
Sale of scrap per unit (in Rs.)	–	3	5	6
Production in units	–	920	870	800

1000 units at Rs. 50 per unit were introduced to Process – X. Prod. O/H to be allocated on the basis of direct labour.

Prepare process accounts, abnormal loss and abnormal gain accounts.



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8. A) A company manufactures a main product – M and two by-products X and Y. The cost data is as under

Particulars	M	X	Y
Sales (Rs.)	1,50,000	12,000	7,000
Production cost			
a) Before separation (Rs.)	75,000	–	–
b) After separation (Rs.)	23,000	2,200	1,800
Ratio of distribution of selling expenses	85%	10%	5%
Administrative cost (Rs.)	12,000	1,500	1,000
Net profit on sales	20%	15%	10%

Prepare a statement of apportionment of joint cost among three products using reverse cost method.

- B) A transport company has 4 busses running between two cities which are 60 kms apart. Seating capacity of each bus is 60 passengers. The actual capacity carried is 80%. Each bus makes one round trip per day. Calculate total kilometers and total passenger kms for the month of September assuming that 25% of the busses are off the road always for repairs and maintenance.
9. A person owns a bus which runs between Bangalore and Mysore and back for 10 days in a month. The distance between B'lore and Mysore is 140 kms. The bus completes one round trip each day. The bus goes for another 10 days in the month to Chitradurga. The distance between B'lore and Chitradurga is 200 kms. The bus completes one round trip each day. For the rest 4 days of its operation in a month, it runs in the local city. The daily distance covered in the local trip is 60 kms. Calculate the rate, the person should charge, if he wants to earn a profit of 25% on his takings. The other details are as follows :
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 - Depreciation 15% P.A.
 - Salary of the driver 4,000 P.M.
 - Salary of the conductor 3,000 P.M.
 - Accountant salary 1,800 P.M.
 - Insurance 12,000 P.A.
 - Diesel consumption 5 kms per litre costing Rs. 40 per litre
 - Token tax 2,500 P.A.
 - Lubricant oil Rs. 10 for 50 kms.
 - Repairs and maintenance Rs. 5,000 p.m.
 - permit fee Rs. 3,800 per 6 months.
 - Normal capacity 50 passengers.

The bus is generally occupied 80% of its capacity when it goes to Mysore and 90% when it goes to Chitradurga. It is normally full when it runs with in the city.



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10. The following data relates to a building construction contract for Rs. 10,00,000.

	2005 (Rs.)	2006 (Rs.)
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Direct wages	2,30,000	1,05,000
Direct expenses	22,000	10,000
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Work certified	7,50,000	10,00,000
Work uncertified	8,000	–
Material at site (31/12)	5,000	7,000
Plant issued	14,000	2,000
Cash received from the contractee	6,00,000	10,00,000

Value of plant at the end of 2005 and 2006 was Rs. 7,000 and Rs. 5,000 respectively.

Show for 2005 and 2006.

a) Contract A/c

b) Contractee A/c.

11. India products Ltd., has received an enquiry for the supply of 2,00,000 units of special type of machine screws. The management has estimated fixed investment of Rs. 6 lakhs and working capital investment of Rs. 3,20,000 for the above project. The following further estimates are also made.

- 1) Requirement of raw materials 20,000 kgs at Rs. 23 per kg.
- 2) Required labour hours 18,000 of which 2,000 are overtime payable at double the normal labour hour rate. Normal LHR is Rs. 10.
- 3) Works O/H – Rs. 10 per LHR.
- 4) There are no admn. O/H but selling and dist. exp. are Rs. 2,31,000. Amount realised from the sale of scrap is Rs. 20,000.

Management intends to have a return of 25% on the total capital employed. You are required to prepare estimated job cost sheet to ascertain the price to be quoted.



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V Semester B.Com. Examination, Nov./Dec. 2016
(Fresh) (CBCS) (2016-17 and Onwards)

COMMERCE

5.5 Elective Paper – I : Advanced Accounting

Time : 3 Hours

Max. Marks : 70

Instructions : Answer should be **completely** written **either in English or in Kannada.**

SECTION – A

1. Answer **any five** sub-questions from the following **each** correct answer carries **two** marks. (5×2=10)
- What is rebate on bills discounted ?
 - Mention types of insurance.
 - What are bonus shares ?
 - What is farm accounting ?
 - List out the methods of inflation accounting.
 - What is meant by insurance claim ceded ?
 - What is Cum-interest and Ex-interest quotation of securities.

SECTION – B

Answer **any three** of the following **each** carries **six** marks. (3×6=18)

- Give the meaning of inflation accounting and state the limitation of inflation accounting.
- While preparing the final accounts of Banking company under which schedule the following appears.
 - Transfer fees
 - Gold
 - Current accounts
 - Telegraphic transfer
 - Shares
 - Silver

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SECTION – C

Answer **any three** of the following questions. Each correct answer carries **fourteen** marks. (3×14=42)

7. From the following Trial Balance of Pavan Bank Ltd. Prepare Profit and Loss A/c for the year ended 31-3-2015 and B/S as on that date.

Particulars	Dr.	Cr.
	₹	₹
Share capital (50,000 equity share capital of ₹ 10 each)		5,00,000
Reserve fund		2,50,000
Loans, cash credits and overdrafts	2,85,000	
Premises	50,000	
Investment in Govt. Securities	6,00,000	
Current deposits		3,00,000
Fixed deposits		1,25,000
S.B. deposits		50,000
Salary to staff	30,000	
Directors fees	1,800	
Rent, rates and taxes	2,300	
P/L A/c on (1-4-2014)		16,000
Interest and discounts		1,30,000
General expenses	27,400	
Stationery	8,500	
Bill purchased and discounted	50,000	
Recurring deposits		24,000
Interim dividend paid	17,000	
Shares	50,000	
Cash in hand with RBI	1,93,000	
Money at call and short notice	80,000	
	13,95,000	13,95,000



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Adjustments :

- 1) Endorsements made on behalf of customers ₹ 57,500.
 - 2) Unexpired discount ₹ 335.
 - 3) Interest accrued on investment ₹ 4,000.
8. From the following balances of Indian Insurance Co. Ltd. as on 31st March 2012 Prepare :
- 1) Fire Revenue A/c.
 - 2) Marine Revenue A/c.
 - 3) Profit and Loss A/c.

Particulars	Fire	Marine
	₹	₹
Reserve for unexpired risk (1-4-2011)	5,00,000	16,40,000
Claims paid and outstanding	3,80,000	7,60,000
Commission paid and received	1,80,000	2,16,000
Additional reserve on (1-4-2011)	1,00,000	—
Premium less reinsurance	12,00,000	21,32,000
Management expenses	2,90,000	8,00,000
Commission on reinsurance ceded	60,000	1,20,000
Auditors fees	12,000	
Directors fees	12,400	
Shares transfer fee (Cr.)	3,200	
Profit on sale of land	40,000	
Depreciation	70,000	
Interest and dividend received	65,000	
Difference in exchange (Cr.)	1,200	
Sundry receipts	20,000	
Increase additional Reserve with respect to fire Insurance by 5%.		



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9. The following are the balances extracted from the books of Jayan Life Insurance Co. Ltd. as on 31-3-2014.

	₹
Life Assurance Fund (1-4-2013)	14,70,562
Premium	2,10,572
Management expenses	19,890
Consideration for annuities granted	10,620
Dividend paid	20,000
Fines	92
Annuities	29,420
Claims by death	79,980
Claims by maternity	36,420
Commission	26,451
Interest, dividend and rent	55,461
Income tax on interest	3,060
Surrenders	21,860
Bonus paid in cash	9,450
Preliminary expenses	200
Claims admitted but not paid	80,034
O/s premium	2,500
Stamp on hand	400
Annuities due but not paid	22,380
Government securities	8,70,890
Mortgages loan	3,09,110
Freehold premises	5,00,000
House properties	1,00,000
Share capital	4,50,000
Furniture	20,000
Loans on company policies	2,50,000

Prepare Revenue Accounts and B/S after taking into consideration the following.

- Claims intimated further ₹ 5,000.
- Claims covered reinsurance ₹ 25,000.



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10. From the following Trial Balance extracted from the books of Rajkumar farm draw up the Final A/c for the year ended 31st March 2015 and the Balance Sheet as on that date.

Debit Balance		₹	Credit Balance	₹
Opening Stock			Sales	
Livestock	1,50,000		Livestock	48,000
Paddy	60,000		Paddy	2,12,000
Cattle Feed	11,000		Milk	1,57,000
Fertilisers	5,000			4,17,000
Seeds	3,000	2,29,000		
Purchase			Sundry creditors	30,000
Livestock	30,000		O/s expenses	4,400
Cattle feed	60,000		Capital A/c	4,81,800
Fertilizer	16,000		Bill payable	5,200
Seeds	5,800	1,11,800		
Sundry debtors		25,000		
Repairs of equipment		12,000		
Farm equipment		1,70,000		
Crop expenses		50,400		
Live stock exp's		12,500		
General expenses		11,700		
Cash in hand		7,500		
Cash at Bank		8,500		
Land and Building		3,00,000		
		9,38,400		9,38,400

Additional information :

- Closing stock as on 31-3-2015, Livestock ₹ 1,32,000 Cattle feed ₹ 6,000, fertilizer ₹ 3,500, Seeds ₹ 3,000.
- The consumption of the farm output by the proprietor Milk ₹ 6,000, Paddy ₹ 9,500.
- Provide 10% depreciation on farm equipment and 5% on land and buildings.



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11. a) On 1-6-2014 Mr. Ajay acquired 6000 equity shares of ₹ 10 each in PQR Ltd. for ₹ 1,20,000 on Cum-Right Input, basis PQR Ltd. declared

a) One for three bonus shares

b) One for four right issue on 1-9-2014 at 20% premium.

1) Mr. Ajay took up the half of the right issue.

2) Sold half of its total shareholdings on 31-12-2014 for ₹ 74,000

c) Sold the remaining rights share for ₹ 8/share.

Prepare Investment Account for the year ended 31st Dec. 2014.

b) Given below is an extract of the Trial Balance of Indian Bank as on 31-3-2014.

Particulars	Dr.	Cr.
Bills discounted	16,80,000	
Rebate on bills discounted (1-4-2013)		8,040
Discount received during the year		85,912

Analysis of the bills discounted as given above shows the following.

Amount of Bill	Due date	Discount Rate
2,40,000	June-06-2014	10% P.A.
4,40,000	June-12-2014	10% P.A.
3,00,000	June-26-2014	12% P.A.
5,00,000	July-06-2013	8% P.A.
2,00,000	August-05-2013	12% P.A.
16,80,000		

Calculate how much discount received to be credited to P/L A/c.



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V Semester B.Com. Examination, November/December 2016

(CBCS) (Fresh)

(2016 – 17 & Onwards)

5.5 : Elective Paper – I : ADVANCED FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be **completely** written either in **English** or in **Kannada**.

SECTION – A

1. Answer **any 5** questions. **Each** question carries **2** marks. **(5x2=10)**
- What is Sensitivity Analysis ?
 - What do you mean by 'dividend capitalisation' ?
 - State the important sources of fixed capital.
 - What is meant by 'paying float' ?
 - Give the meaning of Venture Capital.
 - If NOI is ₹ 150 crore, cost of debt (kd) is 6% cost of equity (Ke) is 11% and overall cost of capital (Ko) is 10%, calculate the value of the firm under NOI approach.
 - If a company's $r = 12%$, $ke = 8%$ and $E = ₹ 10$, calculate value of equity under Walter's equation assuming 0% dividend pay out.

SECTION – B

Answer **any 3** questions. **Each** question carries **6** marks. **(3x6=18)**

- What is a 'Risk Adjusted Discount Rate' ? What are its merits ?
- Between equity shares and debentures which do you prefer for raising additional long-term capital ? Why ?
- What are the dangers of inadequacy of working capital ?



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5. The Amogha Company belongs to a risk class for which the appropriate capitalisation rate is 10%. It has currently has 1,00,000 shares selling at ₹ 100 each. The firm is contemplating the declaration of ₹ 5 as dividend at the end of the current financial year, which has just begun. What will be the price of the share at the end of the year, if dividend is not declared? What will be the price if it is declared? Answer this on the basis of M M Model and assume no taxes.

6. The finance department of P. T. Corporation gathered the following information :

- The carrying costs per unit of inventory are ₹ 10.
- The fixed costs per order are ₹ 20.
- The number of units required is 30,000 per year.
- The variable costs per unit ordered are ₹ 2.
- The purchase cost per unit is ₹ 30.

Determine the E O Q, total number of orders in a year and the time-gap between two orders.

SECTION – C

Answer **any 3** questions. **Each** question carries **14** marks.

(3×14=42)

- Briefly explain the factors which influence the planning of the capital structure of a company.
- “Liberal dividend policy followed by a company is not always in the interest of shareholders” – Comment.
- What is “Decision Tree Analysis”? Explain the steps you take for constructing a decision tree.



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10. Two mutually exclusive investment proposals are being considered. The following information is available :

	Project "A"	Project "B"
	₹	₹
Cost	12,000	12,000
Life	2 years	2 years
Cash flow each year	8,000	8,000
Salvage value	Nil	Nil

Upon further Analysis it was found that the cost of the Project is a certain amount and so is the life of the Project. However, the probabilities of cash inflow each for Projects A and B are as follows :

Project "A"		Project "B"	
Possible inflow	Probability	Possible inflow	Probability
₹		₹	
4,000	• 2	7,000	• 2
8,000	• 6	8,000	• 6
12,000	• 2	9,000	• 2

Assuming cost of capital at 10%, advise the selection of the Project.

11. A company expects to have ₹ 25,000 in bank on 1st May 2016 and requires you to prepare an estimate of cash position during the three months - May, June and July 2016.

The following information is supplied :

Month	Sales	Purchases	Wages	Office expenses	Factory expenses	Selling expenses
	₹	₹	₹	₹	₹	₹
March	50,000	30,000	6,000	4,000	5,000	3,000
April	56,000	32,000	6,500	4,000	5,500	3,000
May	60,000	35,000	7,000	4,000	6,000	3,500
June	80,000	40,000	9,000	4,000	7,500	4,500
July	90,000	40,000	9,500	4,000	8,000	4,500

Other information :

- i) 20% of sales are in cash, remaining amount is collected in the month following that of sales



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- ii) Suppliers supply goods at two months credit.
- iii) Wages and all other expenses are paid in the month following the one in which they are incurred.
- iv) The company pays dividends to shareholders and bonus to workers of ₹ 10,000 and ₹ 15,000 respectively in the month of May.
- v) Plant has been ordered and is expected to be received in June. It will cost ₹ 80,000 to be paid in June.
- vi) Income tax ₹ 25,000 is payable in July



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NS – 444

V Semester B.Com. Examination, November/December 2016
(CBCS Semester Scheme) (Fresh)
(2016 – 17 & Onwards)
Commerce

5.6 : Elective Paper – II : BUSINESS TAXATION – I

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written completely in English or in Kannada.

SECTION – A

Answer any 5 of the following questions. Each question carries 2 marks. (5×2=10)

1. a) Define 'Sale' under CST Act.
- b) Distinguish between Interstate and Intrastate sale.
- c) Define 'Goods' under Customs Act.
- d) What do you mean by customs duty ?
- e) What is the meaning of Retail sale price ?
- f) Expand CETA and CTA.
- g) What is VAT ?

SECTION – B

Answer any 3 of the following questions. Each question carries 6 marks. (3×6=18)

2. Determine the taxable turn-over and CST payable from the following data when a sale is effected from Bengaluru to Chennai.
 - a) Gross Turn-over Rs. 12,00,000.
 - b) Exports to USA Rs. 4,00,000.
 - c) Freight (shown separately) Rs. 40,000.
 - d) Cash discount Rs. 20,000.
 - e) Installation charges (shown separately) Rs. 30,000.
 - f) Goods returned within 6 months Rs. 20,000.
 - g) CST is 2 % included in Gross Turn Over.
 - h) Trade discount is Rs. 80,000.



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3. From the following information calculate assessable value under Customs Act.
- | | | |
|-------------------------|---|-----------|
| CIF of Machine Imported | = | \$ 25,000 |
| Air freight paid | = | \$ 9,500 |
| Insurance paid | = | \$ 350 |
- Exchange rate announced by
RBI 1 US \$ = 59.5
CBE & C 1 US \$ = 60
4. ABC Ltd. Manufactures 2 product 'X' and 'Y' being specified under Section 4A of the Central Excise Act. The sale price are Rs. 50 and Rs. 45 per unit respectively. The above includes 12.5 % Excise duty and 2 % of CST for product 'X' 30 % abatement is allowed under Section 4A.
10,000 units of each product were removed from factory for sale purpose.
You are required to compute Excise duty liability.
5. Briefly explain the various variants of VAT.
6. 'X' Ltd. has supplied machines to M/s 'A' & Co. Ltd. with the following details, determine the total amount of Central Excise Duty payable.
- Price of machines excluding taxes and duties Rs. 8,50,000
 - Installation and Erection Expenses Rs. 30,000
 - Packing charges Rs. 12,500
 - Design and Engineering charges Rs. 4,000
 - Cost of material supplied free of charge by buyer Rs. 10,000
 - Pre-delivery Inspection charges Rs. 1,000
- Other information :**
- Cash discount at 2 % on price of machinery.
 - Bought out accessories worth Rs. 8,000 were supplied with machine.
 - The rate of Central Excise Duty is 12.5 %.

SECTION – C

Answer **any 3** of the following questions. Each question carries **14** marks. (3×14=42)

7. The following information is available from the records of Aditya Pvt. Ltd. Gujarat.
- During 2015 – 16, gross Inter-State sales made is Rs. 75,20,000. The CST is not shown separately.
 - The company sells machinery. If it is sold in Gujarat State, sales tax rate is 10 %.



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c) Information regarding sales with and without 'C' form is as follows :

Particulars	Inter-State sales with 'C' form	Inter-State sales without 'C' form
Gross sales	45,20,000	30,00,000
It includes Excise duty	10,12,000	7,15,000
Freight (not-shown separately)	60,000	72,000
Freight (shown separately)	1,10,000	50,000
Packing charges	25,000	26,000
Cost of Installation (shown separately)	1,50,000	1,30,000
Insurance charges to cover risk of seller	15,000	25,000
Insurance charges to cover risk of buyer	25,000	1,00,000

The following items have not been deducted to calculate gross sales turn-over.

	with 'C' form	without 'C' form
1) Trade discount given by way of credit note on 31-3-2015	30,000	27,000
2) Goods returned within 6 months	4,00,000	2,00,000
3) Incentives bonus for additional sales	51,000	35,000

Ascertain sales turn-over and CST payable for invoice no. – 008533.

8. Compute customs duty payable from the following data.

Machinery Imported by air from USA – US \$ 10,000

Accessories compulsorily supplied – \$ 2,000 with machine

Air Freight – \$ 3,000

Insurance – \$ 500

Local agents commission – Rs. 5,000

Exchange rate 1 US \$ = Rs. 60

Customs duty on machine = 10 % advalorem

Customs duty on accessories = 20 % advalorem

Additional duty on customs is 12 %, but effective rate by notification is 8 %

Additional duty of customs u/s 3 (5) of Customs Tariff Act 1975 is 4 %

Education cess and SHEC = 2 % and 1 %.



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9. Machine India Ltd. has received a contract from M/s M. & Co. for supply of a machine the various details are :

	Rs.
Price of machinery (net of taxes and duties)	6,45,000
Machinery Erection Expenses	45,000
Packing (normally done by seller)	20,000
Design and drawing charges relating to manufacture of machine (net of taxes and duties)	60,000
Central Sales Tax	2 %
Cash discount (offered if full payment is received before despatch)	12.5 %
Accessories supplied along with machine (optional)	15,000
Cost of loading machinery to truck in the factory (not charged separately)	10,000

M/s M. & Co. made all payments before delivery. You are required to compute Assessable value and duty payable by Machine India Ltd.

10. Mr. Ramesh is a registered dealer & gives the following information. You are required to compute the net tax liability and total sales under VAT.
- Ramesh sells his products to dealers in his State and other States.
 - The profit margin is 15 % of cost of production and VAT rate is 12.5 % on sales.
 - Intra- State purchases of raw materials is Rs. 5,50,000 (Excluding VAT at 4 %).
 - Purchases of raw materials from an un-registered dealer is 1,80,000 (Including VAT at 12.5 %).
 - High seas purchases of raw-materials are Rs. 3,50,000 (Excluding customs duty at 10 %, 35,000).
 - Purchase of raw-material from other States (Excluding CST at 2 %) is 1,50,000.
 - Transportation charges, wages and other manufacturing expenses excluding tax is 1,75,000.
11. Madan and Co. purchases goods from XYZ co. for Rs. 3,00,000 (Excluding VAT). His expenses are :
- Salary and Wages – Rs. 50,000, Rent Rs. 10,000, Depreciation – Rs. 10,000, Profit – Rs. 20,000.
- His selling price is Rs. 3,90,000
- The VAT rate is 10 % (sales tax rate). Calculate VAT by different methods.