



**M.COM. – II<sup>nd</sup> Year**

**SEM – III & IV**

**Previous Year**

**Question Papers**

**Academic Year**

**(2022-23)**



# M.COM. – II<sup>nd</sup> Year

## SEM – III



Previous Year  
Question Papers  
Academic Year  
(2022-23)

Please Note: This set has been prepared based on the papers received to us from the Examination Cell. It may have missing papers on non-availability of the same.



Seat No. **January - February (Winter) Examination - 2023**

Subject Name: Master of Commerce (CBCS)\_79883\_Management Accounting - Paper I\_10.01.2023\_02.30 PM To 05.30 PM

Subject Code: 79883

Day and Date: Tuesday, 10-01-2023  
Time: 02:30 pm to 05:30 pm

Total Marks: 96

**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

1. Question No.1, 2 and Q.3 are Compulsory. 2. Attempt any TWO questions from Q.4 to Q.6 3. Use of calculator is allowed.

**Q.1. Q.1. A) Choose appropriate alternative from the given and rewrite the sentence in the answer book. (10 Marks) [16]**

1. The relationship between the two figures expressed mathematically is called as-----

- A) Proportion  
B) Percentage  
C) Ratio  
D) Equation

2.-----signifies inadequate volume of business.

- A) Over trading  
B) Under trading  
C) Over capitalization  
D) Under capitalization

3. Increase in working capital shows -----of funds to the business.

- A) Income  
B) excess  
C) Application  
D) Source

4. The -----statement do no show variations in respective items from period to period.

- A) Comparative  
B) Final  
C) Income  
D) Common size

5.-----is done on the basis of forecasting.

- A) Directing  
B) Controlling  
C) Decision making  
D) Planning

6. ----- is one of the important functions of management.

- A) Decision making  
B) Cost reduction  
C) Wealth Maximization  
D) Profit maximization

7. Funds from operation is the -----to the business.

- A) Source  
B) Application  
C) Useful  
D) appropriate

8. AS - 3 relates to-----

- A) Inventory valuation  
B) Cash flow statement  
C) Depreciation  
D) Revenue Recognition

9. -----accounting assists the management in taking decisions and deciding policies.

- A) Management  
B) Cost  
C) Financial  
D) Human Resource

10. Issue of shares in 2019 was Rs. 200000 and in 2020 it is Rs.250000,, it shows effect to Funds flow statement as-----

- A) Application Rs.50000  
B) Application Rs.350000  
C) Source Rs. 50000  
D) Source Rs. 350000

b) State whether true or false. 6 marks

- 1 Management Accounting is a historical accounting.
2. Current Ratio indicates long term solvency.
3. Working capital is the difference between fixed assets and current liabilities.
4. Working capital is also known as circulating capital.
5. Management accounting is a presentation of accounting information.
6. Overtrading results in the shortage of working capital.



- Q.2. Q.2. A) Explain meaning and scope of management accounting. (8) [16]  
B) Distinguish between Financial Accounting & Management Accounting. (8)

OR

Write short notes on ( any 4 out of 6) (16)

- a) Role of management accountant in decision making
- b) Comparative Statement analysis
- c) Types of working capital
- d) Objectives of management accounting
- e) Utility of Cash flow statement
- f) Determinants of working capital



Q.3. Case study

**M/S. Suresh & Co. has maintained the books of accounts. The following information is available as he maintained the record. Consider you are the accounts manager and Calculate cash flows from operating activities for him from the following information and write your comments after analysing it.**



## **Statement of Profit and Loss for the year ended March 31, 2020**

<i>Particulars</i>	<i>Note No.</i>	<i>Amount (Rs.)</i>
i) Revenue from Operations		60,000
ii) Other Income	1	5,000
iii) Total Revenue (i+ii)		<b>65,000</b>
iv) Expenses		
Cost of materials consumed		15,000
Employees benefits expenses		10,000
Depreciation and Amortisation expenses	2	7,000
Other expenses	3	13,000
		<b>45,000</b>
v.) Profit before tax (iii-iv)		20,000
vi) Provision for taxation		8,000
vii) Profit after tax (v-vi)		<b>12,000</b>

### **Notes to Accounts Note 1: Other Income**

<i>Particulars</i>	<i>Amount (Rs.)</i>
Profit on Sale of Machinery	2,000
Income Tax Refund	
	<b>5,000</b>

### **Note 2: Depreciation and Amortization expenses**

<i>Particulars</i>	<i>Amount (Rs.)</i>
Depreciation	5,000
Goodwill Amortised	2,000
	<b>7,000</b>

### **Note 3: Other expenses**

<i>Particulars</i>	<i>Amount (Rs.)</i>
Rent	10,000
Loss on sale of equipment	3,000
	<b>13,000</b>

### **Additional Information**

	<b>March 31, 2019</b>	<b>March 31, 2020</b>
Provision for taxation	10,000	13,000
Rent payable	2,000	2,500
Trade payable	21,000	25,000

Trade receivables	15,000	21,000
Inventories	25,000	22,000

Q.4. A Performa cost sheet of a company provides the following particulars:

[16]

Elements of cost

Material	35%
Direct Labours	25%
Overheads	20%

Further particulars available are:

- (i) It is proposed to maintain a level of activity of 2,50,000 units.
- (ii) Selling price is Rs. 10/- per unit
- (iii) Raw materials are to remain in stores for an average period of one month.
- (iv) Finished foods are required to be in stock for an average period of one month.
- (v) Credit allowed to debtors is 3 months.
- (vi) Credit allowed by suppliers is 2 months.

You are required to prepare a statement of working capital requirements



Q.5. From the following information, prepare the Balance Sheet of ABB Ltd. Showing the details of working:

[16]

Paid up capital	Rs. 50,000
Plant and Machinery	Rs. 1,25,000
Total Sales (p.a.)	Rs. 5,00,000
Gross Profit	25%
Annual Credit Sales	80% of net sales
Current Ratio	2
Inventory Turnover	4
Fixed Assets Turnover	2
Sales Returns	20% of sales
Average collection period	73 days
Bank Credit to trade credit	2
Cash to Inventory	1 : 15
Total debt to current Liabilities	3

Q.6. The comparative balance sheet of Icelands Ltd. as at 31st March, 2021 and 2022 are as under:

[16]

Liabilities	2021 Rs.	2022 Rs.	Assets	2021 Rs.	2022 Rs.
Share capital	10,00,000	15,00,000	Building at cost	7,50,000	11,50,000
Share premium	-	50,000	Machinery	8,75,000	11,25,000
P & L A/c	2,00,000	4,25,000	(Less depreciation)		
5% debentures	5,00,000	3,80,000	Investments	1,00,000	1,00,000
Creditors	3,00,000	5,20,000	Stock	2,25,000	2,45,000
Prov. for Taxation	1,00,000	25,000	debtors	75,000	90,000
Proposed dividend	50,000	50,000	Bank balance	1,25,000	2,40,000
	21,50,000	29,50,000		21,50,000	29,50,000

The additional information is as under:

1. During the year 2022 the company sold machinery costing Rs. 75,000 for Rs. 25,000. The accumulated depreciation on the said machinery was Rs. 40,000
2. Depreciation written off during the year 2022 was Rs. 90,000.
3. Taxation paid during the year amounted to Rs. 90,000.

From the above information prepare a statement of Sources and Application of Funds for the year 2022.



Seat No.	
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**M.Com. (Part - II) (Semester - III) (CBCS)**  
**Examination, March - 2023**  
**CC-C1 : MANAGEMENT ACCOUNTING (Paper -I)**  
**Sub. Code: 79883**

**Day and Date : Monday, 12- 06 - 2023**  
**Time : 2.30 p.m. to 5.30 p.m.**

**Total Marks : 80**

- Instructions :**
- 1) Question No.1, 2 & 3 are compulsory.
  - 2) Attempt any two questions from Q.4 to Q.6.
  - 3) Figures to right indicate full marks.

- Q1) A) Choose the Correct Alternative. [10]**
- a) Management Accounting is concerned with accounting information that is useful to the \_\_\_\_\_.
    - i) shareholders
    - ii) customers
    - iii) management
    - iv) All of these
  - b) Management Accounting system is based on \_\_\_\_\_ system.
    - i) double entry
    - ii) single entry
    - iii) merchantile
    - iv) none of these
  - c) Which of the following current asset is most liquid asset.
    - i) Inventory
    - ii) Prepaid Expenses
    - iii) Marketable Investments
    - iv) Debtors
  - d) Liquidation of \_\_\_\_\_ assets typically would disrupt the operations of the firm.
    - i) current
    - ii) fixed
    - iii) tangible
    - iv) intangible
  - e) \_\_\_\_\_ assets are those assets which are invisible but they silently contribute to the existence and development of entity's activities.
    - i) Current
    - ii) Fixed
    - iii) Tangible
    - iv) Intangible
  - f) \_\_\_\_\_ working capital means the excess of current liabilities over the current assets.
    - i) Seasonal
    - ii) Positive
    - iii) Negative
    - iv) Permanent

**P.T.O.**





Write Short Note (Any FOUR).

- a) Scope of Management Accounting.
- b) Limitations of Ratio Analysis.
- c) Working Capital Cycle.
- d) Sources of Funds.
- e) Cash Flow Statement.
- f) Common Size Statement.

**Q3)** Excellent Ltd. is desires to purchase a business and has consulted to you and one point on which you are asked to advice them is average amount of working capital which will be required in the first year's working. You are given the following information and are instructed to add 10% your computed figure to allow for contingencies. [16]

Sr. No.		Figures for the year Rs.
1.	Average amount locked up in stocks Stock of Finished Products Stock of Stores, Materials etc.	50,000 80,000
2.	Average credit given Inland sales one and half month credit Exports sales half month credit	31,20,000 7,80,000
3.	Lag in the Payment of wages and other outgoings- Wages half month Stores materials etc. 1.5 months Rent Royalties etc. 6 months Clerical Staff Salary half month Manager Salary half month Misc. Exp. 1.5 month	2,60,000 48,000 10,000 92,400 60,000 4,80,000
4.	Payment in Advance (paid quarterly in advance)	80,000



Q4) Following are summarized Balance Sheets of M/s Om & Co. as on 31<sup>st</sup> March 2022 and 2023.

[16]

Liabilities	2022	2023	Assets	2022	2023
Equity Share Capital	2,00,000	2,50,000	Cash at Bank	35,000	16,000
12% Debentures	1,00,000	80,000	Closing Stock	40,000	75,000
10% Pref. Shares	50,000	80,000	Bills Receivable	20,000	50,000
Bank Loans	70,000	1,10,000	Sundry Debtors	70,000	1,00,000
Reserve & Surplus	20,000	25,000	Machinery	85,000	68,000
Profit & Loss A/c	60,000	75,000	Land	2,00,000	3,05,000
Proposed Dividend	20,000	25,000	Building	1,40,000	99,000
Creditors	70,000	68,000			
	5,90,000	7,13,000		5,90,000	7,13,000

Additional Information:

- Depreciation charged during 2023 was Rs. 4,000 on Machinery and Rs. 12,000 on Building.
- Redemption of debentures was made at 10% premium.
- The machinery which costs Rs. 52,000/- and in respect of which Rs. 37,000/- had been written off as depreciation was sold during the year 2023 for Rs. 20,000/-
- During 2023 interim dividend Rs. 16,500 was paid.

Prepare Funds Flow Statement, statement of working capital and adjusted profit & Loss A/c.

Q5) Using the following accounting variables construct the Balance Sheet As on 31<sup>st</sup> March, 2023.

[16]

Gross Profit (20% of Sales)	Rs. 60,000
Shareholders Equity	Rs. 50,000
Credit Sales to Total Sales	80%
Total Assets Turnover Ratio	3 times
Stock Turnover Ratio	8 times
Average Collection Period (A year = 360 days)	18 days
Long term debt to Equity	40%
Current Ratio	1.6



Balance Sheet As on 31<sup>st</sup> March, 2023

Liabilities	Rs.	Assets	Rs.
Shareholders Fund	-	Cash	-
Long Term Debt	-	Debtors	-
Creditors	-	Closing Stock	-
	-	Fixed Assets	-
Total	-	Total	-

Q6) The Balance Sheets of J&K Ltd. as on 31<sup>st</sup> March of two years are given below: [16]

Liabilities	2022	2023	Assets	2022	2023
Sundry Creditors	30,000	40,000	Cash Balance	50,000	60,000
Debentures	1,50,000	90,000	Sundry Debtors	75,000	1,00,000
Provision for Depreciation on Plant	60,000	80,000	Inventory	1,40,000	1,20,000
Equity Capital	2,00,000	2,40,000	Land	1,00,000	80,000
Retained Earnings	1,25,000	1,60,000	Plant & Machinery	2,00,000	2,50,000
Total	5,65,000	6,10,000	Total	5,65,000	6,10,000

Cash Dividends of Rs. 25,000 have been paid during the year.

You are required to prepare a cash flow statement.





Seat No. **January - February (Winter) Examination - 2023****Subject Name:** Master of Commerce (CBCS)\_79885\_83918\_Advanced Accountancy Paper V  
(Taxation)\_12.01.2023\_02.30 PM To 05.30 PM**Subject Code:** 79885**Day and Date:** Thursday, 12-01-2023  
**Time:** 02:30 pm to 05:30 pm**Total  
Mark  
s:** 80**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

Q.No. 1, 2 and 3 are compulsory. Attempt any two questions from Q.No. 4 to 6

- Q.1. Q. No. 1 A Choose the correct alternative [10] [16]**
1. Rates of Income tax are given in .....
    - a. Income tax act
    - b. Finance Act
    - c. CBDT Circulars
    - d. GST Council
  2. Deduction under section 80C is applicable for.....
    - a. Life insurance premium paid
    - b. Investment in approved FD with bank
    - c. Contribution to provident fund
    - d. All of the above
  3. Share of profit from partnership firm is.....in the hands of partner.
    - a. Taxable
    - b. Exempt
    - c. Partly taxable
    - d. Available for deduction
  4. Income from house property is applicable when payer is .....
    - a. Employee
    - b. Landlord
    - c. Tenant
    - d. Sub-tenant
  5. Dividend on shares is treated as income from .....
    - a. Capital gain
    - b. House property
    - c. Business or profession
    - d. Other sources
  6. Long term capital gain is attracted if shares are sold after .....months of purchase.
    - a. 36
    - b. 24
    - c. 6
    - d. 12

7. Loss of speculation business can be set off against.....
- a. Profit from other business
  - b. Profit from speculation business
  - c. Long term capital gain
  - d. Income from house property

8. When income of one person is taxed in the hands of another person, it is called as.....

- a. Carry forward
- b. Set off
- c. Clubbing of income
- d. Exmption

9. Exemption is .....

- a. a payment which can be deducted from gross total income
- b. an amount on which tax is calculated
- c. an income which is not included in calculation of total income
- d. net taxable income

10. GST was introduced in India in the year.....

- a. 2017
- b. 1994
- c. 2019
- d. 2014

Q1.B State whether the following statements are true or false [6]

1. GST is an indirect tax
2. Exemptions are given in section 80 of income tax act.
3. An individual can have more than one sources in a year.
4. Registration of GST is compulsory for all traders irrespective of their turnover
5. The maximum rate of GST in India is 18%
6. Due date of e-filing of income tax return are different from offline filing of return.

Q.2. Write short notes on any two of the following

16

- A. Registration under GST.
- B. Valuation of taxable service under GST
- C. Procedure of e-filing of income tax return

[16]



**Q.3. Following information is given in respect of Mr. Dadaji Patil in respect of his income and losses from various businesses. You are required to determine which of the losses can be set-off and which can be carried forward. Suggest a better solution to the assessee to minimise his tax liability. [16]**



- A. Taxable income from salary (computed) Rs. 4,75,200**
- B. Profit from kirana shop Rs.45,600  
Loss from crockery business Rs. 64,900  
Profit from speculative business Rs. 86,800**
- C. Rent received from house property Rs. 84,000  
Municipal taxes paid Rs. 3,000  
Interest on housing loan Rs. 94,750**
- D. Business loss brought forward from the financial year 2020-21 Rs. 15,600  
Speculation loss brought forward from the financial year 2019-20 Rs. 22,350**
- E. Long term capital gain Rs.1,21,750 on sale of plot.  
Short term capital loss Rs. 17,100 on sale of shares  
Long term capital loss brought forward from financial year 2019-20 Rs. 9,450**

**Q.4. Mr. Gourav has given the following information. Calculate the taxable income of Mr. Gourav for A.Y. 2022-23 [16]**

<b>Basic Salary</b>	<b>Rs. 35,000 p.m.</b>
<b>Dearness Allowance</b>	<b>30 % of salary</b>
<b>House Rent Allowance</b>	<b>15 %.of salary.</b>

**He is living in his own house in Satara. Housing loan is taken by him for which he is paying instalments and interest for the financial year was Rs.63,400 and principal repayment amounted to Rs. 32,600. He has paid Rs.19,100 as annual premium for life insurance policy on his own life.**

**He has donated Rs.3001 for Prime Minister's National Relief fund during the year. He pays Rs. 1,500 p.m. as contribution of PPF in respect of his own account. He has received Rs.75,000 from LIC on account of his insurance policy which is matured during the year. He has also received dividend of Rs. 4,220 from his investments.**

**Q.5. From the following details, calculate the total taxable income Profit and Loss Account for the year ended 31.03.2022**

**[16]**

**M/S NZL (Proprietor Mr. Namdev Zunjarrao Londhe**

Particulars	Rs.	Particulars	Rs.
To Salary and allowances	6,41,100	By Gross Profit	13,44,250
To Office Expenses	10,230	By Dividend	6,900
To Postage and Telephone	4,201	By Proceeds from LIC	1,65,000
To Depreciation	84,165	By Profit on sale of plot	1,91,500
To Travelling and Conveyance	66,924		
To Printing and Stationery	44,520		
To Repairs and maintenance	12,587		
To Income tax	15,000		
To Interest on bank loan	26,780		
To Net Profit	8,02,143		
Total	17,07,650	Total	17,07,650

**1. Depreciation as per income tax is Rs. 77,675**

**2. The bank loan is taken for personal purposes, not related to business.**

**3. The plot was purchased on 1st November 2016 for Rs.2,46,000 and sold in this year for Rs.4,37,500. Expenses on transfer amounted to Rs.25,800. Cost of inflation index for the year 2016-17 and 2021-22 are 264 and 317 respectively.**

**4. Mr Namdev has deposited Rs. 20,000 in his PPF account. He has paid a medical insurance premium of Rs. 9,500 to cover health expenses of his family. He paid Rs. 1001 to Sree Tarun Mandal during the Ganesh festival and wants to claim deduction of this as donation.**

**Q.6. Samarth Traders is a partnership firm where Samar and Amar are partners. They are sharing their profits in the ratio of 2:3. Following information, calculate the admissible partners' salary of each of them as well as taxable income of the firm for A.Y. 2022-23**

**[16]**

Particulars	Rs.	Particulars	Rs.
Sale proceeds during the year	12,55,103	Repairs and maintenance	13,748
Salary and allowances (employees)	2,61,310	Interest on bank loan	24,905
Purchase of raw material	3,40,534	Travelling expenses	52,216
Printing and stationery	14,998	Life insurance Premium	18,100
Postage and telephone	27,623	Insurance of stock	14,500
Office expenses	11,214	Income tax	25,000
Bonus to employees	40,000	Commission paid	19,200
Depreciation	34,209	Misc. expenses	4,009

**1. Opening stock and closing stock were Rs. 64,350 and Rs. 89,330 respectively.**

**2. Life insurance premium was paid on the life of Mr Samar.**

**3. Depreciation as per the income tax act amounted to Rs. 26,154**

**4. An amount of Rs. 4,100 was included in repairs which was actually incurred by Mr. Amar on repairs of his personal car.**

**5. They are sharing their remuneration from the firm in equal proportion.**



Seat No.	
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**M.Com. (Part - II) (Semester - III) (CBCS)**  
**Examination, March - 2023**  
**ADVANCED ACCOUNTANCY (Taxation) (Paper-V)**  
**Sub. Code : 79885**

Day and Date : Wednesday, 14-06 - 2023

Total Marks : 80

Time : 02.30 p.m. to 05.30 p.m.

- Instructions :
1. Question No.1, Q.No. 2 and Q. No.3 are Compulsory.
  2. Attempt any Two Questions from Q.No.4 to 6.

**Q1) A) Choose correct Alternative. [10]**

- i) Section 80C provides deduction in respect of \_\_\_\_\_
  - a) Life insurance Premium
  - b) Donation
  - c) Dividend
  - d) Education Loan Interest
- ii) Income includes \_\_\_\_\_
  - a) Profit
  - b) Salary
  - c) Dividend
  - d) All Of these
- iii) If previous year is 2013-14, assessment year will be \_\_\_\_\_
  - a) 2012-13
  - b) 2013-14
  - c) 2014-15
  - d) Can't Say
- iv) HUF stands for \_\_\_\_\_
  - a) Hindu family
  - b) Hindu Undivided family
  - c) Hindu United family
  - d) None of there
- v) Income of minor child is clubbed U/s. \_\_\_\_\_ of Income Tax Act.
  - a) 59
  - b) 60
  - c) 60(IA)
  - d) 64(2)
- vi) Capital loss can be carried forward to the extent of \_\_\_\_\_ years
  - a) 3
  - b) 4
  - c) 8
  - d) 6



P.T.O.



Short Notes (Any four out of Six)

[16]

- a) Previous Year. (Section 3)
- b) What is meant by CGST.
- c) Zero-rated supply.
- d) Explain The Company and Computation of Company.
- e) Income of minor
- f) Income of Minor Child ( Sec 64 (1A))

**Q3) Case Study.**

[16]

Mr. Ramprasad, who is an employer of a company at Pune ( Population exceeds 30 lakhs) furnishes the following particulars of his income.

- a) Basic salary Rs. 3,000 per month.
- b) Dearness Allowance Rs. 500 per month (not eligible for retirement benefits)
- c) Bonus Rs. 10,000 p.a.
- d) Commission fixed Rs. 25,000
- e) Employees contribution to Recognized Provident Fund Rs. 5,000 to which employer contributes a matching sum.
- f) Interest credited to Provident Fund at 10% p.a. Rs. 6,000.
- g) Entertainment Allowance Rs. 600 per month (He was receiving from the company Rs. 300 per month prior to 1.4.1955).
- h) He was provided with a rent free accommodation of fair rent of Rs. 20,000 per year

The cost of furniture provided amounted to Rs. 10,000. Mr. Ramprasad is the owner of a house property of the Municipal value of Rs. 18,000. It has been let out at Rs. 2,000 per month. Municipal taxes amount to 10% of the municipal value and 30% of the municipal taxes are borne by the tenant. The house remained vacant for two months during the year. Besides he has received Rs. 70,000 as interest on bank deposits. His investments and expenditure during the year were:

Payment of LIC Premium on own life Rs. 3,000. Donation to Prime Minister's National Relief Fund Rs. 5,000. Professional tax Rs. 200 p.m. Medi-claim insurance premium for family Rs. 1,200.

Compute his total income for the A. Y. 2014-15.



**Q4)** From the following details furnished by Mr. Mahesh, Karta of Hindu Undivided Family compute total income for the assessment year 2014-15. [16]

	Rs.
Profit from business	60,000
Salary received by a member of the family from his services in a college	10,000
LIC Premium on life of family member paid by Karta	2,000
Directors fees received by the Karta	6,570
Annual rental value of the property let out	12,000
Municipal taxes paid	600
Interest on bank deposit	450
Donation to Veershaiv college (approved one)	8,000
Marriage expenses of daughter of Karta	10,000

The family has sold on 1.12.2013 its open site for Rs. 78,880 which was purchased on 1.6.1987 for Rs. 15,000. The cost inflation index for the financial years 1987-88 and 2013-14 were 150 and 939 respectively.

**Q5)** Mr. M of Mumbai supplied goods/services for Rs.24,00,000 to Mr. S of Solapur Mr. M purchased goods/services for Rs.20,000 (and in addition paid CGST 9% and SGST 9%) from Mr. C of pune Find the following: [16]

- a) Total price charged by Mr. M for supply of goods/services.
- b) Who is liable to pay GST Mr. M or Mr. S?
- c) Net liability of GST.

**Q6)** From the following particulars of income furnished by Mr. Mallanna for the assessment year 2014-15 and losses carried forward compute his total income: [16]

a) Long term capital gain	15,000
b) Short term capital gains	10,000
c) Income from silk business	40,000
d) Speculation income	5,000
e) Income from agency business	6,000
f) Interest on debenture of a company	15,000
g) Income from house property (Gross Computed)	8,000



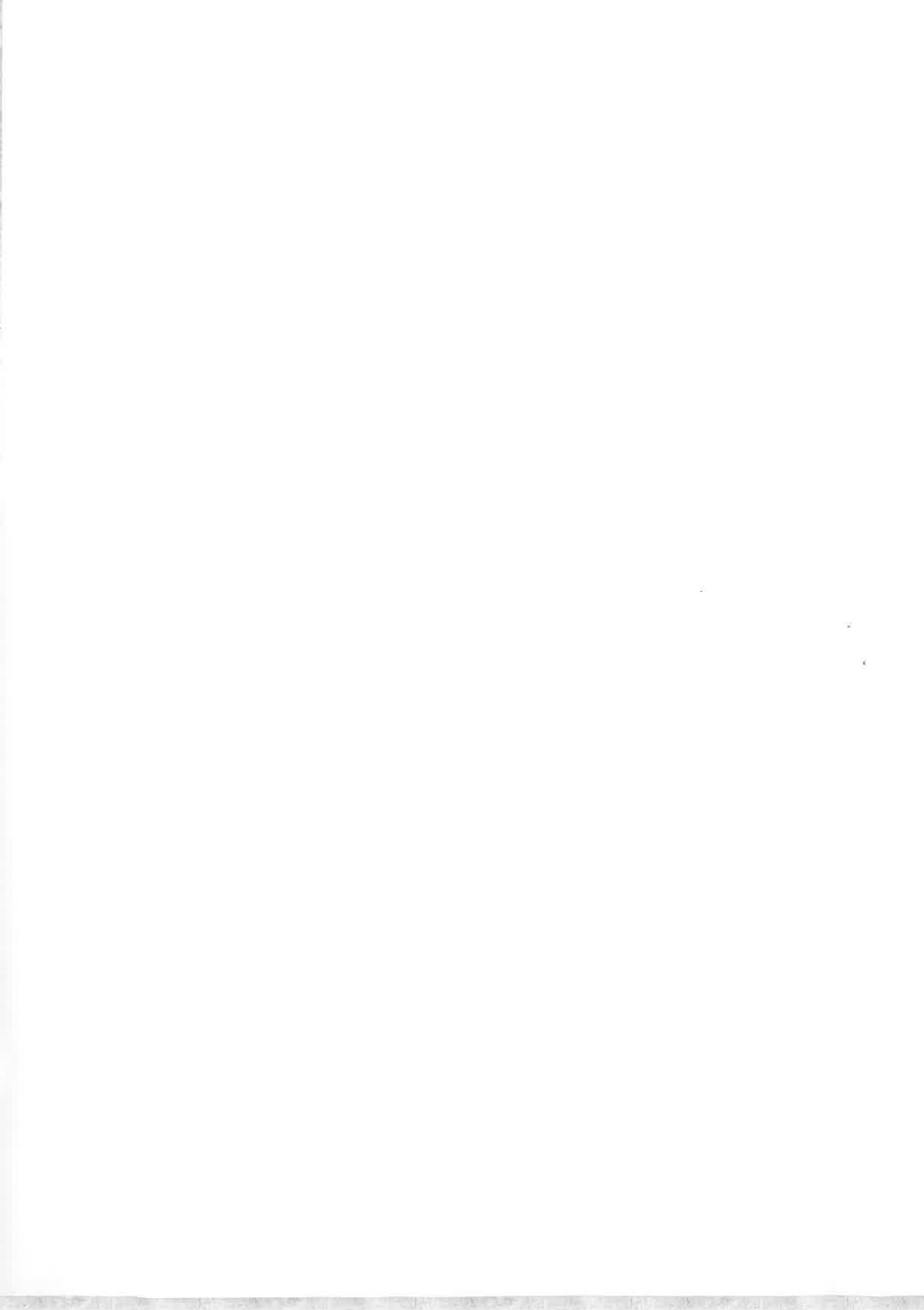
The carried forward items from the assessment year 2013-14 are:

i) Loss in agency business	5,000
ii) Loss from cotton business (discontinued in 2011-12)	12,000
iii) Loss from silk business	5,000
iv) Speculation loss	8,000
v) Short term capital loss	12,000
vi) Long term capital loss (from the previous year 2011-12)	7,000

Current year's depreciation for silk business amounted to Rs. 800.



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Seat No.	M.Com-II S.-III
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### January - February (Winter) Examination - 2023

Subject Name: Master of Commerce (CBCS) 79884 Business Finance - Paper I\_11.01.2023\_02.30 PM To 05.30 PM

Subject Code: 79884

Day and Date: Wednesday, 11-01-2023

Time: 02:30 pm to 05:30 pm

Total Marks: 80

**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

1) Q. No. 1 and 2 are compulsory 2) Attempt any three questions from Q. No. 3 to 6

**Q.1. (A) Select the appropriate alternative from among given below each statement and rewrite the statement in the answerbook. [16]**

1) ----- decision implies the task of identification of sources of finance and consideration of cost of capital and other implications of each source of finance.

A) Investment

C) Finance

B) Dividend

D) None of These

2) Stock split is one of the remedies for -----

A) Under Capitalization

C) Over Capitalization

B) Both of These

D) None of These

3) Cost of capital in case of debt is lowest due to -----

A) Low Rate of Interest

C) Time Value of Money

B) Deduction of Tax on Interest

D) High Rate of Dividend

4) The firm having-----, is a highly geared firm.

A) Full Equity

C) Thick Equity

C) No Equity

C) Thin Equity

5) ----- are issued by companies to the employees to attract and retain the talent who helps the company to grow..

A) Equity Shares

C) Preference Shares

B) Sweat Shares

C) Employee's Stock Option

6) The capital provided to finance the start-up companies, which are high-tech having high market potential, is known as -----

A) Venture Capital

C) Lease Finance

B) Project Finance

D) Seed Capital

7) Gross working capital means -----

A) Total Assets minus Total Liabilities

C) Current Assets only

B) Current Assets minus Current Liabilities

D) Current Liabilities only

8) Under ----- Model, the firm attempts to minimize the sum of cost of holding cash and the cost of converting marketable securities to cash.

A) Baumol's

C) The Miller-Orr

B) Modigliani-Miller

D) Stochastic

(B) Fill in the Blanks.

1) ----- maximization is a narrow and short-term approach.

2) In case of ----- finance, the cost of capital is lowest.

3) In lease finance, the owner of the asset is known as -----.

4) ----- intensive industries need relatively more working capital.

(C) State True or False

1) Business Finance deals with the procurement and disbursement of funds.

2) Short-term borrowings is an integral part of Capital Structure.

3) The debt and equity used to finance the project are paid back from the cash flow generated by the project.

4) Internal accruals is not the source of working capital.

**Q.2. Write Short Answers. (Any TWO)**

[16]

a) Explain, in brief, the Cardinal Principles of Capital Structure.

b) What is Lease Finance? Explain the process of Lease Finance.

c) What is Weighted Average Cost of Capital? Explain how it is calculated.

- Q.3. **What are the characteristics of Equity Shares? Explain merits and demerits of Equity Shares.** [16]
- Q.4. **What is meant by 'Over Capitalization' and 'Under Capitalization'? Which is the greater evil? Why?** [16]
- Q.5. **Define 'Working Capital' Discuss factors determining working capital requirements.** [16]
- Q.6. **Write Short Notes. (Any TWO)** [16]  
a) **Trade Credit as a source of Working Capital**  
b) **Profit Maximization Vs Wealth Maximization**  
c) **Management of Inventory**



Seat No.	
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**M.Com. (Part - II) (Semester - III) (CBCS) Examination, March - 2023**  
**CCD1 : BUSINESS FINANCE (Paper - I)**  
**Sub. Code : 79884**

Day and Date : Tuesday, 13 - 06 - 2023

Total Marks : 80

Time : 02.30 p.m. to 04.30 p.m.

- Instructions :**
- 1) Question No. 1 and 2 are compulsory.
  - 2) Attempt any three Questions from Questions number 3 to 6.
  - 3) Figures to the right indicate full marks.

**Q1) A)** Select the appropriate alternative from among given below each statement and rewrite the statement in the answer book. [8]

- a) The solvency of business depends on availability of \_\_\_\_\_ assets.
  - i) Fixed
  - ii) Long Term
  - iii) Intangible
  - iv) Liquid
- b) \_\_\_\_\_ is concerned with the maximization of a firm's stock price.
  - i) Wealth maximization
  - ii) Profit maximization
  - iii) Welfare maximization.
  - iv) EPS maximization
- c) The long term risk capital is called \_\_\_\_\_.
  - i) Equity Capital
  - ii) Venture capital
  - iii) Debenture Capital
  - iv) Preference Capital
- d) For minimization of cost of capital and maximization of return, the appropriate \_\_\_\_\_ is required.
  - i) Dividend Policy
  - ii) Capital Structure
  - iii) Venture Capital
  - iv) Working Capital
- e) Liberal dividend policy is one of the causes of \_\_\_\_\_.
  - i) Under Capitalization
  - ii) Over capitalization
  - iii) Fair capitalization.
  - iv) Capital Erosion
- f) Priority at the time of dividend payment and winding up proceedings is given to \_\_\_\_\_.
  - i) Preference shares
  - ii) Equity shares
  - iii) Deferred shares
  - iv) None of these.

P.T.O.



- g) Working Capital is the surplus of current assets over Current \_\_\_\_\_  
 i) Capital ii) Fixed Assets  
 iii) Liabilities iv) Sundry Assets
- h) Cash management Strategies are intended to \_\_\_\_\_ the operating cash balance requirement.  
 i) Maximize ii) Minimize  
 iii) Expand iv) All of above

- B) Fill in the blanks. [4]  
 a) CP can be issued in denominations of Rs. \_\_\_\_\_ Lakh or multiple there of.  
 b) \_\_\_\_\_ is a funding technique that looks to the cash flows generated by a project to provide investor returns and lenders debt service.  
 c) There are two forms of capital \_\_\_\_\_ capital and \_\_\_\_\_ capital.  
 d) \_\_\_\_\_ aims at accelerating the worth of the entity.
- C) State true or false. [4]  
 a) EBIT is usually the same thing as operating profit.  
 b) Issue of bonus shares is the remedy of under Capitalization.  
 c) Venture capital is a source of short term finance.  
 d) Stock of raw materials is a current Liability.

**Q2) Write Short Answers (Any Two) [16]**

- a) State the factors determining working capital requirement.  
 b) Explain the types of lease finance.  
 c) Describe cardinal principles of capital structure.

**Q3) State the causes and remedies of over capitalisation. [16]**

**Q4) Explain the various factors influencing the capital structure. [16]**

**Q5) Explain in brief various sources of working capital. [16]**

**Q6) Write Short Notes (Any Two) [16]**

- a) Features of Project finance  
 b) Finance function  
 c) Characteristics of Debentures



Seat No. **January - February (Winter) Examination - 2023****Subject Name:** Master of Commerce (CBCS) 79887 Advanced Costing Paper V (Cost Accounting Record & Cost Audit) 12.01.2023 02.30 PM To 05.30 PM**Subject Code:** 79887**Day and Date:** Thursday, 12-01-2023**Time:** 02:30 pm to 05:30 pm**Total Marks:** 80**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

1) Question number 1,2 and 3 are compulsory. 2) Attempt any two questions from question number 4 to 6. 3) Use of simple calculator is allowed.

**Q.1. A) Choose the appropriate alternatives. [16]**

1) "....." means the duly signed Cost Auditor's report on the cost records examined and cost statements which are prepared as per these rules, including attachment, annexure, qualifications or observations attached with or included in such report.

- A) Cost Audit Report
- B) Financial Audit Report
- C) Management Audit Report
- D) Special Audit Report

2. Every cost auditor shall forward his duly signed report to the -----

- A) Central Government
- B) State Government
- C) Board of Directors of the company
- D) Institute of Cost and Management Accountants of India

3. "....." means a Cost Accountant in practice, as defined in clause (b), of Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, who is appointed by the Board.

- A) Financial Auditor
- B) Cost Auditor
- C) Management Auditor
- D) None of above

4. Section .....of companies Act, 2013 lays out the provisions and requirements concerning cost Records and Cost Audit applicability.

- A) 145
- B) 147
- C) 148
- D) 146

5. The following is an example of direct expenses as per CAS-10:
- Special raw material which is a substantial part of the prime cost.
  - Travelling expenses to site.
  - Overtime charges paid to direct worker to complete work before time.
  - Catalogue of prices of finished products.



6. CAS 13 relates to -----
- Joint Cost
  - Interest and financing charges
  - Employee Cost
  - Cost of Service cost centre.

7. Which of the following is the Cost accounting standard relates to production and operation overheads?
- CAS-1.
  - CAS-3
  - CAS-6
  - CAS-7

8. Separate ledger for cost accounts and financial accounts are contained in.....
- integrated accounting
  - inter locking accounts
  - non integrated accounting
  - Cost Ledger Accounting

9. Maintenance of .....accounts avoids duplication of efforts and reconciliation of cost and financial accounts is not required.
- Financial
  - Integrated
  - Cost
  - Interlocking

10. There are two systems of cost control accounting to keep costs book i.e. -----&-----
- non-integrated & integrated accounting
  - cost ledger & store ledger
  - cost-sheet & ABC system
  - standard costing & marginal costing

B) State the following statements are True or False

- Cost period should be defined and applied consistently.
- Cost records should include utilization of materials, labour and other items of cost as applicable to the production of goods or services.
- Fixed cost is one of the classifications of costs by nature of traceability to a cost object as per CAS-1.
- CAS 2 relates to Cost accounting standard is on Repairs and Maintenance Cost.
- Separate ledger for cost accounts and financial accounts are contained in integrated accounting
- In Management Accounting system a cost control account or general ledger adjustment account is used in cost ledger.

- Q.2. On 31st March, 2022 the following balances were extracted from the books of the Supreme Manufacturing Company: [16]

Particulars	Dr. (Rs.)	Cr. (Rs.)
Store Ledger Control A/C	35000	
Work-in-Progress A/C	38000	
Finished Goods Control A/C	25000	
Cost Ledger Control A/C	98000	



The following transactions took place in April, 2022

Particulars	Rs.
<b>Raw Materials:</b>	
Purchased	95000
Returned to suppliers	3000
Issued to production	98000
Returned to stores	3000
Productive wages	40000
Indirect labour	25000
Factory overhead expenses incurred	50000
Selling and Administrative expenses	40000
Cost of finished goods transferred to warehouse	213000
Cost of Goods Sold	210000
Sales	300000

Factory overheads are applied to production at 150% of direct wages, any under/over absorbed overhead being carried forward for adjustment in the subsequent months. All administrative and selling expenses are treated as period costs and charged off to the Profit and Loss Account of the month in which they are incurred.

Show the following Accounts:

- Cost Ledger Control A/C
- Store Ledger Control A/C
- Work in Progress Control A/C
- Finished Goods Stock Control A/C
- Factory Overhead Control A/C
- Costing Profit & Loss A/C

- Q.3. Write a Short Notes ( Any four out of Six) [16]

- Trial Balance, as at 30th April, 2022
- Cost Accounting Standards
- Cost accumulation
- Cost data
- Cost statement
- Cost audit
- Management reporting under cost audit

**Q.4. Journalize the following transactions in the integrated books of [16]**

**accounts:**

<b>Particulars</b>	<b>Rs.</b>
<b>a) Credit purchases</b>	<b>1200000</b>
<b>b) Production wages paid</b>	<b>700000</b>
<b>c) Stocks issued to production orders</b>	<b>800000</b>
<b>d) Works expenses charged to production</b>	<b>450000</b>
<b>e) Finished goods transferred from production orders</b>	<b>180000</b>
<b>f) Administration expenses charged to production</b>	<b>150000</b>
<b>g) Work expenses outstanding</b>	<b>120000</b>
<b>h) Work expenses paid</b>	<b>460000</b>

**Q.5. State the applicability and legal requirements of cost audit as per [16]**  
**Companies Act, 2013.**

**Q.6. a) State the qualification and disqualification of Cost Auditor. [16]**  
**b) State the scope of Cost Accounting Standards.**





QP Code: 1471QP

Total No. of Pages: 4

Seat No.

## January - February (Winter) Examination - 2023

Subject Name: M.Com 83919 Project Planning and Quantitative Techniques Paper VI\_13.01.2023\_02.30  
PM To 05.30 PM

Subject Code: 83919

Day and Date: Friday, 13-01-2023

Time: 02:30 pm to 05:30 pm

Total

Mark

s: 80

Instructions.:

1) Figures to the right indicate full marks

Special Instruction.:

1) Question number 1,2 and 3 are compulsory 2) Attempt any two questions from question number 4 to 6

Q.1. a) [16]

a) Choose the appropriate alternative.

(10)

1. Which of the following is not a project management goal?

A.Avoiding customer complaints

B.Keeping overall costs within budget

C.Delivering the software to the customer at the agreed time

D.Maintaining a happy and well-functioning development team

2. What is the first step in project planning?

A.Determine the budget

B.Determine project constraints

C.Inspect the deliverables

D.Establish the objectives and scope

3. A project is anything which is

A.Not implicitly expressed

B.Not a physical objective

C.Implicitly expressed

D.Social acceptability

4. Process framework activities are populated with

A.Milestones

B.QA Points

C.Work Products

D.All of the options

5. During project estimation, project manager estimates following

A.Project duration

B.Project effort

C.Project cost

D.All of the options

**6. Different activity of a project management is**

- A. Project planning**
- B. Project monitoring**
- C. Project control**
- D. All of the options**

**7. Which Terms refers to a single person having authority to oversee all aspects of a product's production scheduling, inventory, dislocation and sales?**

- A. Project Management**
- B. Product Management**
- C. Commercial Management**
- D. Venture Management**

**8. Which one of the following risks can be reduced by investing in project or acquiring other firms that have a negative correlation with the earnings of the firm?**

- A. Investment risk**
- B. Business risk**
- C. Financial risk**
- D. Portfolio risk**

**9. The error committed by rejecting an applicant who would have been successful on the job is called**

- A. True negative error**
- B. False negative error**
- C. False positive error**
- D. True positive error**

**10. Goodness of fit of a distribution is tested by**

- A. t-test**
- B. F-test**
- C. Chi-square test**
- D. Z. test**

**b) State whether following statements are True or False.**

**(6)**

**i) Program is a temporary endeavor undertaken to accomplish a unique purpose:**

**ii) Stakeholders are people involved in or affected by project activities:**

**iii) A Project will normally have a fixed, and well defined objectives:**

**iv) A project is normally initiated by the project manager:**

**v) Project life cycle is a collection of project phases:**

**vi) an estimate of the error variance is called the means squared error**



**Q.2. Read the following Case and answers the questions below it.**

**[16]**

A leading North American provider for claims and productivity management solutions, the client delivers claims, productivity, managed care, risk consulting, and other services to clients located in the United States and Canada. The company specializes in workers' compensation; disability, FMLA, and other employee absence; managed care; general, automobile, and professional liability; warranty and credit card claims services; fraud and investigation; structured settlements; and Medicare-compliance solutions

The company was in the midst of significant business expansion that included acquisition of five organizations simultaneously. One acquisition, which required integration of 26 separate client companies and a software development effort designed to migrate these companies to the client's corporate standards and best practices, was in need of a mid-course correction. The project was behind schedule and over budget at the mid-point of the implementation. Remaining on this track would have resulted in the loss of critical clients and associated revenue, along with a significantly reduced return on investment for the acquisition and development program.

At the same time, the company had taken on a new implementation of disability and leave

solutions for a leading global retailer. The addition of this client was projected to double this

business unit's annual volume for the company and required bringing two new call centers

online to support the added volume. In the midst of this transformative growth, senior management wanted to improve overall project management through better monitoring, control, and reporting while ensuring critical deliverables and targets were met.

Questions:

a) Explain the impact of Post-Merger Acquisition.

b) Whether Company's planning about growth is possible?



**Q.3. Write Short Answers (Any four out of six)**

**[16]**

a) Explain the Project Cycle.

b) What are the guideline for the project report?

c) Discuss the process of Risk Management.

d) What do you mean by types of errors?

e) What are the sources of Idea Generation?

f) What do you mean by testing of hypothesis?

**Q.4. What do you mean by Project? Explain its characteristics.**

**[16]**

**Q.5. Explain the Financial analysis techniques.**

**[16]**

**Q.6. a. Explain the level of significance.**

**[16]**

**b. Explain the contents of Project Report.**



# M.COM. – II<sup>nd</sup> Year

## SEM – IV



Previous Year  
Question Papers  
Academic Year  
(2022-23)

**Please Note:** This set has been prepared based on the papers received to us from the Examination Cell. It may have missing papers on non-availability of the same.



Seat No. M.Com-II, S.- IV

## January - February (Winter) Examination - 2023

Subject Name: Master of Commerce (CBCS) 73755 Management Accounting Paper - II (Management Control System) 10.01.2023 10.30 AM To 01.30 PM

Subject Code: 73755

Day and Date: Tuesday, 10-01-2023

Time: 10:30 am to 01:30 pm



Total  
Mark  
s: 96

### Instructions.:

1) Figures to the right indicate full marks

### Special Instruction.:

1. Question No.1, 2 and Q.3 are Compulsory. 2. Attempt any TWO questions from Q.4 to Q.6 3. Use of Calculator is allowed.

- Q.1. Q.1. A) Choose appropriate alternative from the given and rewrite the sentence in the answer book. (10 Marks) [16]
1. The excess of selling price over the marginal or variable cost is referred to as-----
- A) Contribution B) Marginal Costing C) Margin of safety D) Fixed Cost
2. A budget prepared for a range of activities rather than for a single level of activity is called---- .....
- A) Master budget B) Flexible budget C) Performance budget D) Fixed Budget
3. If the management is able to identify the individual who is responsible for a variance and if reasons for the variance seem to be within the control of the individual, then it is called-----variance.
- A) Sales B) Labour C) Controllable D) Uncontrollable
4. Required Profit Rs----- when Required sales Rs.2,50,000, P/V Ratio = 25% and Fixed cost Rs.17,500.
- A) Rs.85,000 B) Rs.45,000 C) Rs.35,000 D) Rs.95,000
5. Budget plans are prepared on the basis of forecasts and ----- about the future.
- A) Past B) Estimates C) Figures D) Facts
6. ----- also includes taking corrective actions to make these to conform to planning.
- A) Management B) Control C) System D) Organisation
7. Intersection of sales revenue line and total cost creates an angle called-----
- A) Break even point B) Margin of Safety C) CVP Analysis D) Angle of Incidence

8. \_\_\_\_\_ should be linked with the corporate objectives, long term as well as short term.

A) Management Report    B) Internal report    C) External Report    D) Special Report

9. \_\_\_\_\_ is a logical integration of management accounting tools to gather and report data and to evaluate performance.

A) Control    B) Management    C) Management Control    D) Organisational Control

10. Year-2020    Sales Rs. 150000    Profit Rs. 20000, Year 2021 - Sales Rs. 170000    Profit Rs. 25,000 the P/V Ratio will be -----

A) 50 %    B) 15 %    C) 25 %    D) 20%

B) Write whether the statement is True or False.

(6 Marks)

1. Strategic Planning is the responsibility of Top management.
2. Standard costing does not help in cost reduction and cost control.
3. A high margin of safety indicates soundness of the business and vice-versa.
4. Cash budget forecasts both the inflow and outflow of cash during the budget period.
5. Management control involves both planning and control.
6. Idle Variance is the part of Total labour efficiency variance.

Q.2. Q.2. A) Explain need, importance and scope of Management control system. [16] (8 Marks)

B) Define the term budget. Explain advantages and limitations of Budgetary control system. (8 Marks)

OR

Write short notes on : ( Any 4 out of 6) (16 Marks)

- a) Types of Report
- b) Break Even Analysis
- c) Objectives of budgetary Control
- d) Limitations of Standard Costing
- e) Management control process
- f) CVP Analysis



Q.3. Case study [16]

Bansi company manufactures a single product having a marginal cost of Rs. 1.50 per unit. Fixed cost is Rs. 30,000 per annum. The market is such that up to 40,000 units can be sold at a price of Rs. 3.00 per unit, but any additional sale must be made at Rs. 2.00 per unit. Company has a planned profit of Rs. 50,000. How many units must be made and sold? Solve and analyse the case for Bansi Company. Write your own comments.

**Q.4. Prepare a cash budget for the months of May, June and July 2020 on the [16] basis of following information.**

**Income &**

**Expenditure Forecast**

MONTHS	CREDIT SALES (Rs)	CREDIT PURCHASES (Rs)	WAGES (Rs)	MANUFACTURING EXPENSES (Rs)	OFFICE EXPENSES (Rs)	SELLING EXPENSES (Rs)
March	60,000	36,000	9,000	4000	2000	4000
April	62,000	38,000	8,000	3000	1500	5000
May	64,000	33,000	10,000	4500	2500	4500
June	58,000	35,000	8500	3500	2000	3500
July	56,000	39,000	9500	4000	1000	4500
August	60,000	34,000	8000	3000	1500	4500

1. Cash balance on 1st May, 2020 is Rs 8,000.
2. Plant costing Rs 16,000 is due for delivery in July, payable 10% on delivery and the balance after 3 months.
3. Advance tax of Rs 8,000 each is payable in March and June.
4. Period of credit allowed by suppliers - 2 months and to customers - 1 month.
5. Lag in payment of manufacturing - ½ months.
6. Lag in payment of office and selling expenses - 1 month.



**Q.5. India Ltd. Manufactures a particular product, the standard direct labour cost of which is Rs. 120 per unit whose manufacture involves the following [16]**

Type of workers	Hours	Rate (Rs.)	Amount (Rs.)
A	30	2	60
B	20	3	60
	50		120

**During a period, 100 units of the product were produced, the actual labour cost of which was as follows:**

Type of workers	Hours	Rate (Rs.)	Amount (Rs.)
A	3,200	1.50	4,800
B	1,900	4.00	7,600
	5,100		12,400

**Calculate: (1) Labour Cost Variance (2) Labour Rate Variance (3) Labour Efficiency Variance (4) Labour Mix Variance.**

**Q.6. A manufacturing concern, which has adopted standard costing, furnished the following information:**

**[16]**

**Standard Material for 70 kg finished product: 100 kg**

**Price of materials: Re. 1 per kg.**

**Actual Output: 2,10,000 kg.**

**Material used: 2,80,000 kg.**

**Cost of material: Rs. 2,52,000.**

**Calculate:**

**a) Material Usage Variance (b) Material Price Variance (c) Material Cost Variance**



Seat No.	
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**M.Com. (Part - II) (Semester - IV) (CBCS)**  
**Examination, March - 2023**  
**CC-C-1 : MANAGEMENT ACCOUNTING (Paper - II)**  
**Sub. Code : 73755**

Day and Date : Monday, 12 - 06 - 2023  
Time : 10.30 a.m. to 1.30 p.m.

Total Marks : 80

- Instructions :
- 1) Question No. 1, 2 and Q.3 are compulsory.
  - 2) Attempt any Two Questions from Q.4 to Q.6.
  - 3) Use of Calculator is allowed.
  - 4) Figures to the right indicate full marks.

**Q1) A)** Choose appropriate alternative from the given and rewrite the sentence in the answer book. **[10]**

- a) In the process of Management Control System, the next step after setting performance standards is \_\_\_\_\_
- i) Analyzing Deviations
  - ii) Taking Corrective action step
  - iii) Measurement of actual performance
  - iv) None of these
- b) Only significant deviations which go beyond the permissible limit should be brought to the notice of management is called \_\_\_\_\_
- i) Management by Exception
  - ii) Critical point control
  - iii) Break even analysis
  - iv) ABC Analysis
- c) Contribution price = \_\_\_\_\_
- i) Selling price-Variable Cost
  - ii) Selling price - Fixed Cost
  - iii) Selling price - Fixed and Variable Cost
  - iv) Selling price - Profit



**P.T.O.**

- d) The Break-even point is the point at which \_\_\_\_\_
- There is no profit no loss
  - Contribution margin is equal to total fixed cost
  - Total revenue is equal to total cost
  - All of the above
- e) On Sales of Rs. 2,00,000, fixed cost is Rs. 30,000 and P/V Ratio is 40%. What is profit?
- Rs. 12,000
  - Rs. 1,20,000
  - Rs. 80,000
  - Rs. 50,000
- f) A budget that gives a summary of all the functional budgets and projected Profit and loss A/c is known as \_\_\_\_\_
- Capital Budget
  - Flexible Budget
  - Master Budget
  - Discretionary budget
- g) \_\_\_\_\_ is a budget which is designed to change in accordance with the level of activity actually attained.
- Flexible budget
  - Operating budget
  - Interim budget
  - Master budget
- h) Standard Cost is a \_\_\_\_\_ Cost
- Modified
  - Historical
  - Accrued
  - Pre-determined
- i) If actual hours worked exceed the standard hours allowed, the variance, which will occur is called as \_\_\_\_\_
- Favourable labour efficiency variance
  - Favourable labour rate variance
  - Unfavourable labour efficiency variance
  - Unfavourable labour rate variance
- j) The Major cause of adverse material price variance is extra \_\_\_\_\_ of materials.
- Usage
  - Wastage
  - Price
  - Cost



- B) Write whether the statement is true or false. [6]
- A Budget coordinates the activities of various departments.
  - Idle time variance is always unfavourable.
  - Margin of Safety can be improved by lowering fixed cost.
  - Control should be forward looking.
  - The reports to the top management should be summarised form.
  - Strategic Planning is a continuous process.

- Q2) a) What is Management Control System? Explain the Management Control Process. [16]
- b) Define the term budget. Explain advantages and limitations of Budgetary control System. [16]

OR

Write short notes on: (Any 4 out of 6) [16]

- Budgetary control and standard costing.
- Labour Variances.
- Profit-Volume Ratio (P/V Ratio)
- Essentials of ideal report
- Strategic Planning
- Break-Even Analysis

- Q3) Case Study [16]

SAM Auto Parts Ltd. has an annual production of 90,000 units for a motor component. The component cost structure is as below:

Materials	Rs. 270 per unit
Labour (25% fixed)	Rs. 180 per unit
Expenses:	
Variable	Rs. 90 per unit
Fixed	Rs. 135 per unit
Total	<u>Rs. 675 per unit</u>



## SR - 18

- a) The purchase manager has an offer from a supplier who is willing to supply the component at Rs. 540. Should the component be purchased and production stopped?
- b) Assume the resources now used for this component's manufacture are to be used to produce another new product for which the selling price is Rs. 485.

In the latter case, the material price will be Rs. 200 per unit. 90,000 units of this product can be produced at the same cost basis as above for labour and expenses. Discuss whether it would be advisable to divert the resources to manufacture that new product, on the footing that the component presently being produced would, instead of being produced, be purchased from the market.

Solve and analyse the case for SAM Auto parts Ltd. Write your own comments.

- Q4)** A company is expecting to have Rs. 32,000 cash in hand on 1<sup>st</sup> April 2021 and it requests you to prepare cash budget for the three months. April to June 2021. The following information is supplied to you: [16]

Month	Sales Rs.	Purchases Rs.	Wages Rs.	Expenses Rs.
February	70,000	44,000	6,000	5,000
March	80,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	1,00,000	68,000	11,000	9,000
June	1,20,000	62,000	14,000	9,000

Other information:

- a) Period of credit allowed by suppliers is two months.
- b) 25% of sales are for cash and the period of credit allowed to customers for credit sales is one month.
- c) Delay in payment of wages and expenses one month.
- d) Income tax Rs. 28,000 is to be paid in June 2021.



Q5) The standard cost of a chemical mixture is as follows:

40% material A at Rs. 20 per kg

60% material B at Rs. 30 per kg

A standard loss of 10% of input is expected in production. The cost records for a period showed the following usage:

90 kg material A at a cost of Rs. 18 per kg

110 kg material B at a cost of Rs. 34 per kg

The quantity produced was 182 kg of good product.

Calculate Material Cost Variance, Material Price Variance, Material Usage variance, Material Mix Variance and Materials Yield Variance.

Q6) Anuradha Iron Works is considering the purchase of a machine. Two machines A and B are available each costing Rs. 50,000. Earnings after taxation but before charging depreciation are expected to be as under:

Year	Machine A	Machine B
1	15,000	5,000
2	20,000	15,000
3	30,000	20,000
4	10,000	30,000
5	10,000	20,000

You are required to apprise the proposal on the basis of:

- Pay Back Period Method.
- Net Present Value Method (Cost of capital 10%)

Years	1	2	3	4	5
Present Value of Rs 1 at 10%	.909	.826	.751	.683	.621





Seat No.

M.Com - II, Sem. - IV

**Summer Examination March - 2023**

Subject Name: Master of Commerce (CBCS) 73756 73756 84412 - Business Finance Paper - II 13.06.2023 10.30 AM To 01.30 PM

Subject Code: 73756

Day and Date: - Tuesday, 13-06-2023

Total Marks: 80

Time: - 10:30 am to 01:30 pm

**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

Instructions: 1) Q. No. 1 and 2 are compulsory 2) Attempt any three questions from Q. No.

3 to 6

Q.1. Que 1) A) Select the appropriate alternative from among given below each statement and rewrite the statement in the answer book.

viii) Where market share of produced is great,..... decision is more profitable.

- A) BUY
- B) MAKE
- C) HIRE &
- D) Lease

QUE 1. (B) FILL IN THE BLANKS ( 4 x 1 = 4 marks )

- i) ---- market is the market for existing financial securities.
- ii) SHG stands for .....
- iii) Demerger is a ... ..... form of restructuring.

(iv) If discounting rate is increased NPV will.....

C) State whether the following statements are True or False. (4 X 1 = 4 MARKS )

- i) Primary capital market deals with raising short term capital for industries.
- ii) Portfolio evaluation is the last stage of portfolio management.
- iii) Under Amalgamation, one company cease to exit.
- iv) Buy decision involves only variable cost.





Instructions:

1. Question No.1, Q.No.2 And Q. No.3 are Compulsory
2. Attempt any Two Questions from Q.4 to Q.6

Q.1 a) Choose correct alternatives

10

1. MWCA is provide in order to provide for increase in monetary working capital necessitated by
  - a) Change in scale of operation
  - b) Change in scale of operations and price increase during the period
  - c) Price changes of inputs during the period
  - d) Hike in the interest rates on borrowings
2. Under CPP accounting assets are presented at
  - a) Economic value
  - b) Current replacement cost
  - c) Net realisable value
  - d) Historic costs adjusted for General Price level changes
3. Relationship between Economic Value Added (EVA) and Net Present Value (NPV) is considered as.....
  - a) Valued relationship
  - b) Economic relationship
  - c) Direct relationship
  - d) Inverse relationship
4. In capital budgeting, positive net present value results in.....
  - a) Negative economic value added
  - b) Positive economic value added
  - c) Zero economic value added
  - d) Percent economic value added
5. EVA Stands for.....
  - a) Economic Value Added
  - b) Economic Value Application
  - c) Emergency Value Added
  - d) Economic Value Advance
6. FIFO shows
  - a) First In Fist Outstanding
  - b) First in First Out
  - c) First in Last Out
  - d) All the above



7. Is significantly changed, method is adopted by traders.
  - a) Derivatives
  - b) Day trading
  - c) Swing trading
  - d) Option trading
  
8. Segment information helps users to
  - a) Better understand the performance of an enterprise
  - b) Better assess the risks and returns of the enterprise
  - c) Make more informed judgements about the enterprise
  - d) All the above
  
9. Accounting Standard -30
  - a) Disclosures
  - b) Presentation
  - c) recognition and measurement
  - d) all the above
  
10. Accounting Standard-31
  - a) Presentation
  - b) Disclosures
  - c) (a) and (b)
  - d) None of these

**b) True or False**

06

1. Call option gives the holder the option to sell a specified underlying asset on or before the expiry date.
2. The Accounting Standard (AS30) is mandatory w.e.f. 01/04/2009.
3. The term Value Added and Economic Value Added are synonymous.
4. Economic value added also known as economic profit.
5. Cost of capital of an investor, in financial management, is equal to return, an investor can fetch from the next best alternative investment.
6. While disclosing the risk, a company needs to disclose only credit risk as it is one of the most important elements of disclosure.



Write Short Answer (Any 2 out of 3)

1. State the advantages and limitations of Day Trading.
2. What is meant by Carbon Credit Accounting?
3. What do you mean by Margin? Explain the benefits of margin.



Following are the balance sheets and profit and loss account of Sanket Co. Ltd.

**Balance Sheet**  
as on 31<sup>st</sup> March 2021

Liabilities	Rs.	Assets	Rs.
Share Capital	5,00,000	Machinery	3,00,000
Profit & Loss A/C	75,000	Motor Car	60,000
Trade Creditors	1,35,000	Closing Stock	1,50,000
		Sundry Debtors	1,00,000
		Cash in hand	1,00,000
	<b>7,10,000</b>		<b>7,10,000</b>

**Balance Sheet**  
as on 31<sup>st</sup> March 2022

Liabilities	Rs.	Assets	Rs.
Share Capital	5,00,000	Machinery	3,00,000
Reserve & Surplus	1,75,000	Less: Depreciation	<u>30,000</u>
Current Liabilities	35,000		2,70,000
		Motor Car	60,000
		Less: Depreciation	<u>6,000</u>
			54,000
		Closing Stock	1,20,000
		Sundry Debtors	1,50,000
		Cash in hand	1,16,000
	<b>7,10,000</b>		<b>7,10,000</b>

**Profit & Loss Account**  
for the year ended 31<sup>st</sup> March 2022

Particulars	Rs.	Particulars	Rs.
To Opening Stock	1,50,000	By Sales	12,00,000
To Purchases	8,70,000	By Closing Stock	1,20,000
To Depreciation	36,000		
To Other Expenses	1,64,000		
To Net Profit c/d	1,00,000		
	<b>13,20,000</b>		<b>13,20,000</b>

**Other Information**

- i. Replacement cost on 31<sup>st</sup> March, 2021: Inventory Rs. 1,50,000, Plant & Machinery Rs. 3,30,000, Motor Car Rs. 50,000.
- ii. The replacement cost of goods sold on the dates the sale were done worth Rs. 10,00,000.

Prepare Restated of Profit & Loss account for the year ended 31<sup>st</sup> March, 2022 and Balance Sheet as on that under CCP Method.



**Q.4. Question****[16]**

Following is income statement provided by Sima Co. Ltd.  
Income statement

Particulars		Rs.
Sales		20,000
Less : Material consumed	8,000	
Wages paid	4,000	
Interest paid	2,000	
Insurance Premium	500	
Auditors fee	300	
Rent	200	
Depreciation	1000	<u>16,000</u>
Profit before tax		4,000
Less: Income Tax (50%)		<u>2,000</u>
Profit after Tax		2,000
Less: Dividend		<u>1,000</u>
Balance representing Retained Earning		<u>1,000</u>

From the above Income Statement, prepare the Value Added Statement.

**Q.5. Question****[16]**

Ajinkya Limited commenced its business on 1<sup>st</sup> April 2021. 2,00,000 equity shares of Rs. 10 each at par and 12.5% debentures of the aggregate value of Rs. 2,00,000 were issued and fully taken up. The proceeds utilized as under:

Particulars	Rs.
Fixtures and equipment's (Estimated Life 10years, no scrap value)	16,00,000
Goods purchased for resale at Rs. 200 per unit	6,00,000

The goods were entirely sold by 31<sup>st</sup> January, 2022 at a profit of 40% on selling price. Collection from debtors outstanding on 31<sup>st</sup> March, 2022 amounted to Rs. 60,000, goods sold were replaced at a cost of Rs. 7,20,000, the number of units purchased being the same as before. A payment of Rs.40,000 to a supplier was outstanding as on 31<sup>st</sup> March, 2022. The replaced goods remained entirely in stock on 31<sup>st</sup> March, 2022.

Replacement cost as at 31<sup>st</sup> March, 2022 was considered to be Rs. 280 per unit.

Replacement cost fixture and equipment (depreciation on straight line basis) was Rs.20,00,000 as at 31<sup>st</sup> March, 1997.

Prepare the Profit & Loss Account and Balance Sheet on replacement cost (entire value) basis and on historical cost basis.



Shital Ltd. furnishes the following Profit and Loss A/C

**Profit and Loss Account**

**For the year ended 31 March, 2020**

	Notes	(Rs. In '000)
<b>Income:</b>		
Sales	I	59,744
Other Income		2,084
		<b>61,828</b>
<b>Expenditure:</b>		
Operating Expenses	II	53,482
Interest on 8% debentures		1,974
Interest on Cash Credit	III	302
Excise Duty		3,904
		<b>59,662</b>
Profit before Depreciation		2,166
Less: Depreciation		684
Profit before tax		1,482
Provision for tax	IV	752
Profit after tax		730
Less: Transfer to Fixed Assets Replacement Reserve		130
		600
Less: Dividend Paid		250
Retained Profit		<b>350</b>

**Notes:**

- Sales is based on invoice value and net of sales tax.
- Salaries, Wages and other employee benefits amounting to Rs. 29,522 ('000) are included in operating expenses
- Cash Credit represents a temporary source of finance. It has not been considered as a part of capital.
- Transfer of Rs. 108 ('000) to the credit of deferred tax account is included in provision for tax.

Prepare Value Added Statement for the year ended 31<sup>st</sup> March, 2020.



QP Code: 910QP

Total No. of Pages: 6

Seat No.

## January - February (Winter) Examination - 2023

Subject Name: Master of Commerce (CBCS) 73757 Advanced Accountancy (Costing) Paper-  
VII 12.01.2023 10.30 AM To 01.30 PM

Subject Code: 73757

Day and Date: Thursday, 12-01-2023

Time: 10:30 am to 01:30 pm

Total  
Mark  
s: 80

**Instructions.:**

1) Figures to the right indicate full marks

**Special Instruction.:**

1. Question No.1, Q. No. 2 2. Attempt any Two Questions from Q. No.3 to 6.

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Q.1. Q1 A) Choose correct alternative

i. Cost of sales plus profit is .....

- a) Selling Price
- b) Value of finished product
- c) Value of goods produced
- d) Value of stocks

ii) Prime cost is the total of .....

- a) All direct expenses
- b) All indirect expenses
- c) Direct Expenses + Factory Overhead
- d) Direct Materials + Direct Labour

iii) The main purpose of cost accounting is to.....

- a) Help in inventory valuation
- b) Provide information to management for decision making
- c) Aid in the fixation of selling prices
- d) Maximize profits

iv) Work certified is valued in terms of.....

- a) Cost Price
- b) Market Price
- c) Contract Price
- d) None of these

v) In contract costing, nothing out of notional profit is transferred to profit and loss account if stage of completion is.....

- a) Less than 10%
- b) Less than 25%
- c) More than 25 % but Less than 50%
- d) More than 50 % but Less than 90%

vi) Contract costing is a type of ..... costing in which a contract constitutes a ..... unit of cost.

- a) Process
- b) Batch
- c) Job
- d) Unit





vii) If total incurred cost in a production process are Rs 40,000 and number

of units are 8000 units, cost will be..... per unit.

- a) Rs. 5
- b) Rs.10
- c) Rs.15
- d) Rs.20

viii) The normal or standard loss in processing departments is generally considered.....

- a) an avoidable loss
- b) an unavoidable loss
- c) an additional loss
- d) a basic loss

ix) When actual loss is less than the expected (normal) loss there is...

- a) extra loss
- b) abnormal loss
- c) abnormal gain
- d) none of the above

x) Service costing is not used in one of the following.....

- a) Electricity
- b) Hospitals
- c) Transport
- d) Electronics

Q 1 B) State True or False

6

- i) Abnormal process loss does not affect cost per unit.
- ii) The cost of abnormal loss is not included in the cost.
- iii) Reconciliation of cost and financial accounts is prepared in non-integral accounting.
- iv) Income tax not recorded in cost accounts.
- v) In reconciliation statement, dividend received is added to profit as per cost accounts.
- vi) If a businessman is owner of the premises, rent is not included in cost of products.

Q.2. (A) Explain the elements of costs.

[16]

(B) Explain the concepts of Joint Products and By Products.

or

Short Notes (Any Four out of Six)

- a) Cost Plus Contract
- b) Characteristics of Process Costing
- c) State the characteristics of Service Costing
- d) Normal Loss
- e) Method of Reconciliation
- f) Advantages of cost accounting

Q.3. From the following information for the Month of January, 2021 of the Dhanlaxmi Manufacturing Co. Ltd. Gokul Shirgaon, Kolhapur. [16]

Particulars	Rs
Direct material	57,000
Direct wages	28,500
Factory rent and rates	2,500
Office rent and rates	500
Plant repairs and main	1,000
Plant depreciation	1,250
Factory heating and li	400
Factory manager's sala	2,000
Office salaries	1,600
Director's remuneratio	1,500
Telephone and postage	200
Printing and stationer	100
Legal charges	150
Advertisement	1500
Salesmen's salaries	2500
Showroom rent	500
Sales	1,16,000

**Prepare a cost sheet**

- (a) Prime Cost,
- (b) Factory Cost,
- (c) Cost of Production
- (d) Total Cost.



**Q.4. A contactor, who prepares his accounts on 31st Dec. each year, commenced a contract on 1st April, 2013. The costing records concerning the said contract reveal the following information on 31st Dec.2013.**

**[16]**

<b>Material charged to site Rs.2, 58,100/-</b>	<b>Labour engaged Rs. 5, 60,500/-</b>
<b>Foreman's Salary Rs. 79,300/-</b>	<b>Work Uncertified Rs. 2, 62,250/-</b>

**Plant costing Rs 2, 60,000/- had been on site for 146 days. Their working life is estimated at seven years and their final scrap value at Rs. 15,000/-. A supervisor, who is paid Rs. 4,000/-p.m., has devoted approximately 3/4 of his time to this contract. The administrative and other expenses amount to Rs.1, 40,000/-. Material in hand at site on 31st Dec. 2013 cost Rs. 25,400/-, Some of the material costing to Rs 4,500/- was found unsuitable and sold for Rs.4, 000/- and part of the plant costing Rs. 5,500/-(on 31st Dec.2013) unsuitable to the contract was sold at a profit of Rs.1, 000/-.**

**The contract price was Rs. 22, 00,000/- but it was accepted by the contactor for Rs. 20, 00,000/-. On 31st Dec. 2013, 2/3 of the contract has completed. Architects certified had been issued covering 50% of the contract price and Rs. 7, 50,000/- has so far been paid on account.**

**Prepare Contract Account and state how much profit or loss should be included in the financial accounts to 31st Dec., 2013. Working should be clearly given. Depreciation is charged on time basis.**



- Q.5. A product is finally obtained after it passes through three distinct processes. The following information is available from the cost records. [16]

Particular	Process			Total
	I	II	III	
Material	2,600	2,000	1,025	5,625
Direct Wages	2,250	3,680	1,400	7,330
Production Overhead	-	-	-	7,330

500 units @ Rs.4/- per unit where introduced in process first. Production overheads are absorbed as a percentage of direct wages. The actual output & normal loss of the respective processes are given below.

Prepare Process A/c

Process	Output during the week ( units)	% of Normal loss to input	Value of scrap per unit (Rs.)
I	450	10%	2
II	340	20%	4
III	270	25%	5

- Q.6. [16]

In a factory two types of Pianos are manufactured, viz A and B. From the following particulars, prepare a statements showing cost per Piano and profit per Piano sold. There is no opening or closing stock.

A	B
	Materials
36,000	48,400
	Labour
63,000	83,600

Works on cost is charged a 100% on Labour and Office on cost is taken 25 % on Works Cost. A Piano sold during that period is 180 at 1,450 each and B Pianos sold were 220 at Rs. 1,600 each. Ascertain the total profit as per cost books from the above particulars.

Also prepare a Profit and Loss Account for the period in Financial Books and Statement of cost. The actual works Expenses being Rs. 1, 42,000 and office expenses being Rs.95,700. Prepare a reconciliation statement and explain the difference in profit as per two sets of books.



Seat No.	
-------------	--

**M.Com. (Part - II) (Semester - IV) (CBCS) Examination, March - 2023**

**ADVANCED ACCOUNTING**

**DSE-A-VII : Costing (Paper - VII)**

**Sub. Code : 73757**

**Day and Date : Wednesday, 14 - 6 - 2023**

**Total Marks : 80**

**Time : 10.30 a.m. to 1.30 p.m.**

- Instructions :**
- 1) Q. No. 1, Q. No. 2 and Q. No. 3 are compulsory.
  - 2) Attempt any two question from Q. No. 4 to 6.

**Q1) A) Choose correct alternative : [10]**

- a) Element/s of Cost of a product are \_\_\_\_\_.
  - i) Material only
  - ii) Labour only
  - iii) Expenses only
  - iv) Material, Labour and expenses
- b) Tender is an \_\_\_\_\_.
  - i) Estimation of profit
  - ii) Estimation of cost
  - iii) Estimation of selling price
  - iv) Estimation of units
- c) \_\_\_\_\_ are cost which tend to vary or change in relation to volume of production.
  - i) Fixed cost
  - ii) Variable cost
  - iii) Normal cost
  - iv) Abnormal cost
- d) The companies that produce many different products or services usually use \_\_\_\_\_.
  - i) Process costing
  - ii) both process costing and job order costing
  - iii) Job order costing
  - iv) Neither process costing nor job order costing
- e) In contract costing, nothing out of notional profit is transferred to profit and loss account if stage of completion is \_\_\_\_\_.
  - i) Less than 10%
  - ii) Less than 25%
  - iii) More than 25 % but Less than 50%
  - iv) More than 50 % but Less than 90%

**P.T.O.**



- f) In goods transport service the cost unit is \_\_\_\_\_.
- i) Cost per ton                      ii) Cost per hour  
 iii) Cost per ton kilo meters    iv) Cost per vehicle
- g) A loss in processing departments which can be avoided under normal and efficient working conditions is generally known as \_\_\_\_\_.
- i) Normal loss                      ii) Extra loss  
 iii) Abnormal loss                iv) Department loss
- h) In service costing fixed charges are also called as
- i) Standing charges                ii) Variable charges  
 iii) Fixed charges                 iv) Fixed and variable charges
- i) The normal or standard loss in processing departments is generally considered \_\_\_\_\_.
- i) an avoidable loss                ii) an unavoidable loss  
 iii) an additional loss              iv) a basic loss
- j) \_\_\_\_\_ is most likely to use a process cost accounting system.
- i) Construction company          ii) Print shop  
 iii) Ship builder                    iv) Sugar refiner

B) State True or False. [6]

- a) Process costing procedure and Job costing procedure is quite similar.
- b) Escalation clause in a contract provides that contract price is fixed.
- c) Abnormal gain is credited in the process account.
- d) Operating costing is also used in calculating cost per unit in hospitals.
- e) Reconciliation of cost and financial accounts is prepared in non-integral accounting.
- f) In process costing cost per unit is calculated separately for each process.

Q2) a) Explain the elements of costs. [8]

b) Explain the concepts of Joint Products and By Products. [8]

OR

Short Notes (Any Four out of Six) [16]

- i) Cost Unit
- ii) Cost plus Contract.
- iii) Abnormal Loss and Abnormal Gain
- iv) State the characteristics of Service Costing
- v) Normal Loss
- vi) Objectives of cost accounting



Q3) The accounts of Golden Manufacturing Co. Ltd. Satara for the year ended 31<sup>st</sup> March, 2021, show the following information: [16]

Particulars	Rs.
Production wages	2,50,000
Direct material used	3,18,200
Legal expenses	30,000
Sales	7,80,000
Drawing office salaries	10,000
Counting office salaries	18,800
Discount on shares	3,000
Carriage outward	5,400
Bad debts written off	8,500
Rent, rates and taxes	
	Office 4,000
	Works 15,400
Travelling expenses	3,600
Travellers' salaries and commission	8,500
Depreciation on plant and machinery	6,500
Depreciation on office furniture	1,000
Directors' fee	12,000
Gas and water (3/ 4 Factory, 1/ 4 Office)	2,800
Manager's salary (3/ 4 Factory, 1/ 4 Office)	24,000
General expenses	4,000
Hire of crane	5,000
Donations to charitable trust	2,000

Prepare a statement showing :

- a) Prime Cost
- b) Factory Cost
- c) Total Cost and Net Profit.



Q4) The ABC Ltd has undertaken the construction of bridge over the River Panchganga for a construction. The value of the contract is Rs.15,00,000 subject to retention of 20% until the final approval of the Corporations Engineer. The following are the details as shown in the books on 30<sup>th</sup> June 2021. [16]

Particulars	Rs.	Particulars	Rs.
Materials Purchased	4,20,000	Materials on hand on 30.06.2021	6,300
Material Sent From Stores	81,200	Wages Accrued on 30.06.2021	7,800
Labour on Site	4,05,000	Direct Expenses Accrued on 30.06.2021	1,600
Plant	1,21,000	Work not yet Certified	16,500
Direct Expenses	23,000	Work Certified by Corporation Engineer	11,00,000
General Overhead	37,100	Cash Received on Account	8,80,000

Provide Depreciation on Plant @ 10% on original Cost

Prepare :

- Contract Account
- Contractee's Account
- Show how it would appear in the Balance Sheet

Q5) The production passes through three process I, II & III. The normal wastage of each process I- 3%, II- 6%, III- 10%. The percentage of normal wastage in each case is computed on the basis of the numbers of units enter process. The wastage of process I is sold @25 paise that of process II sold @ 50 paise per unit & that of process III sold Re.1/-. 15,000 units of material were introduced in process I @ Re. 1 per unit. The other expenses are: [16]

Particular	Processes		
	I	II	III
Material Consumed	1,500	2,250	750
Direct Wages	7,500	12,000	9,750
Manufacturing Expenses	1,575	1,425	3,015
Output(Units)	14,250	13,650	12,012

Prepare Process Cost A/c Abnormal Loss or Gain A/c.



Q6) During the year ending 31<sup>st</sup> Oct 2005. The profit of XYZ Ltd. As per financial P & LA/c was Rs. 33,248 as shown below. Prepare a Reconciliation Statement and arrive at the profit as per Cost Accounts using the additional information given below. [16]

Profit & Loss A/c for the year ending 31<sup>st</sup> Oct, 2005

Particulars	Rs.	Particulars	Rs.
To Opening Stock	4,94,358	By Sales	6,93,000
To Purchase	1,64,308	By Sundry Income	632
	6,58,666		
Less : Closing stock	1,50,242		
	5,08,424		
To Direct wages	46,266		
To Factory overhead	41,652		
To Administration Expenses	19,690		
To Selling Expenses	44,352		
To Net Profit	33,248		
	6,93,632		6,93,632

Costing records show:

- Closing stock Rs. 1,54,892/-
- Direct wages absorbed Rs. 48,382/-
- Factory overhead absorbed Rs. 38,138/-
- Administrative expenses calculate at 3% of sales
- Selling expenses absorbed @ 5% of sales



