



**M.COM. – II<sup>nd</sup> Year**

**SEM – III & IV**

**Previous Year**

**Question Papers**

**Academic Year**

**(2024-25)**





**M.COM. – II<sup>nd</sup> Year**

**SEM – III**

**Previous Year**

**Question Papers**

**Academic Year**

**(2024-25)**

1000

Seat No. \_\_\_\_\_

QP-5729

Total No. of Pages : 3

M.Com-II Sem-III

**MAR-APR 2025 SUMMER EXAMINATION**

**7830 Master of Commerce**

**Sub. Name: Business Finance Paper I**

**Sub. Code: 97776**



**Day and Date: MAY ,09-05-2025**

**Total Marks: 80**

**Time: 10:30 AM To 01:30 PM**

**Instructions: 1. Figures to the right indicate full marks**

**Special Inst.: 1 Q.No.1 and 2 are compulsory.**

**2. Attempt any three questions from Q. No. 3 to 6**

- Q1) A.** Select the appropriate alternative from among given below each statement and [10] rewrite the statement in the answer-book.
- i. Business finance includes-----
- A. Acquisition of funds
  - B. Utilization of funds
  - C. Both a and b
  - D. None of these
- ii. -----is not relevant while calculating the cost of the redeemable preference shares.
- A. Earnings per share
  - B. Flotation cost
  - C. Discount
  - D. None of the above
- iii. The term ----- includes capital stock and debt.
- A. Capitalization
  - B. Capital structure
  - C. Shareholders fund
  - D. Total capital
- iv. The cost of capital for a firm \_\_\_\_\_.
- A. Is the return required on the total assets of a firm
  - B. Refers to the internal rate of return
  - C. Varies inversely with the overall cost of debt
  - D. None of the above
- v. ----- stage of financing is typically supported by venture capital.
- A. Seed stage
  - B. Early stage
  - C. Expansion stage
  - D. All of the above



vi. A business firm is said to be ----- when a fair return is not realized on capitalization.

- A. Undercapitalized
- B. Overcapitalized
- C. Fair capitalized
- D. Watered stock

vii ----- is not a internal factor influencing capital structure.

- A. Cost of capital
- B. Control factor
- C. Risk factor
- D. Taxation policy

viii Permanent working capital refers to -----

- i. A. The portion of working capital that changes frequently
- B. The minimum level of current assets required by a company
- C. The working capital used only during seasonal operations
- D. The working capital financed through short-term loans

ix. Cumulative preference shares are shares where,-----

- A. Dividends are paid only if the company makes a profit
- B. Unpaid dividends accumulate and are paid later
- C. Shareholders receive dividends and voting rights
- D. Shareholders can convert their shares into equity shares

x. ----- is commonly used to assess the efficiency of receivables management.

- A. Current ratio
- B. Debtors turnover ratio
- C. Gross profit margin
- D. Return on equity

B. State true or false.

[6]

1. Finance decision is relating to the investment of funds of the company.
2. The issue of sweat shares cannot be made within one year from the commencement of the business by the company.
3. Mortgage loan is not a source of working capital.
4. Accounts receivables is an example of a current liability.
5. The term "face value" in the context of shares refers to the nominal value stated on the share certificate.
6. A highly leveraged company typically faces Higher financial risk

Q2) Write short answers (any four out of six)

[16]

a. Causes of overcapitalization

[2]

P.T.O.

- b. Significance of cost of capital
- c. Demerits of debentures
- d. Commercial papers
- e. Finance decision
- f. Merits of term loan



- Q3)** Define the term 'Business finance'. Discuss the scope of business finance. [16]
- Q4)** Explain the various factors influencing the capital structure. [16]
- Q5)** Bring out the characteristics of debentures as a source of financing. [16]
- Q6)** Write short note [16]
- a. Explain the merits and demerits of commercial paper. [8]
  - b. Give the techniques of liquidity management. [8]

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS) (NEP 2020) (97776) Business Finance Paper I Part 2 SEM 3



Seat No. Sem-III

QP-2191  
Total No. of Pages : 3

**OCT\_NOV\_2024 WINTER EXAMINATION**

7830 Master of Commerce II Sem-III

**Sub. Name: Business Finance Paper I**

**Sub. Code: 97776**



**Day and Date: DECEMBER ,10-12-2024**

**Total Marks: 80**

**Time: 10:30 AM To 01:30 PM**

**Instructions: 1. Figures to the right indicate full marks**

**Special Inst.: 1 Q.No.1, and 2 are compulsory.**

**2. Attempt any three questions from Q. No. 3 to 6**

**Q1) A.** Select the appropriate alternative from among given below each statement and [10] rewrite the statement in the answer-book.

**i. Which of the following is NOT a part of financial decision-making?**

- A. Investment decisions
- B. Financing decisions
- C. Dividend decisions
- D. Production decisions

**ii. Undercapitalization occurs when:-----**

- A. A company has insufficient funds to conduct its operations
- B. A company issues too many shares
- C. A company has more debt than equity
- D. A company generates returns higher than the capital invested

**iii. Which of these is not a part of Capital Structure?**

- A. Equity Shares
- B. Debentures
- C. Short-term borrowings
- D. Bonds

**iv. What is the primary objective of designing an optimal capital structure?**

- A. Minimizing total liabilities
- B. Maximizing shareholder wealth
- C. Increasing total assets
- D. Reducing tax liabilities

**v. Which of the following factors affecting the cost of capital can be controlled by the firm?**

- A. Tax rates



- B. Dividend policy
- C. Level of interest rates
- D. All of the above

vi. In an organisation, the shareholders' wealth is represented by:-----

- A. The salary paid to employees
- B. The market price of a share
- C. The book value of a firm's assets
- D. None of the above

vii What is the primary characteristic of an equity share?

- A. Fixed dividend
- B. Voting rights
  - Guaranteed return
- D. Preference in liquidation

vii Which of the following is a characteristic of debentures?

i.

- A. They represent ownership in the company
- B. They have voting rights
- C. They are a form of debt with fixed interest payments
- D. Dividends are paid on them

ix. Permanent working capital refers to:-----

- A. The portion of working capital that changes frequently
- B. The minimum level of current assets required by a company
- C. The working capital used only during seasonal operations
- D. The working capital financed through short-term loans

x. Which of the following is typically a short-term source of liquidity for a business?

- A. Issue of equity shares
- B. Selling long-term investments
- C. Bank overdraft
- D. Issuing bonds

B.

1. Net working capital is calculated as: Total current assets minus total current liabilities. [6]
1. Debtors turnover ratio is commonly used to assess the efficiency of receivables management.
2. Trade credit is a long-term source of finance.
3. Cumulative preference shares are shares where: Dividends are paid only if the company makes a profit.
4. The term "gearing ratio" is another name for Debt-to-equity ratio
5. The decision to allocate funds to fixed assets is known as investment



decision.

- A. True
- B. False
- C. false
- D. true

- Q2) Write short notes ( Any four out of six ) [16]**
- a. Scope of business finance [4]
  - b. Significance of cost of capital [4]
  - c. Employee's Stock Option (ESOP) [4]
  - d. Public Deposits [4]
  - e. Dividend decision [4]
  - f. Merits of Debentures [4]
- Q3) Define the term 'Capitalization'. Explain the 'Cost theory' and 'Earning theory' of Capitalization. [16]**
- Q4) Define 'Capital structure'. Explain the principles of capital structure. [16]**
- Q5) State the merits and demerits of preference shares. [16]**
- Q6) write short Answers [16]**
- a. Define the term 'working Capital'. State the types of working capital [8]
  - b. Give the meaning and techniques of inventory management. [8]

\* \* \*



SK-60

Total No. of Pages : 4

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

**M.Com. (Part - II) (Semester -III) (CBCS) (NEP)**  
**Examination, May -2025**  
**BUSINESS FINANCE (Paper - I) (Compulsory)**  
**Sub. Code : 91705**



Day and Date : Tuesday, 06/05/2025

Total Marks : 80

Time : 10:30 a.m. to 01:30 p.m.

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

**Q1) A) Select the appropriate alternative from among given below each statement and rewrite in the statement the answer book. [10]**

1) \_\_\_\_\_ maximization is the capability of the firm in producing maximum output with the limited input or it uses minimum input for producing stated output.

- |           |              |
|-----------|--------------|
| A) Profit | B) Asset     |
| C) Wealth | D) Liability |

2) \_\_\_\_\_ refers to the company which possesses an excess of capital in relation to its activity level and requirements.

- A) capitalization
- B) under capitalization
- C) over capitalization
- D) optimum capitalization





**Q3) Write short notes. (Any four)**

[16]

- 1) Cardinal Principles of Capital Structure
- 2) Merits and demerits of Debentures
- 3) The concept and types of Lease Finance
- 4) Types of working capital
- 5) The various techniques of inventory management
- 6) Process of Venture capital

**Q4) What is Overcapitalization? Explain its causes and effects.**

[16]

**Q5) Demonstrate the factors influencing the Capital Structure.**

[16]

**Q6) Write short notes. (Any two)**

[16]

- 1) The Relationship of finance with other areas of management.
- 2) The merits and demerits of equity shares.
- 3) The various factors determining the working capital.





Seat	
No.	

SC- 241

Total No. of Pages : 4

**M.Com. (Part-II) (Semester – III) (CBCS) (NEP)  
Examination, December - 2024**

**DSC-5 BUSINESS FINANCE (Paper-1)**

**Sub. Code - 91705**

**Day and Date : Friday, 06/12/2024**

**Total Marks : 80**

**Time : 10.30 a.m. to 01:30 p.m.**

- Instructions :**
- 1) Question No. 1, 2 and 3 are compulsory.
  - 2) Attempt any two Questions from Q. No. 4 to 6
  - 3) Figures to the right indicates full marks.

**Q.1) A) Select the appropriate alternatives from among given below each statement and rewrite the statement in the answer book. 10**

- 1) ..... is a risk form of capital.
  - a) Fixed Capital
  - b) Equity and Debt Capital
  - c) Debt Capital
  - d) Equity Capital
- 2) Company should be.....
  - a) Fair capitalized
  - b) Under capitalized
  - c) Over capitalized
  - d) None of these
- 3) ..... ordinarily implies the proportion of debt and equity in the total capital of a company.
  - a) Production structure
  - b) Marketing structure
  - c) Capital structure
  - d) None of these
- 4) ..... is costless and interest free source of financing.
  - a) Trade Credit
  - b) Commercial Bank
  - c) Public Deposits
  - d) Interest Accruals





SC- 241

- 5) A debenture is a long term promissory note for raising loan capital.
- 6) The higher the cash turnover, the more is the cash a firm requires.

**Q.2) Case Study.**

16

K Sanket Ltd. is a major shoe manufacturing company, Mr. Tejas is General Manager working since last few months greatly agitated over the successful encroachments made by the rival companies into what was until recently an exclusive domain of the company. He called a meeting of the entire sales staff to discuss ways and means of reversing the decline of sales. Mr. Suresh a newly recruited market research officer had also been invited. Recalling the company's recent innovations in product designs, modernization of production technology and hefty cut in prices, Mr. Tejas was at a loss to understand why the sales force could not cash in on all these and the good image of the company. He even threatened that some heads might roll if effective steps were not immediately taken to stem the deterioration in sales.

The sales managers were of the view that rivals could nibble at their share of the market because in its zeal to innovate company's production department had brought out designs which are not instinctively liked by the sections which have been their traditional strongholds. An unrealistic pricing policy and unimaginative publicity campaigns had only worsened an already bad situation. Mr. Suresh who was the last to speak, said the malady was due to far too much of centralization in the organization of sales which resulted in ineffective coordination and control. He suggested that the 16 area offices be reorganized and put under the control of four zonal offices.

- Q.
- a) Analyse the case.
  - b) Do you agree with the role of General Manager? Explain with reason.
  - c) What in your view, are the reasons for the company's declining position?
  - d) Do you think there is something lacking in the organization structure of the company? Justify it.



SC- 241

- Q. 3) Write Short Notes. (Any four out of six)** **16**
- a) Wealth Maximization
  - b) Weighted Average
  - c) Characteristics of Debentures
  - d) Merits of Venture Capital
  - e) Trade Credit
  - f) Problems of Cash Management
- Q.4) What is over-capitalization? State the reasons for over-capitalization.** **16**
- Q.5) Define capital structure. Explain the cardinal principles of capital structure.** **16**
- Q.6) Write Short Notes (Any Two out of Three)** **16**
- a) Types of preference shares
  - b) Types of Lease
  - c) Techniques of Inventory Management.
-

Seat No. 

M.COM-II Sem-III

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Advance Accountancy Paper-IX (Financial Management-  
Foundation of Finance)****Sub. Code: 97744****Total Marks: 80****Day and Date: MAY ,05-05-2025****Time: 10:30 AM To 01:30 PM****Instructions:**

- Special Inst.:**
1. Question number 1 and 2 are compulsory
  2. Attempt any three questions from question number 3 to 6
  3. Use of calculator is allowed

**Q1) A.** Choose the appropriate alternative**[10]**

- i. -----is defined as uncertainty concerning the occurrence of a loss.
  - A. Profit
  - B. Risk
  - C. Abnormal Loss
  - D. None of the above
  
- ii. The optimal capital structure is a situation where.....
  - A. cost of debt is minimum
  - B. cost of equity is minimum
  - C. cost of retained earnings is minimum
  - D. weighted average cost of capital is minimum
  
- iii. -----occurs when a company does not have sufficient capital to conduct normal business operations and pay creditors
  - A. Under-capitalization
  - B. Over capitalization
  - C. Capitalization
  - D. None of the above
  
- iv. The focus of -----was mainly on certain episodic events like formation Asians issuance of capital major expansion merger reorganisation and liquidation in the life cycle of firm
  - A. Financial management
  - B. Advanced Management
  - C. Total Management
  - D. None of the above
  
- v. -----and incorporating the same in the final decision in an integral part of financial analysis
  - A. Assessing risk



- B. Assessing Capital
- C. Assessing Time Management
- D. None of the above

vi. The main objective of financial management is -----

- A. maximize shareholders wealth
- B. Minimize shareholders wealth
- C. maximize shareholders Profit
- D. All of the above

vii -----capital is the minimum amount of current assets needed to conduct a business

- A. Permanent working
- B. Temporary working
- C. Variable
- D. None of the above

viii The manufacturing industries required -----amount of capital as compared

i. to trading concern

- A. Higher
- B. Lower
- C. Medium
- D. None of the above

ix. Any companies average cost of capital is the average of-----

- A. Cost of equity preference shares
- B. Cost of short term funds
- C. Cost of shares and all sources of long term funds
- D. Cost of equity shares and debentures

x. ----- are profits that the company has earned and kept for reinvestment rather than distributing them to shareholders as dividends.

- A. Retained Earnings
- B. Extra revenues
- C. Prospective earnings
- D. None of the above

B. State the statements are True/False

[6]

1. Securities are risky because their returns are variable
2. The most commonly used measure of risk is variability in finance is standard deviation
3. Business finance is concern with raising funds only
4. Working capital means the capital which is meant for meeting the permanent or long term needs of the business
5. Net working capital is the difference between current assets and current liabilities or alternatively the portion of current assets financed with long

term funds

6. High cost of capital leads to high profitability of the business

**Q2)** Write short Notes (Any Four)

[16]

1. Meaning of Business Finance and Financial Management
2. Methods of Risk Management
3. Over Capitalisation and Under Capitalisation
4. Factors determining capital structure
5. Role of Finance Manager
6. Working Capital



**Q3)** X and Y limited is desires to purchase a business and has consulted you and one [16]

point on which you are asked to advise them is the average amount of working capital which will be required in the first years working

You are given the following estimates and instructed to add 10% to your computed figure to allow for contingencies

i) Average amount Locked up for stocks:

Stock of finished the products	5,000
Stock of stores and materials	8,000

ii) Average credit given

Inland sales 6 weeks credit	3,12,000
Export sales 1.5 weeks credit	78,000

iii) Average time leg in payment of wages and other outgoing

Wages 1.5 weeks	2,60,000
Stock and materials, 1.5 month	48,000
Rent and royalties 6 month	10,000
Clerical staff, 0.5 month	62,400
Manager 0.5 month	4,800
Miscellaneous expenses 1.5 Month	48,000

iv) Payments in advance:

Sundry Expenses (paid quarterly in advance)	8,000
Undrawn profit on an average throughout the year	11,000

You are required to calculate amount of working capital required.

**Q4)** A limited has share capital of rupees 50 lakh divided into shares of rupees 10 each [16]

it has a major expansion program requiring and investment of another RS. 25 lakh the management is considering the following alternative for raising the amount

- i. Issue of 2,50,000 equity shares of rupees 10 each
- ii. Issue of 2,50,000 12% preference shares of rupees 10 each
- iii. Issue of 25,000 10% debentures of rupees 100 each

The companies present earnings before interest and tax EBIT rupees 20 lakh the tax rate is 30% you are required to calculate the effect of each of the above modes on financing of the EPS.

**Q5)** The following is the information relates to Asha Ltd. for the year 2023-24

Particulars	Rs. (amounts in Lakhs)
Sales	82.50
Variable Cost	46.20
Fixed cost	06.60
9% Debentures	50.00
Equity Shares (Rs. 100 each)	60.00
Corporate Tax	35%

You are required to EBIT, EBT, EAT and Capital Employed

**Q6)** Write short answers

**[16]**

- State the importance and objectives of Financial Management
- Explain factors determining Capital Structure

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce  
(CBCS) (NEP 2020)

(97744) Advance Accountancy Paper-IX (Financial  
Management-Foundation of Finance)

Part 2 SEM 3



QP-1857

Total No. of Pages : 4

Seat No. Sem III

**OCT\_NOV\_2024 WINTER EXAMINATION**

Master of Commerce II Sem III

Sub. Name: Advance Accountancy Paper-IX (Financial Management  
Foundation of Finance)

Sub. Code: 97744



Day and Date: DECEMBER ,05-12-2024

Total Marks: 80

Time: 10:30 AM To 01:30 PM

Instructions: 1. Figures to the right indicate full marks

Special Inst.: 2) Question number 1 and 2 are compulsory

3) Attempt any 3 questions out of question number 3 to 6.

4) Use of calculator is allowed.

Q1) A. Choose the appropriate alternative

[10]

i. Optimal capital structure is a situation where.....

- A. cost of debt is minimum
- B. cost of equity is minimum
- C. cost of retained earnings is minimum
- D. weighted average cost of capital is minimum

ii. Over-capitalization results from.....

- A. Payment of excessive amount of Goodwill
- B. Underestimating the rate of capitalization
- C. Raising more money than can be profitably used
- D. Raising only the money

iii. ....: this is the first step in investment proposal to identify and :  
this is the first step in investment proposal to identify and evaluate the potential  
risks for assessing effectively

- A. Risk management
- B. To identify profitable alternative
- C. Profit management
- D. None of the above

iv. .... deals with major decision or functions namely investment and  
financing decision

- A. financial management
- B. Profit management
- C. Risk management
- D. value

v. .... refers to the practice of shifting potential risks or uncertainties  
to another party, often through insurance, outsourcing, or other contractual  
arrangements.



QP-1857

- A. Transfer of profit
- B. Transfer of Amount
- C. Transfer of value
- D. Transfer of risk

vi. The financial risk arises due to the use of .....

- A. Working capital
- B. Debt capital
- C. Equity capital
- D. Natural capital

vii capital structure refers to the mix of long term sources of funds such as debenture long term debt preference share capital and equity share capital including .....

- A. debt capital and equity capital
- B. reserve and surplus
- C. equity capital
- D. capital reserve

viii ..... is useful to know short term solvency

- i. A. Profit management
- B. capital reserve
- C. equity capital
- D. Working capital

ix. .... is forecasting of financial requirement

- A. Financial planning
- B. Profit planning
- C. social planning
- D. Working capital

x. capital structure is.....

- A. Financing the business
- B. Equity share capital
- C. Composition of different securities
- D. Requirement of capital

**B. State the statement is true or false**

**[6]**

1. Nature of business cannot be affected on requirement of working capital.
2. For purchase of fixed asset large amount of capital is required.
3. Excess of current liabilities over current assets indicate short term insolvency.
4. Working capital management is a kind of investment decision.
5. Working Capital which is meant for meeting the permanent or long term needs of the business.
6. The value of an equity share mainly depends on earning per share.



QP-1857

**Q2) Write short notes (Any Four)**

[16]

1. Financial management
2. Relation between a risk and returns.
3. Meaning and importance of financial planning.
4. Methods of risk management.
5. Over and under capitalization.
6. Features of appropriate capital structure.

**Q3) The Cement Ltd. Sells its products on a gross profit of 20% on sales. The [16] following information is extracted from its annual accounts for the year ended 31 December 2023**

Particulars	Rs.
Sales at 3 months Credit	40,00,000
Raw Materials	12,00,000
Wages paid: 15 days in arrears	9,60,000
Manufacturing expenses paid:	
One month in arrears	12,00,000
Administrative expenses paid:	
One month in arrears	4,80,000
Sales promotion expenses payable	
Half yearly in advance	2,00,000
Income tax payable quarterly	
Last installment falls due in next year	4,00,000

The company enjoys one month's credit from the suppliers of raw materials and maintains 2 month's stock of raw materials and one and half months' of finished goods. Cash balance is maintained at Rs. 1,00,000. Assuming a 10% margin for contingencies. Find out the working capital requirements of Hind Cements Ltd.

**Q4) A Ltd has a share capital of Rs. 1,00,000 divided into shares of Rs.10 each. It has a [16] major expansion programme requiring an investment of another Rs 50,000. The management is considering the following alternatives for raising this amount:**

- (i) Issue of 5,000 equity shares of Rs 10 each.
- (ii) Issue of 5,000, 12% preference shares of Rs.10 each.
- (iii) Issue of 10% debentures of Rs 50,000.

The company's present earnings before interest and tax (EBIT) are Rs. 40,000 p.a. You are required to calculate the effect of each of the above modes on financing of the earnings per share (EPS) presuming:

- (a) EBIT continues to be the same even after expansion.
- (b) EBIT increases by Rs 10,000.

**Q5) The following is the information relates to Aasha Ltd. for the year 2023-24 [16]**

Particulars	₹ in lakhs
Sales	82.50
Variable Cost	46.20
Fixed Cost	6.60
9% Debentures	50.00
Equity Shares (₹ 100 each)	60
Corporate Tax	35%

-You are required to EBIT, EBT, EAT and Capital Employed.

Q6) Write short answers

- Objectives and importance of financial management
- Explain factors determining working capital



[16]

\*\*\*

Seat No. **MAR\_APR 2025 SUMMER EXAMINATION**7830 Master of Commerce *II sem. III***Sub. Name: Advance Accountancy Paper-X(Financial Management-Funds Management)****Sub. Code: 97745****Total Marks: 80****Day and Date: MAY ,06-05-2025****Time: 10:30 AM To 01:30 PM****Instructions:**

- Special Inst.:**
1. Question Number 1 and 2 are compulsory.
  2. Attempt any three questions from question number 3 to 6.
  3. Use of calculator is allowed.

- Q1) A.** Choose the appropriate alternatives **[10]**
- i. The working capital which refers to firms investment in total current or circulating assets
    - A. Gross
    - B. Net
    - C. Profit
    - D. Permanent
  - ii. When the finance mobilized with large amount and repayable over the period will be more than five years . it may be considered as
    - A. Short Tern Finance
    - B. One year Finance
    - C. Long Term Finance
    - D. None
  - iii. Debenture is the type of finance
    - A. Internal
    - B. Both Internal and External
    - C. only Internal
    - D. External
  - iv. Working capital is defined as excess of current assets over
    - A. Fixed Assets
    - B. Current Liabilities
    - C. Fixed Liabilities
    - D. None
  - v. Venture Capital is emerged in India during
    - A. 1980
    - B. 1981
    - C. 1985

D. 1990

vi. \_\_\_\_\_ is the minimum rate of return a firm must earn on its investment.

- A. Working capital
- B. Gross working capital
- C. share capital
- D. Cost of capital



vii The weighted average cost of new funds raised by the firm

- A. Average cost
- B. Marginal cost
- C. Historical cost
- D. Composite Cost

viii The cost of equity share of debt is also known as

- i. A. The specific cost of capital
- B. The related cost of capital
- C. The burden on the shareholders
- D. None of the above

ix. Through leverage analysis the financial manager measures the relationship between

- A. Cost and earning
- B. sales revenue and earning
- C. cost and sales revenue
- D. cost sales revenue and earning

x. The relationship between the operating income and earning per share is known as

- A. Financial Leverage
- B. Operating Leverage
- C. Composite Leverage
- D. Working capital leverage

B. True or False

[6]

1. Funds raised through loans and borrowings are called borrowed funds.
2. Debenture represent permanent capital of the company.
3. Working capital is also known as operating capital.
4. Cash is the most liquid current asset of the company.
5. Raw materials, wages, electricity are the example of variable cost.
6. Market condition factor is not affecting the determination of cost of capital.

Q2) Write short note

[16]

a. Short Notes (Any 4 out of 6)

1. Long term sources of finance



2. Financial Leverage
3. Management of Cash
4. Types of working capital
5. Venture capital
6. Cost of capital

**Q3)** The following information is available from the balance of Fortune Ltd. Company:- [16]

1. Equity share capital	Rs. 200000
2. Reserve and Surplus	Rs. 130000
3. 8% Debentures	Rs. 170000

The tax rate of the company is 50%. Current level of equity dividend is 12%.

Calculate Weighted Average Cost of Capital of Fortune Ltd. Company.

**Q4)** The following information relating to the operation and capital structure of a [16] company.

Installed capacity	- 2,000 units
Actual production and sales	- 50% of the capacity
Selling price	₹ 20 per unit
Variable Cost	₹10 per unit
Fixed Cost:	Under Situation I ₹ 4,000
	Under Situation II ₹ 5,000

<b>Capital Structure:</b>	<b>Financial Plan A (₹)</b>	<b>B (₹)</b>
Equity	5,000	15,000
Debt (Rate of Interest 10%)	15,000	5,000
	20,000	20,000

**Calculate :-**

1. Operating leverage,
2. Financial leverage and
3. Combined leverage under situation 1 and 2 in financial plans A & B.

**Q5)** A Hindustan industry sells its product on a Gross Profit of 20% . The following [16] information is extracted from its annual accounts for the year ended 31st March 2009.

Particulars	Rs.
Sales for 3 months	Rs. 2000000
Raw materials	600000
Wages paid (15 days in arrears)	480000
Manufacturing expenses paid (one month in arrears)	600000
Administration expenses paid (one month in arrears)	240000
Sales promotion expenses payable (½ yearly in advance)	100000
Income Tax payable quarterly (Last installment falls due in June 2009)	200000

The company enjoys one month credit from the suppliers of raw materials and maintains 2 month stock of raw materials and one and half months of finished goods. Cash balance is maintained at rs. 50000 . Assume a 10% margin for contingencies.

Compute working capital required by the company.

Q6) Short Problem :-

[16]

- a. A Co. Ltd. issued 10% debenture of Rs. 500000 at par. Compute cost of Debt [8]  
if the applicable tax rate on the company is :
1. 50%
  2. 40%
  3. 45%
- b. The financial information of Coal India Ltd. for the year ending 31st March 2020 [8]  
was as follows :-
1. Total sales during the year Rs. 845.16 crore
  2. Fixed expenses per month were Rs. 92.68 crores
  3. Operating profit was 19.22% of sales
  4. Inventory turnover ratios 7.55
  5. Debtors Turnover Ratio 11.48
  6. Trade payable per month were Rs. 14.19 crore
- Calculate of Working Capital

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce  
(CBCS) (NEP 2020)

(97745) Advance Accountancy Paper-X(Financial  
Management-Funds Management)

Part 2 SEM 3



Seat No. Sem-II**OCT\_NOV\_2024 WINTER EXAMINATION**7830 Master of Commerce II Sem. III**Sub. Name: Advance Accountancy Paper-X(Financial Management-Funds Management)****Sub. Code: 97745****Day and Date: DECEMBER ,06-12-2024****Time: 10:30 AM To 01:30 PM****Total Marks: 80****Instructions:**

- Special Inst.:**
1. Question number 1 and 2 are compulsory.
  2. Attempt any three question from question number 3 to 6.
  3. Use of calculator is allowed.

- Q1) A.** Choose the appropriate alternative. **[10]**
- i. Which market is designed to finance the long term investments ?
    - A. Finance
    - B. Short term
    - C. Capital Market
    - D. Money
  - ii. Which market is most developed and integrated market across the globe.
    - A. Forex Market
    - B. Capital
    - C. Gold market
    - D. Commodity
  - iii. Which leverage is the use of fixed costs in operation ?
    - A. Financial
    - B. Operating Leverage
    - C. Factoring
    - D. None
  - iv. Financial leverage is also known as
    - A. Preference
    - B. Trading on Equity
    - C. Cost
    - D. Above A and B
  - v. Working Capital = Currents Assets - \_\_\_\_\_
    - A. Current Liabilities
    - B. Current Assets
    - C. Fixed
    - D. Circulating Assets



vi. Which government policies influence the working capital decisions.

- A. Tax policy
- B. Fiscal
- C. Monetary
- D. None

vii The theory of Capital structure is closely related to the firms \_\_\_\_\_

- A. Financial leverage
- B. Operating leverage
- C. cost of capital
- D. Budget

viii The minimum maturity days of Commercial Paper is

- i. A. 7 Days
- B. 10 Days
- C. 15 Days
- D. 5 Days

ix. The important object of \_\_\_\_\_ management is to accelerate the inflow and decelerate the outflow of cash.

- A. Cash Management
- B. Capital Management
- C. Cost Management
- D. None

x. Higher the volume of credit turnover \_\_\_\_\_ will be the accounts receivable.

- A. Lower
- B. Higher
- C. Minimum
- D. Both A and B

**B. State True or False :-**

[6]

1. Sources of Finance can be only long term finance.
2. Financial market is a place or a system where financial assets or instruments are created and exchanged.
3. Financial leverage refers to the use of debt in the financing of a firm.
4. There are four measures of leverages.
5. Cash is the most liquid current asset of the company.
6. Depository Receipts (DR) are the International Source of Finance.

**Q2) Write short note**

[16]

a. Short Notes (any 4 out of 6)

[16]

1. Short term sources of Finance
2. Financial Leverage
3. Determinants of Working Capital



QP-1941

4. Management of Account Receivables
5. Cost of Capital
6. Significance of leverage

**Q3)** The capital structure of the Progressive Company Ltd. consists of ordinary share [16] capital Rs. 1000000 ( shares of Rs. 100 each ) and Rs. 1000000 of 10% Debentures. The unit sale increased by 20% from 100000 units to 120000 units , the selling price is Rs. 10 per unit, variable cost amounted Rs. 6 per unit and fixed cost amounted Rs. 200000. The income Tax rate is 35%.

You are required to calculate the following :-

1. The percentage increase in earning per share
2. Financial Leverage at 100000 units and 120000 units
3. Operating Leverage at 100000 units and 120000 units
4. Comment on the behavior of operating and financial leverage in relation to increase in 100000 and 120000 units

**Q4)** The data relating to two companies are as below :- [16]

Particulars	Company A	Company B
Equity Capital	Rs. 600000	Rs. 350000
12% Debentures	Rs. 400000	Rs. 650000
Output (Units ) per annum	Rs. 60000	Rs. 15000
Selling price per unit	Rs. 30	Rs. 250
Fixed Cost per annum	Rs. 700000	Rs. 1400000
Variable Cost per unit	Rs. 10	Rs.,. 75

You are required to calculate :-

1. Operating Leverage
2. Financial Leverage
3. Combined leverage of two companies.

**Q5)** A proforma cost sheet of a company provides the following particulars :- [16]

**Elements of cost:**

1. Raw materials 40%
2. Labour 10%
3. Overheads 30%

The following further particulars are available :

1. Raw materials are to remain in stores on an average 6 weeks.
2. Processing time is 4 weeks
3. Finished goods are required to be in stock on an average period of 8 weeks
4. Credit period allowed to debtors on average 10 weeks.
5. Lag in payment of wages 2 weeks
6. Credit period allowed by creditors 4 weeks
7. Selling price is Rs. 50 per unit.

You are required to prepare an estimate of working capital requirement adding 10% margin for contingencies for a level of activity of 130000 units of production.

Q6) Short Practical Problem :-

[16]



- a. The market price of a share is Rs. 125 and company plans to pay dividend of Rs. 5 per share. The growth of dividend is expected to be @8%. Find out the cost of equity capital. [8]
- b. 1. A company makes as issue of 12% coupon bonds for Rs. 100000. [8]  
2. The issue expenses is Rs. 6000 while the issue is made at discount of 2%  
3. The bond will be redeemed after 5 years at a premium of 5%.  
Find out the after tax cost of Capital if the rate of tax is 30%

\* \* \*

Seat No. 

M. Com - II Sem - III

**MAR - APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Advance Accountancy Paper-XI (Financial Management-  
Controlling and Decision Making)****Sub. Code: 97746****Day and Date: MAY ,07-05-2025****Total Marks: 80****Time: 10:30 AM To 01:30 PM****Instructions: 1. Figures to the right indicate full marks****Special Inst.: 1. Questions number 1 and 2 are compulsory  
2. Attempt any Three two questions form question 3 to 6.  
3. Use simple calculator is allowed****Q1) A.** Select the appropriate alternative from among given below each statement and **[10]** rewrite the statement in the answer-book.

i. ----- is usually a long term budget.

- A. Sales budget
- B. Cash budget
- C. Capital expenditure budget
- D. Fixed budget

ii. A ----- is a prediction of what will happen as a result of a given set of circumstances.

- A. Forecast
- B. Budget
- C. Marginal cost
- D. None of these

iii. A budget that gives a summary of all the functional budgets and projected profit and loss a/c is known as -----.

- A. Capital budget
- B. Flexible budget
- C. Master budget
- D. Discretionary budget

iv. Contribution margin is equal to -----

- A. Sales - Fixed cost - Profit
- B. Profit + Variable cost
- C. Fixed cost - Loss
- D. Variable cost + Profit

v. When P/V ratio is 40 % and sales value Rs 10,000, the variable cost will be-----

-----

- A. Rs. 4000



- B. Rs. 6,000
- C. Rs. 10,000
- D. None of these

vi. P/ V ratio of a company may be improved by-----

- A. Increasing the selling price
- B. Increasing the variable cost
- C. Increasing the fixed cost
- D. All of the these

vii When standard value of sales is more than actual value of sales, it is -----

- A. Favourable variance
- B. Unfavourable variance
- C. Variance
- D. None of these

vii Overhead budget variance is a sub-variance of -----

- i. A. Overhead volume variance
- B. Overhead efficiency variance
- C. Overhead cost variance
- D. None of these

ix. Holders of monetary assets gain if there is ----- in the general price index.

- A. Increase
- B. Decrease
- C. Change
- D. None of these

x. ----- is not a approach to price level accounting.

- A. Current cost accounting
- B. Specific and general price level accounting
- C. Current purchasing power accounting
- D. Historical cost accounting

B. State true or false.

[6]

1. Budgetary control system does not suit small business concerns.
2. Fixed cost = contribution – Variable cost.
3. Standard costing is a technique of profit planning.
4. The labour efficiency variance is the difference between actual hours used at standard rates and standard hours at actual rates.
5. Adjusting accounts to changing prices is a never ending process.
6. Realised holding gain is the difference between the replacement cost of an asset and its acquisition.

Q2) Write Short Notes (any four out of Six)

[16]



- a. Limitation of budgetary control
- b. Marginal costing and differential costing
- c. Advantages of standard costing
- d. Limitations of historical accounting
- e. Cash Budget
- f. Material variance

**Q3) Solve the problem**

**[16]**

Ascertain the monetary results as at 31<sup>st</sup> December, 1996 from the data given below :

	1/1/1996 Rs	31/12/1996 Rs
Cash at Bank	15,000	21,000
Accounts Receivables	45,000	54,000
Accounts Payable	75,000	50,000
General Price Index Number:		
1/1/1996		100
31/12/1996		125
1996 Average		120

**Q4) Solve the problem**

**[16]**

The following information is obtained from a company 2010:

Sales	Rs 20,000
Variable cost	Rs 10,000
Fixed cost	Rs 6,000

- a) Find P/V ratio, Break- even point and Margin of Safety at this level, and the effect of;
- i) 20 % Decrease in fixed cost
  - ii) 10% increase in fixed cost
  - iii) 10% decrease in variable cost
  - iv) 10% increase in selling price
  - v) 10% increase in selling price together with an increase of fixed overheads by rupees 1200 ;
  - vi) 10% decrease in sales price;
  - vii) 10% decrease in sales price accompanied by 10% decrease in variable costs.

**Q5) Solve the problem**

**[16]**

A company working at 50 % capacity manufactures 10,000 units of a product. At 50 % capacity the product cost is Rs. 180 and sale price Rs. 200. The break up of the cost is as below :

	Cost per unit
Material	Rs. 100
Wages	Rs. 30
Factory overheads	Rs. 30 (40 % Fixed )
Administrative overheads	Rs. 20 (50 % Fixed )



At 60 % working raw material cost goes up by 2 % and sales price falls by 2 %. At 80 % working the raw material cost increases by 5 % and sales price decreases by same percentage i.e. 5%.

Prepare a budget to show profitability at 60 % and 80 % capacity.

Q6) Write short Answers

[16]

a. Solve the Problem

[8]

Calculate material variance from the following data:

Material	Standard price per Lb Rs	Standard weight per unit of output Lb Rs	Actual usage for output of 36 units Lb	Actual price per Lb Rs
A	10	2	72	12
B	1	4	108	1
C	5	3	126	4
		9	306	

b. Solve the Problem

[8]

The details regarding the composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 30 weeks are as follows:

Category of Workers	Standard		Actual	
	No. of labourers	Weekly wage rate per worker Rs.	No. of Labourers	Weekly wage rate per worker Rs.
Skilled	75	60	70	70
Semi-Skilled	45	40	30	50
Unskilled	60	30	80	20
	180		180	



The work is actually completed in 32 weeks. Calculate the labour variances.

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (97746) Advance Accountancy Paper-XI(Financial Management-Controlling and Decision Making)

Part 2 SEM 3



Seat No. Sem. III**OCT\_NOV\_2024 WINTER EXAMINATION**7830 Master of Commerce II Sem - III**Sub. Name: Advance Accountancy Paper-XI(Financial Management-  
Controlling and Decision Making)****Sub. Code: 97746****Day and Date: DECEMBER ,07-12-2024****Total Marks: 80****Time: 10:30 AM To 01:30 PM****Instructions: 1. Figures to the right indicate full marks**

**Special Inst.:** 1. Question number 1 and 2 are compulsory.  
2. Attempt any three questions from question number 3 to 6.  
3. Use of Calculator is allowed.

**Q1) Answer the following questions.****[16]****a. Choose the appropriate alternative.****[10]****i) Which of the following is NOT an advantage of budgetary control?**

- A) Facilitates coordination between departments
- B) Guarantees profit for the organization
- C) Helps in planning and resource allocation
- D) Provides a framework for performance evaluation

**ii) What is the primary purpose of setting a budget?**

- A) To record actual expenses
- B) To set spending limits and guide decision-making
- C) To eliminate financial risks completely
- D) To prepare financial statements

**iii) In budgetary control, the difference between actual performance and budgeted performance is called**

- A) Deficit
- B) Surplus
- C) Variance
- D) Profit

**iv) Which of the following is a characteristic of marginal costing?**

- A) Fixed costs are included in product costs
- B) Only fixed costs are considered for decision-making
- C) It emphasizes contribution per unit
- D) It ignores variable costs entirely

**v) The margin of safety is**

- A) The difference between actual sales and break-even sales
- B) The percentage of fixed costs in total costs
- C) The contribution per unit of sales
- D) The level of sales required to achieve a desired profit

**vi) In CVP analysis, the profit-volume (P/V) ratio is calculated as**

- A) Fixed costs / Sales revenue



- B) Contribution margin / Sales revenue
- C) Variable costs / Sales revenue
- D) Profit / Total costs

**vii) A key benefit of standard costing is:**

- A) It eliminates all variances
- B) It simplifies cost control
- C) It replaces financial accounting
- D) It ignores inefficiencies

**viii) A favorable variance means:**

- A) Costs are higher than expected
- B) Costs are lower or revenues are higher than expected
- C) Production is below target
- D) Standards were set too high

**ix) Which of the following is a primary effect of inflation on financial management?**

- A) Reduction in nominal profits
- B) Decrease in the cost of capital
- C) Decline in the purchasing power of money
- D) Increase in fixed cost components

**x) Inflation leads to:**

- A) A decrease in interest rates
- B) A rise in nominal wages
- C) Stability in costs
- D) Lower borrowing costs

**b. Write True or False**

[6]

- i) Budgetary control helps in minimizing waste and maximizing efficiency.
- ii) Budgetary control provides a basis for future planning.
- iii) Marginal costing cannot be used for pricing decisions.
- iv) CVP analysis assumes a linear relationship between costs, sales volume, and profit.
- v) Standard costing is only useful in manufacturing industries.
- vi) Inflation makes long-term financial forecasting more complex.

**Q2) Write short note (any 4 out of 6)**

[16]

- a. Forecasting budget
- b. Differential costing
- c. Break even analysis advantages
- d. Profit and Loss variances
- e. Limitations for historical accounting



QP-2011

## f. Benefits of Profit Planning

## Q3) Solve Problem

[16]

Prepare a cash Budget of R.M.C. LTD. for April, May and June 2024

Months	Sales(Rs.)	Purchases(Rs.)	Wages(Rs.)	Expenses(Rs.)
Jan.(Actual)	80,000	45,000	20,000	5,000
Feb.(Actual)	80,000	40,000	18,000	6,000
March (Actual)	75,000	42,000	22,000	6,000
April (Budget)	90,000	50,000	24,000	7,000
May(Budget)	85,000	45,000	20,000	6,000
June(Budget)	80,000	35,000	18,000	5,000

Additional Information:

- 10% of the purchases and 20% of sales are for cash.
- The average collection period of the company is  $\frac{1}{2}$  month and the credit purchases are paid regularly after one month.
- Wages are paid half monthly and the rent of Rs. 500 included in expenses is paid monthly and other expenses are paid after one month lag.
- Cash balance on April 1, 2024 may be assumed to be Rs.15,000.

## Q4) Solve Problem

[16]

Mayur is a designer garment outlet. Last year it started a separate section to sell daily wear shirts. Currently it is selling 24,000 shirts annually. The store provides you the following financials for the year ended 31<sup>st</sup> March, 2024.

Particulars	Rs.
Selling price per shirt	40
Variable cost per shirt	25
<b>Fixed cost:</b>	
Staff salaries for the year	1,20,000
General office costs for the year	80,000
Advertising costs for the year	40,000

You are required to answer the following each part independently.

- Calculate the break even point and margin of safety in sales revenue and number of shirts sold.
- Assume that 20,000 shirts were sold in a year. Find out the net profit of the firm.
- If it is decided to introduce selling commission of Rs. 3 per shirt, how many shirts would be required to be sold in a year to earn a net profit of Rs. 15,000.
- Assuming that for the year 2025 an additional staff salary of Rs. 33,000 is anticipated, and price of a shirt is likely to be increased by 15%, what should be the break even point in number of shirts and sales revenue?

## Q5) Solve Problem

[16]

Sumit Ltd. furnishes the following income statement for the year ending 31st March, 2024 on the basis of conventional accounting. You are required to adjust the same for price level changes under CPP method.

Particulars	Amt (Rs.)	Amt (Rs.)
Sales		3,60,000
<b>Less: Cost of goods sold:</b>		
Opening Stock	32,000	
Add: Purchases	2,40,000	
Less: Closing Stock	24,000	2,48,000
<b>Less: Expenses</b>		
Wages & Salaries	24,000	
Other Expenses	18,000	
Depreciation on Building	2,800	
Interest	1,200	46,000
Net Income		66,000
Less: Dividend		16,000
<b>Retained Earnings</b>		<b>50,000</b>



**Additional Information:**

1. Index of general price level was on 1st April, 2023 as 200 and on 31st March, 2024 as 400 and Average index was 300.
2. Interest and dividend are paid at the end of the year.
3. Index was 100 while Building purchased.

**Q6) Solve Problem**

[16]

- a. Somany Ceramics is a tiles manufacturing company which provides you the following cost information about one of its product. [8]
- Standard quantity of material required for 100 units of output 500 Kg.  
 Standard price of material per Kg Rs. 20  
 Actual quantity of material used for actual output 12,500 Kg.  
 Actual cost of material for actual output Rs. 3,00,000  
 Actual Output 5,000 units  
 Calculate Material cost variances.
- b. The direct labour strength of a section of an engineering factory is 100 workers who are paid at the rate of Rs. 6 per day of 8 hrs. each. The normal production is 1,000 pieces per week of 48 hrs. [8]
- During a particular week, an order of 1,500 pieces was completed spending in all 7,650 hrs. made up of 6,300 hrs. at a normal wages and 1,350 hrs. at overtime wages (double rate). The Total wages came to Rs. 6,300. Calculate the labour variances.

\* \* \*

Seat No. 

M.com- II sem- III

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Advance Accountancy Paper-XII (Introduction to GST)****Sub. Code: 97747****Day and Date: MAY ,08-05-2025****Time: 10:30 AM To 12:00 PM****Instructions:****Special Inst.:**

1. Question number 1 and 2 are compulsory.
2. Attempt any three from question number 3 to 6

**Total Marks: 40**

**Q1) A.** Select the appropriate alternative from among given below each statement and [5]  
rewrite the statement in the answer-book.

i. Maximum rate of IGST that can be levied in India is \_\_\_\_\_

- A. 30%
- B. 28%
- C. 40%
- D. 14%

ii. The full form of IGST is -----

- A. Internal goods and service Tax
- B. Integrated goods and service tax
- C. Indian goods and service tax
- D. Input goods and service tax

iii. ----- is included in the GST.

- A. Central sales tax
- B. Central excise duty
- C. VAT
- D. All of the above

iv. ----- GST tax slabs are there in India.

- A. 2
- B. 3
- C. 4
- D. 5

v. ----- is responsible for collecting IGST.

- A. State Government
- B. Central Government
- C. Both state and Central Government
- D. Local Government



QP-5649

B. State True or False [3]

1. GST is applicable to sale of goods only.
2. UGST is not a type of GST.
3. Tax which is not merged with GST is basic customs duty.

Q2) Write Short Notes ( Any 4 out of 6) [8]

- a. SGST
- b. Framework of GST in India
- c. Concept of GST
- d. Benefits of GST
- e. GST rates in India
- f. Process to cancel GST registration

Q3) Mr. C of Chennai supplied goods/services of Rs` 20,000 to Mr. M of Madurai. SGST [8]  
and CGST rate on supply of goods and services is 9% each. IGST rate is 18%.

Find the following:

- (a) Total price charged by Mr. C.
- (b) Who is liable to pay GST?

Q4) Find the amount of bill for the following inter-state transaction of goods and [8]  
services. The GST rate is 18%.

Quantity no. of Items	14	25	15
MRP on each item (in Rs.)	320	450	355
Discount (%)	9	10	15

Q5) Solve the problem [8]

M/s Anvit traders, Mumbai provided the following services to M/s pooja Trading Co.in Uttar Pradesh. Find the amount of bill

Number of Services	12	16	14	12
Cost of each Services	431	420	168	325
GST %	12	5	12	18



Q6) Write short Answers

[8]

a. Explain the features of GST in India.

[4]

b. Explain the difference between Direct and Indirect Tax

[4]

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS)  
(NEP 2020)

(97747) Advance Accountancy Paper-XII  
(Introduction to GST)

Part 2 SEM 3



QP-2038

Total No. of Pages : 3

Seat No. Sem-III

**OCT\_NOV\_2024 WINTER EXAMINATION**

7830 Master of Commerce II- Sem-III

**Sub. Name: Advance Accountancy Paper-XII (Introduction to GST)**

**Sub. Code: 97747**



**Day and Date: DECEMBER ,09-12-2024**

**Total Marks: 40**

**Time: 10:30 AM To 12:00 PM**

**Instructions: 1. Figures to the right indicate full marks**

**Special Inst.: 1. Question number 1 and 2 are compulsory.  
2. Attempt any three from question number 3 to 6**

**Q1) A. Choose the appropriate alternatives**

**[5]**

i. GST was introduced in India with effect from.....

- A. 1.7.2017
- B. 1.1.2017
- C. 1.4.2017
- D. 8.7.2017

ii. GST is charged on \_\_\_\_\_

- A. Value Addition
- B. Transaction Value
- C. Sale Value
- D. Manufacturing Cost

iii. Tax which is not merged with GST is \_\_\_\_\_

- A. Service Tax
- B. Excise Duty
- C. Purchase Tax
- D. Basic Customs Duty

iv. Taxable event under GST is \_\_\_\_\_

- A. Sale
- B. Goods & Services
- C. Supply
- D. None of these

v. Maximum rate of IGST that can be levied in India is \_\_\_\_\_

- A. 28%
- B. 30%



- C. 40%  
D. 14%

**B. State True or False**

[3]

1. GST is imposed on the production of all services and goods, except liquor intended for human ingestion.
2. GST stands for Goods and Services Tax, and it is a tax system that covers a wide range of Goods only.
3. CGST and SGST duties include in Intra state supplies.

**Q2) Write short note ( Any 4 out of 6)**

[8]

- a. Need for GST
- b. Concept of GST
- c. Features of GST
- d. Benefits of GST
- e. Explain in short CGST Act
- f. . IGST Act

**Q3) Solve the problem**

[8]

Q. No. 3 From the following details to Mohanlal Co. a register dealer engaged in purchase and sale of goods, ascertain the GST liability for the month of December, 2023

Particulars	Amount(Rs)
Sale price charged to customers within State (excluding GST)	12,50,000
Commission charged to buyers	12,000
Packing and forwarding expenses incidental to sale	18,000
Weighment charges. shown separately in invoices	9,500

Prompt payment discount, indicated in invoice 1%, if payment made within 1 month. All buyers of goods have availed the discount. The discount availed on only sale price charged to customer.

Rate of GST- CGST @ 9% and SGST @ 9%

8 Marks

**Q4) Solve the Problem**

[8]



QP-2038

Q.No. 4. Find the amount of bill for the following inter-state transaction of goods and services. The GST rate is 18%.

Quantity no. of Items	35	47	20
MRP on each item (in Rs.)	420	600	350
Discount (%)	10	10	20

Q5) Solve the Problem

[8]

Q. No. 5 M/s Ram traders, Delhi provided the following services to M/s Geeta Trading Co.in Uttar Pradesh. Find the amount of bill

8 Marks

Number of Services	8	12	10	16
Cost of each Services	680	320	260	420
GST %	5	12	18	12

Q6) a. Explain the difference between Direct and Indirect Tax.

[8]

b. Explain in short Levy and collection of IGST

\* \* \*



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

SC-179

Total No. of Pages : 5



**M. Com. (Part - II) (Semester - III) (CBCS)  
Examination, December-2024  
Advanced Accountancy (Paper - V)  
(Taxation)**

**Sub. Code : 79885**

**Day and Date : Saturday, 07/12/2024**

**Total Marks : 80**

**Time : 10:30 a.m. to 01:30 p.m.**

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

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

- 1) As per \_\_\_\_\_, Agriculture income is exempt.  
A) Section 10 B) Section 10(1)  
C) Section 10(2) D) Section 10 (3)
- 2) Income includes \_\_\_\_\_.  
A) Profit B) Salary  
C) Dividend D) All of these
- 3) If previous year is 2013-14, assessment year will be \_\_\_\_\_.  
A) 2012-13 B) 2013-14  
C) 2014-15 D) Can't Say
- 4) HUF stands for \_\_\_\_\_.  
A) Hindu family B) Hindu Undivided family  
C) Hindu United family D) None of these
- 5) TDS stand for \_\_\_\_\_.  
A) Tax Deducted at Source B) Tax Determine at source  
C) Total Data Source D) None of these



- 6) Allowances as under in \_\_\_\_\_.
- A) Income From business      B) Income From Salary  
C) Income From House property      D) All of these
- 7) Deduction in respect of life insurance premium is available for \_\_\_\_\_
- A) an individual      B) a firm  
C) a company      D) AOP
- 8) Dividend received is taxed as income from \_\_\_\_\_.
- A) business or profession      B) Capital gain  
C) other sources      D) house property
- 9) Income Tax Act \_\_\_\_\_.
- A) 1956      B) 1965  
C) 1961      D) None of these
- 10) Income of minor child is Clubbed U/s \_\_\_\_\_ of Income Tax Act.
- A) 59      B) 60  
C) 64 (IA)      D) 64(2)

**B) State True or False.**

**[6]**

- 1) Short term capital loss is set off against long term capital gain.
- 2) Exemption and deduction are one and the same.
- 3) Deemed income is included in assesses income.
- 4) Loss of speculation business can be set off against only speculation business.
- 5) Book profit and net profit are one and the same.
- 6) Donation is allowable expenditure for individual.

**Q2) A) What is Income from salary? Explain the components of salary. [8]**

**B) Explain the meaning and features of Business and Profession. [8]**

**OR**



SC-179

**Short notes. (Any four out of Six)**

[16]

- |                                  |   |
|----------------------------------|---|
| i) Previous Year (Section 3)     | ii) TDS                                 |
| iii) Zero-rated supply.          | iv) Dearness Allowance                  |
| v) Calculation of House Property | vi) Income of Minor Child (Sec 64 (1A)) |

**Q3) Case Study.**

[16]

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

- 1) Basic salary Rs. 30,000 per month.
- 2) Dearness Allowance Rs. 5000 per month (not eligible for retirement benefits)
- 3) Bonus Rs. 100,000 pa.
- 4) Commission fixed Rs. 250000
- 5) Employees contribution to Recognized Provident Fund Rs. 50,000 to which Employer contributes a matching sum.
- 6) Interest credited to Provident Fund at 10% pa. Rs. 60,000
- 7) Entertainment Allowance Rs. 600 per month (He was receiving from the Company Rs. 3000 per month prior to 1.4.1955).
- 8) He was provided with a rent free accommodation of fair rent of Rs. 200,000 per year.

The cost of furniture provided amounted to Rs. 100,000. Mr. Abdulrajak 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. 65,000 as interest on bank deposits. His investments and expenditure during the year were:

Payment of LIC Premium on own life Rs. 30,000. Donation to Prime Minister's National Relief Fund Rs. 50,000, Professional tax Rs. 2000 p.m. Medi-claim insurance premium for family Rs. 12000.

Compute his total income for the A.Y. 2020-21.

**Q4)** X Y and Z are the partners in a firm sharing profits and losses in the ratio of 1:2:3. The profit and Loss account of the firm showed a net profit of Rs. 40,000 for the year ending 31.3.2020 after charging the following :

Salary of Rs. 30,000 and Rs. 20,000 to X and Y respectively. Interest on capital calculated at the rate of 15% p.a. of Rs. 1,250 and Rs. 7,500 and Rs. 6,250 to X, Y and Z respectively. Bonus for Z of Rs. 15,000; commission of Rs. 5,000; Rs. 12,500 and Rs. 17,500 to X, Y and Z respectively.

Z had borrowed money for his capital investments in the firm and had paid interest of Rs. 37,500 separately to the lender.

X and Y are the working partners in the firm.

Compute the total income of the firm and the taxable income of the three partners from the firm for the assessment year 2020-21.

**Q5)** The Following are the particulars of income of Mr. Suleman (An employee of an individual) For the previous year ended on 31<sup>st</sup> March 2020. [16]

- 1) Salary 4500/-p.m.
- 2) Bonus equal to two month spy
- 3) Dog Allowance 75/-p.m.
- 4) Special Allowance 60/- p.m.
- 5) Employees contribution to a recognised provident fund @ 15% of salary
- 6) Employees contribution to fund @15% of salary
- 7) Interest credited to the provident fund @9.5% P.a. is 2800/-
- 8) He is provided with free lunch in office. The cost per meals 30/-
- 9) The employer has given him the use of small car which he uses for personal use and official use. He meets the expenses for the personal purpose from out of his pocket.

Compute the income of Mr. Suleman from salary of the A.Y. 2020-2021.





SC-179

**Q6)** From the following particulars of income furnished by Mr. Deepak Gavali [16]  
for the Assessment year 2020-21 and losses carried forward. Compute his  
total income :

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 year before past year)	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 two year)	7,000

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

Seat No. 

M.COM-II Sem-III

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Advanced Accountancy Paper VI (Taxation) (IT: comp. of total Income and tax Lia.)****Sub. Code: 91707****Day and Date: MAY ,08-05-2025****Total Marks: 80****Time: 10:30 AM To 01:30 PM****Instructions: 1. Figures to the right indicate full marks****Special Inst.: Question No. 1, 2 and 3 are compulsory.  
Attempt any two questions from Q. No. 4 to 6.  
Use of Simple calculator is allowed****Q1) A.** Choose the correct alternative.**[10]**

i. Under which head is the income from rent received for letting out a residential house taxable?

- A. Income from Salary
- B. Income from House Property
- C. Income from Other Sources
- D. Income from Capital Gains

ii. Mr. A receives a basic salary of ₹50,000 p.m. and a dearness allowance of ₹10,000 p.m. (forming part of salary). What is his taxable salary for AY 2024-25 after standard deduction?

- A. 6,45,000
- B. 7,20,000
- C. 6,00,000
- D. 7,95,000

iii. Which of the following is NOT included in the definition of 'Income'.

- A. Profits and gains
- B. Dividend
- C. LPG subsidy received by an individual
- D. Capital gains

iv. Interest on fixed deposits is taxable under which head?

- A. Income from Salary
- B. Income from Other Sources
- C. Income from House Property
- D. Income from Business or Profession

v. Mr. B runs a business with a net profit of ₹8,00,000 before depreciation. Allowable depreciation is ₹1,50,000. What is his taxable business income?

- A. 8,00,000

- B. 6,50,000
- C. 9,50,000
- D. 7,50,000



vi. Which of the following is exempt under Section 10?

- A. Agricultural income from land in India
- B. Income from illegal business
- C. Rent from subletting a house
- D. Interest on fixed deposits

vii What is the maximum deduction available under Section 80C for AY 2024-25?

- A. 1,00,000
- B. 1,50,000
- C. 2,00,000
- D. 2,50,000

viii Loss from house property can be set off against which income in the same year?

- i.
  - A. Only income from house property
  - B. Any head of income up to ₹2,00,000
  - C. Only salary income
  - D. Only capital gains

ix. What is the term used for income on which no tax is payable?

- A. Tax-free income
- B. Tax-exempt income
- C. Tax-deferred income
- D. Tax-deductible income

x. The basic source of income-tax law is

- A. Income-tax Act, 1961
- B. Income-tax Rules, 1962
- C. Circulars/Notifications
- D. Judgments of Courts

**B. State the following statements whether True or False.**

**[6]**

1. Agricultural income is completely exempt from income tax in India under all circumstances.
2. Deduction under Section 80C is available for investments up to ₹2,00,000 per annum.
3. Tax deducted at source (TDS) is not applicable on interest income from savings bank accounts.
4. Income from house property is always taxable, even if the property is self-occupied.
5. Income from winning a lottery is exempt from tax if the amount is less than ₹10,000.

6. Tax audit under Section 44AB is mandatory for a professional whose gross receipts exceed ₹60 lakh in a financial year.

Q2) Write Short Notes on (Any Four out of Six)

[16]

- a.
- a) Tax Audit
  - b) Children education and Hostel Allowances
  - c) Long term Capital Gain
  - d) Interest on borrowed capital (House property)
  - e) Tax deducted at source (TDS)
  - f) Set-off and Carry forward of losses



Q3) Mr. Rajesh Kumar, a resident individual aged 45 years, is employed as a manager [16] in SPG Ltd. for the Previous Year 2023-24. He furnishes the following details of his salary income:

1. Basic Salary: ₹60,000 per month.
2. Dearness Allowance: ₹15,000 per month (forming part of retirement benefits).
3. House Rent Allowance (HRA): ₹20,000 per month. He pays rent of ₹25,000 per month for a house in Mumbai.
4. Bonus: ₹50,000 received during the year.
5. Employer's contribution to Recognized Provident Fund (RPF): ₹9,000 per month.
6. Interest credited to RPF account at 9.5% p.a.: ₹19,000.
7. Reimbursement of medical expenses: ₹30,000 (supported by bills).
8. Professional tax paid by Mr. Kumar: ₹2,400.
9. Additional Information: Mr. Kumar resides in Mumbai, a metro city. He has no other source of income. Compute the taxable income from salary for Mr. Rajesh Kumar for the Assessment Year 2024-25 under the old tax regime. Show all workings clearly.

Q4) Mr. Pavan owns a house in Delhi. During the previous year 2023-24, 2/3rd portion [16] of the house was self-occupied and 1/3rd portion was let out for residential purposes at a rent of 8,000p.m.

Municipal value of the property is ₹3,00,000 p.a., fair rent is 2,70,000 p.a. and standard rent is 3,30,000 p.a. He paid municipal taxes @10% of municipal value during the year.

A loan of ₹25,00,000 was taken by him during the year 2019 for acquiring the property. Interest on loan paid during the previous year 2023-24 was ₹ 1,20,000.

Compute Pavan's income from house property for the A.Y.2024-25

Q5) Ms. Priya, a sole proprietor running a manufacturing business, provides the [16] following details for the previous 2023-24

- **Gross receipts from business:** ₹45,00,000
- **Expenses incurred:**
  - Raw material purchases: ₹12,00,000
  - Salaries to employees: ₹8,00,000

[3]

P.T.O.



- Rent for factory: ₹2,50,000
- Interest on business loan: ₹1,20,000.
- Payment to a relative for consultancy (market rate ₹50,000) paid ₹80,000
- Cash payment for machinery repair exceeding ₹10,000: ₹25,000
- Bad debts written off: ₹60,000 (₹20,000 not previously allowed as deduction)
- Depreciation allowable: ₹1,80,000
- Donation to a political party: ₹50,000.

Compute the taxable income of Ms. Priya under the head "Profit and Gains from Business or Profession" for the Assessment Year 2024-25. Provide detailed calculations, apply relevant provisions of the Income Tax Act, and state any assumptions made.

- Q6)** From the following particulars of income furnished by Mr Rahul from Pune for the [16] assessment year 2024-25 and losses carried forward. Compute his total income and Loss Details for Mr. Rahul (A.Y. 2024-25).

Particular	Amount
Long Term Capital Gain	15,000
Short Term Capital Gain	10,000
Income from Silk Business	40,000
Speculation Income	40,000
Income from Agency Business	5,000
Interest on Debenture	6,000
Carried Forward Items from Assessment Year 2023-24	8,000
<b>Losses:</b>	
Loss in Agency Business	5,000
Speculation Loss	12,000
Short Term Capital Loss	5,000
Long Term Capital Loss (in P.Y. 2023-24)	8,000
Current Year's Depreciation for Silk Business	7,000

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7828) Master of Commerce  
(CBCS) (NEP 20)

(91707) Advanced Accountancy Paper VI (Taxation) (IT: Part 2 SEM 3  
comp. of total Income and tax Lia.)



SC-247

Total No. of Pages : 6

Seat No	
------------	--

**M.Com. (Part-II) (Semester III) (CBCS)  
Examination, December 2024  
Advanced Accountancy (Paper VI)  
(Income Tax: Computation of Total Income and Tax Liability)  
Sub. Code : 91707**

Day and Date : Monday, 09/12/2024

Total Marks : 80

Time : 10.30 a.m 1.30 p.m.

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

**Q.1. A) Choose correct alternative (10)**

1. Which of the following components is NOT a part of salary income in India?
  - A) Basic Salary
  - B) House Rent Allowance (HRA)
  - C) Dividend Income
  - D) Dearness Allowance (DA)
2. What constitutes income from house property in India for tax purposes?
  - A) Income earned from selling a house
  - B) Income earned from renting out a house
  - C) Income earned from house maintenance
  - D) Income earned from house renovation
3. What does the term "gross profit" represent in the context of a business or profession?
  - A) Total revenue minus total expenses
  - B) Total sales minus cost of goods sold
  - C) Total revenue minus taxes
  - D) Total revenue minus salaries and wages



4. What are capital gains in the context of taxation?
  - A) Profits earned from business activities
  - B) Profits earned from investments
  - C) Profits earned from salary
  - D) Profits earned from rental income
5. Income from other sources in taxation refers to income that does not fall under which specific category?
  - A) Income from business or profession
  - B) Income from salary
  - C) Income from house property
  - D) Income from capital gains
6. Which of the following is NOT a component of total income?
  - A) Income from house property
  - B) Income from agriculture
  - C) Income from gifts
  - D) Income from capital gains
7. What is the term used for income on which no tax is payable?
  - A) Tax-free income
  - B) Tax-exempt income
  - C) Tax-deferred income
  - D) Tax-deductible income
8. What is the tax rate applicable to partnership firms in India for the assessment year 2023-24?
  - A) 20%
  - B) 25%
  - C) 30%
  - D) 35%
9. If an individual receives arrears of salary, how are these arrears taxed in India?
  - A) Taxed in the year of receipt
  - B) Taxed evenly over the past years
  - C) Not taxable
  - D) Taxed as capital gains



SC-247

10) What is the treatment of rental income earned from a farm building in India?

- A) Fully taxable
- B) Partially taxable
- C) Exempt from tax
- D) Taxable only if the income exceeds a certain limit

**B) State True or False**

**(6)**

1. Income earned by a minor child is always clubbed with the income of the parents.
2. Set off of losses allows taxpayers to adjust losses against their taxable income.
3. Salary is a fixed payment made by an employer to an employee for the work done.
4. Clubbing of income applies only to married individuals.
5. Set off of losses can only occur within the same financial year in which the losses were incurred.
6. Salary includes only the basic pay and does not cover any allowances or bonuses.

**Q.2) Write Short Notes (Any Four out of Six)**

**(16)**

- a) Entertainment Allowance
- b) Rent-free accommodation
- c) Unrealized Rent
- d) Short Term Capital Assets
- e) Listed Securities
- f) Capital Gain

P.T.O.



- Q.3)** Mrs. Asha a resident individual owns a house in USA. She receives rent @ (16) \$ 2000 pm. She paid municipal taxes of \$1500 during the financial year 2022-2023. She also owns a two storied house in Mumbai, ground floor is used for her residence and first floor is let out at a monthly rent of Rs.10000. Standard rent for each floor is Rs.11000 pm. Municipal taxes paid for the house amount to Rs.7500. Mrs. Asha had constructed the house by taking a loan from nationalized bank on 20-6-2019. She repaid the loan of Rs. 54000 including interest of Rs. 24000. The value of the dollar is to be taken as Rs. 70. Compute total income from house property of Mrs. Asha. Consider:
- A) Does not opt to be taxed under section 115BAC  
B) Opt to be taxed under section 115BAC
- Q.4)** Calculate the taxable profit of the assessee for the assessment year 2023-2024 (16) from the particulars given below.

Particulars	Rs
Profit for the previous year 22-23	13,70,000
Before allowing the following amounts	
i) Amount given to approved and notified Research Institute for conducting scientific research (research not related to the business of the assessee)	80,000
ii) Cost of land acquired for constructing research laboratory	2,00,000
iii) Cost of building and plant and machinery required for research	12,00,000
iv) Amount given as salary to staff engaged in research (relating to a field related to assessee's own business during 2020-2021 (Business started on 1-4-2022). The amount is certified by the prescribed authority	90,000
v) Salary given to staff engaged in research within the premises during 2022-2023	1,20,000

Compute his business income for the assessment year 2023-2024 assuming...

- a) Does not opt to be taxed under section 115 BAA  
b) Opts to be taxed under section 115 BAA



SC-247

- Q.5) Mr. Shivaji is a practicing lawyer at Nasik. He keeps his books on cash basis. (16)  
From the following particulars furnished by him for the previous year ended 31-3-2023, compute his total income under Regular Tax Regime as well as Alternative Tax Regime.

Receipts during the year	Rs.
Opening balance (1-4-2022)	20,50,000
Legal fees	27,00,000
Special commission fees	5,000
Salary for part time lectures in a college	34,80,000
Examinership fees from university	26,000
Interest on bank deposits	20,000
Dividend from co-operative society	10,000
Directors sitting fees	1,00,000
<b>Payments during the year</b>	
Subscription to law journal	34,000
Law books purchased (Non annuals) (before 30.09.22)	40,000
Rent of premises	2,15,000
Electrical charges	40,000
Car expenses	2,20,000
Office expenses	50,000
Gift to daughter	1,10,000
Income-tax	2,20,000
Household expenses	9,50,000
Cost of typewriter (purchased on 2.4.2022)	78,000
Donation to approved institution	10,000
Purchase of car on 1-11-2022	22,00,000
Life insurance premium on self	60,000
Closing balance (31-3-2023)	11,55,000

**Additional Information :**

- Half of the premises is used for office and the other half for his residence.  
Rent & Electrical charges are charged accordingly.
- Half of the car expenses pertain to private use.
- Depreciation allowable is 15% on car, 15% on typewriter and 60% on books.
- He paid professional tax @ Rs. 500 p.m. from salary income.



Q.6) From the following particulars of Smt. Dipika Naik, compute the income from other sources. (16)

1. Family pension from State Government Rs. 64,000.
2. Received Rs. 25,000 royalty from Vidya Prakashan for writing a book on Export Marketing. She spent Rs. 3,000 on books and stationery and typing etc. concerning the book.
3. She delivered various guest lectures at different educational institutions for which she received honorarium of Rs. 15,000 during the year. She incurred incidental expenses of 20% of this sum for the purpose of delivering such lectures.
4. Withdrawals from Public Provident Fund Account Rs. 25,000.
5. Prize won in crossword puzzles Rs. 5,000.
6. Winnings from horse race (gross) Rs. 10,000.
7. Dividend from:
  - Shares of foreign company Rs. 1,800.
  - Shares of Reliance Industries Ltd. Rs. 8,950.
  - Shares of Co-operative society. Rs. 1,000.
  - Units of Unit Trust of India (gross) Rs. 2,000.
8. There was a credit of Rs. 40,000 in her passbook the source of which could not be explained by her.
9. Interest credited to her savings bank account in District Central Co-operative Bank Rs. 600.
10. Interest :
  - (a) on Government securities Rs. 8,000.
  - (b) on post office S.B. Account Rs. 500
  - (c) on Provident Fund Account Rs. 2,400
  - (d) on deposits with 'Bajaj Auto Ltd' Rs. 1,000
  - (e) on a loan given to relative Rs. 2,000
  - (f) Accrued on National Savings Certificate (vii issue) Rs. 5,000She paid Rs. 600 to her bankers for collections of interest on Government securities and deposits with Bajaj Auto Ltd'.
11. Gift from father Rs. 10,000.



QP-2446

Total No. of Pages : 4

Seat No.

**OCT\_NOV\_2024 WINTER EXAMINATION**

**7830 Master of Commerce II Sem-III**

**Sub. Name: Advanced Accountancy Paper- VIII (Contemporary Issues in Accounting)**

**Sub. Code: 91742**

**Day and Date: DECEMBER ,14-12-2024**

**Total Marks: 80**

**Time: 02:30 PM To 05:30 PM**

**Instructions:**

- Special Inst.:**
1. Question number 1,2 and 3 are compulsory.
  2. Attempt any 2 question from question number 4 to Question number 6
  3. Figures shown in right side indicate marks

**Q1) Choose correct alternative given below**

**[16]**

- a.
1. Which area of forensic accounting involves evaluating the financial impact of fraud on a business? **[10]**
    - a) Fraud detection
    - b) Economic damage calculations
    - c) Asset recovery
    - d) Corporate auditing
  2. In forensic accounting, the process of "data mining" is primarily used for
    - a) Identifying suspicious financial transactions
    - b) Preparing company tax returns
    - c) Conducting business valuations for litigation
    - d) Predicting future market trends
  3. Which of the following organizations is responsible for overseeing the carbon credit market?
    - a) United Nations Framework Convention on Climate Change (UNFCCC)
    - b) World Bank
    - c) World Health Organization (WHO)
    - d) International Monetary Fund (IMF)
  4. Which of the following carbon credit programs allows companies to fund carbon-reduction projects in developing countries in exchange for credits?
    - a) Kyoto Protocol
    - b) Clean Development Mechanism (CDM)
    - c) EU Emissions Trading System (EU ETS)
    - d) Carbon Disclosure Project (CDP)
  5. Which accounting method is most commonly used under inflation accounting to value inventories?
    - a) FIFO (First-In-First-Out)
    - b) LIFO (Last-In-First-Out)
    - c) Weighted Average Cost



- d) Current Replacement Cost
6. Which of the following does inflation accounting aim to correct?
- a) The distortion of asset values caused by inflation
  - b) The calculation of income tax
  - c) The valuation of liabilities
  - d) The determination of operating profit
7. What does a negative EVA indicate?
- a) The company is efficiently using its capital
  - b) The company is earning less than its cost of capital
  - c) The company has no capital
  - d) The company's assets have decreased in value
8. In which type of market do buyers and sellers agree on a price without the assistance of an exchange?
- a) Auction market
  - b) Exchange market
  - c) Over-the-counter market
  - d) Futures market
9. Under AS 30, how are financial instruments initially measured?
- a) At fair value
  - b) At historical cost
  - c) At net realizable value
  - d) At market value
10. AS 31 primarily deals with:
- a) Presentation of financial statements
  - b) Recognition and measurement of financial instruments
  - c) Presentation of financial instruments in financial statements
  - d) Accounting for investments in real estate

b. State the following statement are True or False

[6]

1. Carbon trading has no financial benefits for businesses, as it is only an environmental strategy.
2. Inflation accounting makes it easier to compare financial performance across periods with different inflation rates.
3. Inflation accounting adjustments are made primarily in the balance sheet and are reflected in the valuation of assets.
4. AS 31 requires financial instruments to be classified and disclosed according to their nature.
5. A financial instrument is classified as a liability under AS 32 if it can be settled in cash or another financial asset.
6. A company with a negative EVA is creating value for its shareholders.



QP-2446

[16]

Q2) Short Notes (Any 4 Out Of 6)

- a. Merits of Current Purchasing Power method of inflation accounting [4]
- b. Types of Fraud Detected by Forensic Accountants [4]
- c. Features of margin trading [4]
- d. Limitations of value added statement [4]
- e. Methods of trading for financial instruments [4]
- f. Utility of EVA [4]

Q3) A company had the following monetary items on January 1:

[16]

	₹	₹
Debtors		41,000
Bills Receivable		10,000
Cash		20,000
		<b>71,000</b>
Less:		
Bills Payable	10,000	
Creditors	25,000	
		<b>35,000</b>
Net Monetary Assets		<b>36,000</b>

The transactions affecting monetary items during the year were :

- a) Sales of ₹ 1,40,000 made evenly throughout the year.
- b) Purchases of goods of ₹ 1,05,000 made evenly during the year.
- c) Operating expenses of ₹ 7 35,000 were incurred evenly throughout the year.
- d) One machine was sold for ₹ 18,000 on July 1.
- e) One machine was purchased for ₹ 25,000 on December 31.

The general price index was as follows :

On January 1 300 ; Average for the year 350 ; On July 1 360 ; On December 31 400.

You are required to compute the general purchasing power, gain or loss, for the year stated in terms of the current year-end rupee.



**Q4)** Pilot Ltd, supplies the following information using which you are required to [16]  
calculate the economic value added.

- Financial Leverage 1.4 times
  - Capital (equity and debt) Equity Shares of ₹ 1,000 each  
34,000 (number)
- Accumulated Profit ₹ 260
- lakhs
- 10 percent Debentures of ₹ 10 each 80 lakhs
- (number)
- Dividend expectations of equity shareholders 17.50%
  - Prevailing Corporate Tax Rate 30%

**Q5)** Discuss the various types of CSR activities that companies can engage in [16]

**Q6)** [16]

- a. Write a note on Utility of EVA [8]
- b. Explain the concept of Segmental Reporting [8]

\* \* \*

Seat No.

M.COM-II Sem-III

QP-5311  
Total No. of Pages : 5

**MAR-APR 2025 SUMMER EXAMINATION**

**7830 Master of Commerce**

**Sub. Name: Management Accounting - I**

**Sub. Code: 91704**



**Day and Date: MAY ,05-05-2025**

**Total Marks: 80**

**Time: 10:30 AM To 01:30 PM**

**Instructions: 1. Figures to the right indicate full marks**

**Special Inst.: 1) Question No. 1, Question No.2 and Question No. 3 are compulsory.  
2) Attempt any two questions from Question No. 4 to Question No. 6.**

**Q1) A. choose the correct alternatives.**

**[10]**

- i. Which of the following ratio come under Profitability Ratio?
- A. Current Ratio
  - B. Liquid Ratio
  - C. Gross Profit Ratio.
  - D. Proprietary Ratio
- ii. Cash balance Rs. 30,000, Trade Receivable Rs. 70,000, Inventory Rs. 80,000, Trade Payables Rs. 48,000 and Bank Overdraft Rs.12,000. Current Ratio will be -----
- A. 3.75 : 1
  - B. 3 : 1
  - C. 1 : 3
  - D. 1 : 3.75
- iii. ----- is a important tools of and techniques of management accounting.
- A. Double entry system
  - B. Budgeting
  - C. Cash flow statement
  - D. None of the above.
- iv. ABC Ltd. has Current Ratio of **1.5 : 1** and Net Current Assets of Rs. 5,00,000. What are the Current Assets?
- A. 5,00,000
  - B. 10,00,00
  - C. 15,00,000
  - D. 20,00,000.
- v. Statement of Cash Flow includes-----
- A. Financial Activity
  - B. Operating Activity.
  - C. Investing activity.
  - D. all of the above.



vi. Cash Flow example from an investing activity is -----

- A. Issue of Debentures.
- B. Repayment of Long Term Loan.
- C. Purchase of Raw Material for Cash.
- D. Sale of Investment by Non-Financial Enterprise.

vii Given sales is Rs. 1,20,000 and Gross Profit is Rs. 30,000, the Gross Profit Ratio is -----

- A. 24 %
- B. 25 %
- C. 40 %
- D. 44 %

viii Funds Flow Statement is also known as -----

- i. A. Statement of Funds Flow
- B. Statement of Sources and Application of Funds.
- C. Statement of Sources and Uses of Funds.
- D. All of the Above.

ix. While calculating funds from operation depreciation on fixed assets is ----- net profit for the year

- A. added to
- B. deducted from
- C. neither added nor deducted from
- D. any of these.

x. ----- assets refer to short term assets that can consumed or converted into cash within 12 months from the reporting date.

- A. Tangible
- B. Fixed
- C. Current
- D. Non-Current.

**B. State True or False.**

**[6]**

- a. Management Accounting is concerned with accounting information which is useful to management.
- b. Financial Accounting information is presented only in terms of money.
- c. Profit and Loss Account sometimes called the statement of financial position.
- d. Liquidity Ratios measure overall performance and profit earning capacity of the organization.
- e. Working Capital refers total capital which is required for day to day working of the business.
- f. Negative working capital means the excess of current liabilities over the current assets.

- Q2) Q2) [16]  
 A) Give the difference between Management Accounting and Financial Accounting.  
 B) Discuss the tools and techniques of Management Accounting.

OR

Q2) Write Short Notes. (Any four out of six)

- Types of financial statements.
- Trend analysis.
- Current Ratio.
- Distinction between cash flow and funds flow statement.
- Role of Management Accounting in decision making.
- Working Capital.



- Q3) The following information relates to Shri Vishwajit Kurade in respect of the year [16] ended 31/03/2025.

1. Gross Profit Ratio	25%
2. Net Profit Ratio	20%
3. Stock-Turnover Ratio	10
4. Net Profit / Capital	1/5
5. Capital / Total Liabilities	1/2
6. Fixed Assets / Total Current Assets	5/7
7. Fixed Assets / Capital	5/4
8. Fixed Assets	10,00,000
9. Closing Stock	1,00,000

You are asked to find out profitability position and financial position of the organization by preparing Trading and Profit and Loss Account and Balance sheet.

- Q4) Calculate the average amount of working capital required of Narayani Products Ltd. [16] from the following.

Particular	Amount
<b>a) Average amount locked up in stocks:</b>	
Stock of raw materials and stores	1,80,000
Work in Progress	72,000
Finished Goods	1,44,000
<b>b) Period of average credit given:</b>	
Local sales 2 weeks	24,96,000
Interstate sales 6 weeks	31,20,000
<b>c) Lag in Payments:</b>	
Purchase 2 months	23,40,000
Wages – 1 week	9,36,000
Overheads – 1 month	1,44,000
<b>d) Add 10% for contingencies</b>	

Calculate the average amount of working capital required. Give details of your working.

- Q5) Following are the summarized Balance sheet of SRK Industries Ltd. as on [16] 31/03/2024 and 31/03/2025.

Liabilities	2024	2025	Assets	2024	2025
Share capital	9,00,000	9,00,000	Fixed Assets	8,00,000	6,40,000
Sundry Creditors	3,36,000	2,68,000	Investment	1,00,000	1,20,000
Provision for tax	1,50,000	20,000	Stock	4,80,000	4,20,000
General Reserve	6,00,000	6,20,000	Debtors	4,20,000	9,10,000
Profit and Loss A/c	1,12,000	1,36,000	Cash and Bank	2,98,000	3,94,000
Mortgage Loan	-	5,40,000			
	<b>20,98,000</b>	<b>24,84,000</b>		<b>20,98,000</b>	<b>24,84,000</b>

**Additional Information:**

- The Net Profit of the year was Rs. 1,24,000 after charging depreciation on Fixed Assets Rs. 1,40,000 and Provision for tax Rs. 20,000.
- During the year part of fixed asset costing Rs. 20,000 were disposed off for Rs. 24,000 and the profit is included in the above profit.
- Dividend paid during the year amounted Rs. 80,000.
- Investment costing Rs. 16,000 were sold for Rs. 17,000 and further investment were acquired for Rs. 36,000.

**Your are required to prepare**

- Statement of changes in working capital**
- Funds Flow Statement.**

- Q6) Prepare cash flow statement from the following information of Gourav Industries [16] Ltd. for the year 2024-25

**Balance Sheet**

Liabilities	2023-24	2024-25	Assets	2023-24	2024-25
Equity share Capital	22,50,000	26,25,000	Goodwill	4,50,000	3,52,500
General Reserve	1,50,000	2,25,000	Machinery	6,75,000	14,32,500
Capital Reserve	-	1,87,500	Land	7,50,000	5,62,500
Profit & Loss A/c	1,35,000	2,02,500	Investment	75,000	2,62,500
Creditors	3,30,000	4,87,500	Stock	6,37,500	5,85,000
Provision for tax	2,10,000	2,40,000	Debtors	4,50,000	6,75,000
Proposed Dividend	2,02,500	2,47,500	Insurance prepaid	10,000	10,000
			Cash and Bank	1,17,500	2,00,000
			Bills Receivable	1,12,500	1,35,000
	<b>32,77,500</b>	<b>42,15,000</b>		<b>32,77,500</b>	<b>42,15,000</b>

**Additional Information:**

- During the year Machinery was sold for Rs. 90,000 (W.D.V. Rs. 1,12,500)
- During the year depreciation provided on Machinery was Rs. 1,35,000.
- Profit on sale of Land was transferred to Capital Reserve.
- During the year Interim Dividend paid was Rs. 75,000.
- Dividend received on investment was Rs. 15,750 out of which Rs. 4,500 was pre-acquisition dividend.

**You are required to prepare Cash Flow Statement for the year ended 31/03/2025.**

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**  
This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7828) Master of Commerce (CBCS) (NEP 20) (91704) Management Accounting - I Part 2 SEM 3



711867



Seat No. Sem-III**OCT\_NOV\_2024 WINTER EXAMINATION**Master of Commerce II Sem-III

Sub. Name: Management Accounting - I

Sub. Code: 91704



Day and Date: DECEMBER ,05-12-2024

Total Marks: 80

Time: 10:30 AM To 01:30 PM

Instructions: 1. Figures to the right indicate full marks

Special Inst.: 2.Question No. 1, Question No.2 and Question No. 3 are compulsory.

3.Attempt any two questions from Question No. 4 to Question No. 6.

4.Use of calculator is allowed.

Q1) A. Choose the correct alternatives. [10]

i. Management Accounting involves -----

- A. Preparation of financial statements.
- B. Analysis and interpretation of data.
- C. Recording of transactions.
- D. Following standard rules.

ii. Quick ratio of ----- is considered to represent a satisfactory current financial position.

- A. 1:2
- B. 2:1
- C. 1:1
- D. 3:1

iii. Statement of cash flow includes -----

- A. Financing Activity
- B. Operating activity
- C. Investing activity
- D. All of the above.

iv. The term funds refers to -----

- A. Cash and cash equivalents
- B. Working capital
- C. Reserve and surplus
- D. Fixed Assets

v. Inventory turnover ratio is -----

- A. Liquidity Ratio
- B. Solvency Ratio
- C. Profitability Ratio
- D. Activity ratio.



vi. Which of the following is not normally paid from the working capital?

- A. Payment to creditors
- B. Redemption of debentures
- C. Payment of wages
- D. Purchase of raw material.

vii A Financial statement that portrays the cash inflows and outflows of cash during a particular period of time is called -----

- A. An Income Statement
- B. Statement of retained earnings
- C. Balance sheet
- D. Cash flow statement

vii Which of the following are techniques, tools or methods of vertical analysis and

i. interpretation of financial statements?

- A. Common size Balance sheet.
- B. Common Size Income Statement.
- C. Ratio analysis.
- D. All of the above.

ix. Gross Profit Ratio is a ----- Ratio.

- A. Liquidity
- B. Profitability
- C. Working Capital Turnover Ratio
- D. Solvency

x. Which of the following are the Source of funds?

- A. Redemption of Debentures.
- B. Sale of Building.
- C. Payment of dividend
- D. Increase in working capital

**B. State True or False.**

[6]

- a. Publication of management accounting statement is not compulsory.
- b. Creditors are interested in management accounting.
- c. Financial statements are also termed as final accounts.
- d. Current ratio shows long term solvency.
- e. Working capital is also known as circulating capital.
- f. There is a movement of funds when a fixed asset is sold for cash.

**Q2) A) Define Management Accounting and state the role of management accounting in [16] decision making.**

**B) Define working Capital. State the types of working capital.**

**OR**

**Write Short Notes. (Any four out of six)**

[2]

P.T.O.

- Functions of management accounting.
- Types of financial statements.
- Current Ratio.
- Factors affecting the working capital.
- Funds from operation
- Tools and Techniques of management accounting



- Q3)** A.D. Jadhav firm having a net working capital of Rs. 2, 80,000 as on 30/06/2024 [16] indicates the following financial ratios and performance figures.

Current Ratio	2.4
Liquid Ratio	1.6
Inventory turnover (on cost of sales)	8
Gross Profit on sales	20%
Credit allowed (months)	1.5

The companies fixed assets are equal to 90% of its net-worth (Share Capital plus reserve) while reserve amounted to 40% of share capital.

**Prepare Balance Sheet of the company as on 30/06/2004, showing step by step calculations.**

- Q4)** You are required to prepare a forecast of working capital requirements from the [16] following data.

Output Rs. 10,000 units per annum.

Particular	Amount
Raw Material	6
Direct Labor	5
Overheads	4
Total Cost	15
Profit	5
Selling Price	20

**Additional Information.**

- Raw Materials are kept in stock on an average of one month.
- Work in progress is on an average of two weeks.
- Finished goods are in stock on an average of 1.5 months.
- Credit allowed to debtors is two months.
- Credit allowed by creditors is one month.
- Lag in payment of wages is one week
- Allow 15% for contingencies.

**(Note: It should be assumed that 50% of labor and overheads are involved in production process. Debtors should be taken at selling price and finished goods at cost price)**

- Q5)**

Following are the summarized Balance sheet of BBW Industries Ltd. as on 31/03/2022 and 31/03/2023.

Liabilities	2022	2023	Assets	2022	2023
Share capital	9,00,000	9,00,000	Fixed Asset	8,00,000	6,40,000
Sundry Creditors	3,36,000	2,68,000	Investment	1,00,000	1,20,000
Provision for Taxation	1,50,000	20,000	Stock	4,80,000	4,20,000
General Reserve	6,00,000	6,20,000	Debtors	4,20,000	9,10,000
Profit & Loss A/c	1,12,000	1,36,000	Cash and Bank	2,98,000	3,94,000
Mortgage Loan	-----	5,40,000			
	<b>20,98,000</b>	<b>24,84,000</b>		<b>20,98,000</b>	<b>24,84,000</b>

**Additional Information:**

1. The Net Profit for the year was Rs. 1,24,000 after charging depreciation on fixed asset Rs. 1,40,000 and provision for tax Rs. 20,000.
2. During the year part of fixed asset costing Rs. 20,000 were disposed off for Rs. 24,000 and the profit is included in the above profit.
3. Dividend paid during the year amounted to Rs. 80,000.
4. Investment costing Rs. 16,000 were sold for Rs. 17,000 and further investment were acquired for Rs. 36,000.

**You are required to prepare**

- a) Statement of changes in working capital
- b) Funds Flow Statement.
- c) Working notes are your part of answer.

**Q6)**

From the following Balance Sheet of SLK Ltd as on 31/03/2023 and 31/03/2024.

**[16]**

**Balance Sheet**

Liabilities	2022-23	2023-24	Assets	2022-23	2023-24
Equity share Capital	22,50,000	26,25,000	Goodwill	4,50,000	3,52,500
General Reserve	1,50,000	2,25,000	Machinery	6,75,000	14,32,500
Capital Reserve	-----	1,87,500	Land	7,50,000	5,62,500
Profit & Loss A/c	1,35,000	2,02,500	Investment	75,000	2,62,500
Creditors	3,30,000	4,87,500	Stock	6,37,500	5,85,000
Provision for Tax	2,10,000	2,40,000	Debtors	4,50,000	6,75,000
Proposed Dividend	2,02,500	2,47,500	Prepaid Insurance	10,000	10,000
			Cash & Bank	1,17,500	2,00,000
			Bills receivable	1,12,500	1,35,000
	<b>32,77,500</b>	<b>42,15,000</b>		<b>32,77,500</b>	<b>42,15,000</b>

**Additional Information:**

1. During the year Machinery was sold for Rs. 90,000 (Written Down Value is Rs. 1,12,500)
2. During the year depreciation provided on Machinery was Rs. 1,35,000.
3. Profit on sale of Land was transferred to Capital Reserve.
4. During the year Interim Dividend was paid Rs. 75,000.
5. Dividend received on investment was Rs. 15,750 out of which Rs. 4,500 was pre-acquisition Dividend.

**You are required to prepare Cash flow statement. Working notes are your part of answer.**

Seat	
No.	



**SK - 50**

**Total No. of Pages : 6**

**M.Com. (Part II) (Semester – III)**  
**Examination - May 2025**  
**MANAGEMENT ACCOUNTING (Paper - I)**  
**Sub. Code : 79883/61769/69932/84330**

**Day and Date : Monday, 05/05/2025**

**Total Marks : 80**

**Time : 10.30 am to 01.30 pm**

- Instructions :**
- 1) Question No. 1, 2 and 3 are compulsory.
  - 2) Attempt any two questions from Question No. 4 to 6.
  - 3) Figures to the right indicate full marks.
  - 4) Use of calculator is allowed.

**Q. 1. A) Choose the correct alternatives.**

**[10]**

- 1) ..... accounting is concerned with accounting information which is useful to management for decision making.
  - a) Financial Accounting
  - b) Human Resource Accounting.
  - c) Management Accounting
  - d) Social Accounting.
- 2) Inventory Turnover Ratio measures the relationship of inventory with.....
  - a) Average sales
  - b) Cost of Goods sold.
  - c) Total Purchase
  - d) Total Sales
- 3) Acid Test Ratio is .....
  - a) Profitability Ratio
  - b) Liquidity Ratio
  - c) Activity Ratio
  - d) Leverage Ratio.





**SK - 50**

- d) There are a number of users of Management Accounting.
- e) Funds are required to pay cost of fixed assets is called working capital.
- f) Bank credit is a long term source of capital.

**Q. 2. A)** Define Management Accounting. State its main objectives and [8]  
limitations.

**B)** Explain the different types of working capital. [8]

**OR**

**Write Short Notes. (Any four)** [16]

- a) Functions of Management Accounting
- b) Difference between Funds flow statement and Cash flow statement.
- c) Advantages of Ratio analysis.
- d) Distinction between Management Accounting and Financial Accounting.
- e) Funds from operation.
- f) Tools and Techniques of management accounting.

**Q. 3.** From the following information make out a statement of [16]  
proprietor's fund with as many details.

- |  |          |
|--|----------|
| 1) Current Ratio                                     | 2.5      |
| 2) Liquidity Ratio                                   | 1.5      |
| 3) Proprietary ratio(Fixed Assets: Proprietors Fund) | 0.80     |
| 4) Working Capital                                   | 90,000   |
| 5) Reserve and Surplus                               | 1,25,000 |
| 6) Bank Overdraft                                    | 25,000   |
| 7) There is no long term loan or fictitious assets.  |          |



**SK - 50**

**Q. 4.** You are required to prepare a forecast of working capital requirement [16]  
from the following data. Output is 15,600 Per annum.

Elements of Cost	Per Unit Rs.
Raw Material	6
Direct Labour	4
Overheads	5
Total Cost	15
Profit	3
Sales	18

- 1) Raw Materials are kept in stock on an average of one month.
- 2) Work in process is an average of two weeks.
- 3) Finished goods are in stock on an average of 1.5 months.
- 4) Credit allowed to debtors is two months.
- 5) Credit allowed to creditors is one month.
- 6) Lag in payment of wages is one week.
- 7) Allow 15% for contingency.
- 8) Assume 50% labour and 50% overheads are involved in production process.
- 9) Apply cash cost method.



**SK - 50**

**Q. 5.** Following is the summarized Balance Sheet of Arjun Refineries Ltd. as [16]  
on 31/03/2022 and 31/03/2023.

<b>Liabilities</b>	<b>2022</b>	<b>2023</b>	<b>Assets</b>	<b>2022</b>	<b>2023</b>
Share capital	2,00,000	2,50,000	Land and building	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery	1,50,000	1,68,000
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank Loan(long term)	70,000	.....	Sundry debtors	78,200	64,000
Sundry creditors	1,40,000	1,30,000	Prepaid Insurance	1,800	1,200
Outstanding expenses	10,000	5,200	Cash Balance	500	600
Provision for taxation	30,000	35,000	Bills Receivable	.....	8,000
			Goodwill	.....	5,000
<b>Total</b>	<b>5,30,500</b>	<b>5,10,800</b>	<b>Total</b>	<b>5,30,500</b>	<b>5,10,800</b>

**Additional Information :**

During the year 2023,

- 1) Dividend of Rs. 20,000 was paid.
- 2) Following assets were purchased from other company.  
Stock Rs. 10,000 and Machinery Rs. 35,000. Purchase price paid by the issue of shares of Rs. 50,000.
- 3) Depreciation written off machinery Rs. 15,000.
- 4) Loss on sale of machinery Rs. 600 was charged to general reserve.
- 5) Income tax provided during the year Rs. 32,000.

Your are required to prepare

- a) Statement of changes in working capital
- b) Funds Flow Statement.

**Q. 6. From the following balance sheet of Som Trading Company Ltd for [16]  
the year 2021-22 and 2022-23 :**

**Balance Sheet**

<b>Liabilities</b>	<b>2021-22</b>	<b>2022-23</b>	<b>Assets</b>	<b>2021-22</b>	<b>2022-23</b>
Equity share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Pref. Share Capital	1,50,000	1,00,000	Land and building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and Loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at bank	10,000	8,000
<b>Total</b>	<b>6,77,000</b>	<b>8,17,000</b>	<b>Total</b>	<b>6,77,000</b>	<b>8,17,000</b>

**Additional Information:**

- 1) Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on Plant and Land and Building in 2022-23.
- 2) An Interim Dividend of Rs. 20,000 has been paid in 2022-23.
- 3) Rs. 35,000 Income tax was paid during 2022-23.

You are required to prepare Cash flow statement.



Seat	
No.	

SC- 176

Total No. of Pages : 6

**M.Com (Part-II) (Semester – III)**  
**Examination, December - 2024**  
**MANAGEMENT ACCOUNTING (Paper-I)**  
**Sub. Code - 79883/61769/69932/84330**



Day and Date : Thursday, 05/12/2024

Total Marks : 80

Time : 10.30 a.m. to 01:30 p.m.

- Instructions :**
- 1) Question No. 1, Question No.2 and Question No. 3 are compulsory.
  - 2) Attempt any two questions from Question No. 4 to Question No. 6.
  - 3) Figures to the right indicates full marks.
  - 4) Use of calculator is allowed.

**Q.1) A) Choose the correct alternatives. 10**

- 1) Management accounting rearranges for management control, data provided by.....
  - a) Financial Accounting
  - b) Cost Accounting.
  - c) Revaluation Accounting.
  - d) Human Resources Accounting.
- 2) Management Accounting relates to.....
  - a) Recording of accounting data.
  - b) Recording of costing data.
  - c) Recording of general data.
  - d) Presentation of accounting data.
- 3) Debt equity ratio is an indicator of .....
  - a) Liquidity
  - b) Profitability.
  - c) Solvency.
  - d) Activity.



SC- 176



- c) Working capital is necessary to purchase the fixed assets.
- d) Bank credit is a long term source of capital.
- e) Flow of fund means increase of decrease of working capital.
- f) Payment of dividend is a application of fund.

- Q.2) A) Elaborate the factors affecting the working capital. 08**  
**B) What are the functions of Management Accounting? 08**

**OR**

- Q.2) Write Short Notes. (Any four out of six) 16**

- a) Scope of Management Accounting.
- b) Funds from Operation.
- c) Quick/Liquid Ratio.
- d) Distinction between cash flow and funds flow statement.
- e) Statement of changes in working capital.
- f) Tools and Techniques of management accounting.

- Q. 3) Following is the Profit And Loss Account of RDM Ltd. for the year ended 31/03/2023. 16**

**Profit and Loss Account**

<b>Particular</b>	<b>Amount</b>	<b>Particular</b>	<b>Amount</b>
To Opening stock	90,000	By sales	9,00,000
To Purchases	5,60,000	By closing stock	90,000
To Wages	2,14,000		
To Gross Profit c/d	1,26,000		
	<b>9,90,000</b>		<b>9,90,000</b>
To Salaries	16,000	By Gross Profit	1,26,000
To Electricity	10,000		
To Misc. Exp.	10,000		
To Depreciation	30,000		
To Net Profit	60,000		
	<b>1,26,000</b>		<b>1,26,000</b>

**Balance Sheet of DRB Ltd as on 31/03/2023**

Liabilities	Amount	Assets	Amount	Amount
Share Capital	1,80,000	Fixed Asset	5,40,000	
Reserve and Surplus	1,20,000	Less Depreciation	1,50,000	3,90,000
Secured Loans	2,10,000	Stock		90,000
Creditors	90,000	Debtors		1,05,000
		Cash		15,000
	<b>6,00,000</b>			<b>6,00,000</b>

Discuss under the following important functional grouping the usual ratios and comment on the financial strength and weakness.

- i) Liquidity and Solvency ratios
- ii) Profitability test ratios.

**Q.4)** You are required to prepare a forecast of working capital requirement from the following data. Output is 15,600 Per annum.

16

Elements of Cost	Per Unit Rs.
Raw Material	6
Direct Labour	4
Overheads	5
<b>Total Cost</b>	<b>15</b>
Profit	3
Sales	18

1. Raw Materials are kept in stock on an average of one month.
2. Work in process is an average of two weeks.
3. Finished goods are in stock on an average of 1.5 month
4. Credit allowed to debtors is two months.
5. Credit allowed to creditors is one month.
6. Lag in payment of wages is one week.
7. Allow 15% for contingency.
8. Assume 50% labour and 50% overheads are involved in production process.
9. Apply cash cost method.



SC- 176

Q.5) Following are the summarized Balance sheet of Bhuratn Ltd.  
as on 31/03/2022 and 31/03/2023.

16

Liabilities	2022	2023	Asset	2022	2023
Share Capital	6,00,000	8,00,000	Plant & Machinery (cost)	4,00,000	6,45,000
Profit & Loss A/c	1,25,000	2,50,000	Land & Building (cost)	3,00,000	4,00,000
Debentures	2,00,000	3,00,000	Stock	3,00,000	3,50,000
Sundry creditors	1,15,000	90,000	Bank	20,000	40,000
Provision for R.D.D.	6,000	3,000	Preliminary exp.	7,000	6,000
<b>Provision for depreciation</b>			Debtors	69,000	61,000
On land & building	20,000	24,000			
On Plant & Machinery	30,000	35,000			
	<b>10,96,000</b>	<b>15,02,000</b>		<b>10,96,000</b>	<b>15,02,000</b>

**Additional Information :**

1. During the year a part of machinery costing Rs. 70,000 (accumulated depreciation thereon Rs. 2,000) was sold for Rs. 6,000.
2. Dividend Rs.50,000 were paid during the year.

**Your are required to prepare**

- a) Statement of changes in working capital
- b) Funds Flow Statement.



SC-176

**Q.6** From the following Balance Sheet of Abhijit Trading Company Ltd., for the year 2021-22 and 2022-23. **16**

**Balance Sheet**

Liabilities	2021-22	2022-23	Asset	2021-22	2022-23
Equity share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Preference Share Capital	1,50,000	1,00,000	Land and building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & Loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at bank	10,000	8,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>

**Additional Information:**

1. Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on Plant and Land and Building in 2022-23.
  2. An Interim Dividend of Rs. 20,000 has been paid in 2022-23.
  3. Rs. 35,000 Income tax was paid during 2022-23.
- You are required to prepare Cash flow statement.



**M.COM. – II<sup>nd</sup> Year**

**SEM – IV**

**Previous Year**

**Question Papers**

**Academic Year**

**(2024-25)**

1885  
MAY 15  
1885

Seat No. 

M.com. II sem. II

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

Sub. Name: Business Finance Paper II

Sub. Code: 97802

Day and Date: MAY ,02-05-2025

Total Marks: 80

Time: 02:30 PM To 05:30 PM

Instructions: 1. Figures to the right indicate full marks

Special Inst.: 1) Question No. 1, 2 and 3 are compulsory.  
 2) Attempt any two questions from Q.No. 4 to 6.  
 3) Use of calculator is allowed.



- Q1) A.** Select the appropriate alternatives from among given below each statement [10] and rewrite the statement in the answer book.
- The SEBI protect the interest of the.....
    - Companies
    - Investors
    - Intermediaries
    - Government
  - ..... helps new companies in raising capital.
    - Primary Capital Market
    - Secondary Market
    - Money Market
    - Bullion Market
  - As regards mutual funds, NAV stands for.....
    - Non asset value
    - Net asset value
    - Net assertive value
    - Net additive value
  - The object of portfolio is to reduce.....
    - Return
    - Risk
    - Both risk and return
    - Investment
  - For financial inclusion, the banks offer no frills account which means.....
    - NRI account
    - Current account
    - Zero or minimum balance account.
    - Overseas account.



QP-5086

- vi. .... is the reason of corporate failure.
- A. Dearth of working capital
  - B. Technological disruption
  - C. Ineffective boards
  - D. All of these
- vii Buyback of shares is a ..... form of restructuring.
- A. Internal
  - B. External
  - C. Middle
  - D. None of the above
- viii Under divestiture form, of the consideration is to be paid in..... only.
- i. A. Shares
  - B. Debentures
  - C. Cash
  - D. Bonds
- ix. Angel funds can be raised by issuing to angel investor.....
- A. Gold Bond
  - B. Units
  - C. Postal certificate.
  - D. Silver Bond.
- x. Startup India Programme launched by the Government of India on.....
- A. 2014
  - B. 2015
  - C. 2016
  - D. 2017

**B. State the true or false. [6]**

1. CDSL is private limited company.
2. The RuPay debit card is provided for all accounts holders.
3. The SEBI regulate the public issue of companies.
4. Low profit is the only cause of corporate failure.
5. Takeover is hostile form of restructuring.
6. CRISIL is the only rating agency in India.

**Q2) Write Short Notes. (Any four out of six) [16]**

- a. Need of Credit Rating [4]
- b. Concept of Mutual Fund [4]
- c. Characteristics of Micro-finance [4]



**QP-5086**

- d. Need of Financial Inclusion [4]
- e. Types of Corporate Failures [4]
- f. Origin of Angel Funding [4]
- Q3)** Explain the forms of corporate restructuring. [16]
- Q4)** Describe the functions of Stock Exchange. [16]
- Q5)** Discuss the schemes available for new startups by the government in the form of [16]  
finances.
- Q6)** Write short answer. [16]
- a. Comparison between venture capital and private equity. [8]
- b. State objectives of portfolio management. [8]

## **End Of Question Paper**

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS) (NEP 2020) (97802) Business Finance Paper II Part 2 SEM 4



Seat No. 

M.com-II sem IV

**MAR-APR 2025 SUMMER EXAMINATION****7830 Master of Commerce****Sub. Name: Advanced Accountancy Paper-XIII****Sub. Code: 97778****Day and Date: APRIL ,28-04-2025****Total Marks: 80****Time: 02:30 PM To 05:30 PM****Instructions: 1. Figures to the right indicate full marks****Special Inst.: Question number 1, 2 and 3 are compulsory  
Attempt any two questions from question number 4 to 6  
Use of Calculator is allowed****Q1) A.** Choose correct alternative from given below.**[10]****i.** Government grants are received by NGOs primarily for:

- A. Investment in shares
- B. Personal benefits
- C. Specific purposes like welfare projects
- D. Repayment of loans

**ii.** Contract accounting is mainly used in which of the following industries?

- A. Banking
- B. Construction
- C. Retail
- D. Insurance

**iii.** Royalty is a payment made for:

- A. Interest on loan
- B. Use of tangible assets
- C. Use of rights like patent, copyright, land, etc.
- D. Purchase of raw materials

**iv.** Human Resource Accounting (HRA) is primarily concerned with:

- A. Financial auditing
- B. Valuation of physical assets
- C. Valuation and recording of human resources
- D. Tax assessment

**v.** Government grants related to fixed assets are:

- A. Treated as revenue income
- B. Credited to capital reserve
- C. Deducted from the cost of the asset or shown as deferred income
- D. Ignored in accounts

**vi.** A contract account is prepared to find out:



- A. Net loss of the year
- B. Capital expenditure
- C. Profit or loss on each contract
- D. Interest payable

vii The person who gives the right to use an asset in return for royalty is known as:

- A. Tenant
- B. Lessee
- C. Landlord
- D. Buyer

vii The need for HRA arises mainly due to:

- i.
  - A. The automation of production
  - B. The globalization of trade
  - C. The recognition of people as valuable assets
  - D. Government regulations

ix. \_\_\_\_\_ is a method of human resource valuation.

- A. Straight line method
- B. Replacement cost method
- C. FIFO method
- D. Profit margin method

x. Minimum rent is also known as:

- A. Fixed royalty
- B. Dead rent
- C. Lump-sum payment
- D. Deferred royalty

**B. State true or false.**

**[6]**

- a. Government grants are always capital in nature.
- b. Contract accounting is a method used to account for long-term construction contracts.
- c. Royalty is a fixed annual payment irrespective of production.
- d. Historical Cost Method is one of the valuation methods used in HRA.
- e. NGOs maintain Income and Expenditure Account instead of Profit and Loss Account.
- f. Profit on incomplete contracts is never transferred to the Profit and Loss Account.

**Q2) Write short notes. (Any 4 out of 6)**

**[16]**

- a. Types of Government Grants
- b. Minimum Rent (Dead Rent)

**[4]**

**[4]**



- c. Objectives of Human Resource Accounting (HRA) [4]
- d. Sources of NGO Funding [4]
- e. Limitation of Human Resource Accounting [4]
- f. Objectives of Contract Accounting [4]
- Q3)** Sunrise Minerals Ltd. worked a coal mine under a lease with the following terms: [16]
1. Royalty payable @ ₹1 per ton of coal raised.
  2. Minimum Rent of ₹12,000 per annum.
  3. Short workings (excess of Minimum Rent over actual royalty) can be recouped within the next three years.
  4. In the event of strike or accident, the Minimum Rent is to be reduced proportionately for the period of work stoppage.
- You are required to prepare: Royalty Account, Landlord Account and Short Workings Account in the books of Sunrise Minerals Ltd.  
Production details for six years are given below:

Year	Output of Coal (Tons)	Notes
2015	5,000	
2016	9,000	
2017	15,000	
2018	18,000	
2019	8,000	3 months strike occurred
2020	20,000	

- Q4)** Sunrise Constructions Ltd. is engaged in executing two contracts — Contract X and Contract Y during the financial year. The following information is available at the year-end: [16]
- You are required to show;
- a. Contract accounts, Contractee's accounts
  - b. Extract from the balance sheet as at December 31, clearly showing the calculation of work in progress.

Particulars	Contract X (Rs.)	Contract Y (Rs.)
Date of Commencement	April 1	July 1
Contract Price	8,00,000	6,00,000
Materials delivered to site	1,50,000	80,000
Materials issued from store	60,000	20,000
Materials returned to store	5,000	3,000
Materials on site (31st Dec)	30,000	12,000
Direct Labour	2,00,000	70,000
Direct Expenses	75,000	40,000
Architect Fees	3,000	2,000
Establishment Charges	35,000	12,000
Plant installed at cost	90,000	85,000
Value of plant (31st Dec)	70,000	75,000
Accrued wages (31st Dec)	12,000	9,000
Accrued expenses (31st Dec)	8,000	6,000
Cost of work uncertified	35,000	20,000
Work certified by Architect	5,60,000	2,20,000
Cash received	5,04,000	1,98,000
Material transferred from X to Y	Rs. 10,000	



Q5) Mr. Rajesh who had patented an automatic lock granted Shield Devices Ltd. a [16] license for ten years to manufacture and sell the locks on the following terms on 1st Jan. 2020

1. Shield Devices Ltd. to pay a Royalty of Rs. 1 for every lock sold with minimum payment of Rs. 1000 p.a.
2. If for any year the royalties calculated on locks sold amount to less than Rs. 1000, Shield Devices Ltd. may set off the deficiency against royalties payable in excess of that sum in the next two years.

With effect from the end of the second year the agreement was changed and a minimum annual payment of Rs. 800 was substituted of Rs. 1000, the other terms of the agreement remaining unchanged.

The number of locks sold were:

Year ended 31-12-2020: 400  
 31-12-2021: 800  
 31-12-2022 : 1200  
 31-12-2023 : 1000

Prepare journal entries to record the above transactions in the books of Shield Devices Ltd. Accounts are closed on 31st Dec. annually.

Q6) [16]

- a. The following are the details of income and expenditure of Sahyog NGO for the year ending 31st March 2024. Prepare the Income and Expenditure Account for the year in the prescribed format: [8]

**Income:**

- Grants and Donations: ₹1,00,000
- Government Grants: ₹50,000
- Private Donations: ₹25,000
- Corporate Sponsorships: ₹15,000
- Fundraising Events: ₹20,000
- Membership Fees: ₹5,000
- Investment Income: ₹10,000

**Expenditure:**

- Direct Program Costs: ₹40,000
- Salaries and Wages: ₹25,000
- Travel and Supplies: ₹5,000
- Office Rent and Utilities: ₹10,000
- Administrative Salaries: ₹8,000
- Office Supplies: ₹3,000
- Cost of Fundraising Events: ₹6,000
- Marketing and Promotion: ₹4,000
- Depreciation: ₹5,000
- Miscellaneous Expenses: ₹2,000

- b. Prepare a Balance Sheet for "Seva Foundation" as on 31st March 2025 from [8] the following information:

**Assets:**

- Cash and Bank Balance: ₹1,20,000
- Receivables (Grants and Donations): ₹80,000
- Inventory (Stationery and Supplies): ₹50,000
- Prepaid Rent: ₹10,000
- Land and Building: ₹7,00,000
- Office Equipment: ₹2,50,000
- Investment in Government Bonds: ₹1,50,000
- Intangible Assets (Patents and Software): ₹60,000

**Liabilities:**

- Creditors: ₹40,000
- Accrued Expenses: ₹30,000
- Short-Term Loan: ₹50,000
- Long-Term Loan from Bank: ₹2,00,000
- Deferred Income (Grant for next year): ₹90,000

**Net Assets:**

- Unrestricted Net Assets: ₹8,30,000
- Temporarily Restricted Net Assets: ₹80,000
- Permanently Restricted Net Assets: ₹1,00,000

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS) (NEP 2020) (97778) Advanced Accountancy Paper-XIII Part 2 SEM 4



Seat No. **MAR-APR 2025 SUMMER EXAMINATION**7830 Master of Commerce *M.COM - II sem IV***Sub. Name: Advanced Accountancy Paper-XIV****Sub. Code: 97779****Day and Date: APRIL ,29-04-2025****Total Marks: 80****Time: 02:30 PM To 05:30 PM****Instructions:**

**Special Inst.:** Question number 1, 2 and 3 are compulsory.  
 Attempt any two questions from question number 4 to 6.  
 Use of Calculator is allowed.

**[10]****Q1) A.** Choose the appropriate alternative.

i. Which of the following is NOT a component of the natural environment ?

- A. Air
- B. Water
- C. Buildings
- D. Soil

ii. Which of the following is NOT a benefit of environmental awareness?

- A. Improved Public Health
- B. Enhanced Market Share
- C. Sustainable Development
- D. Community Resilience

iii. Voyage Accounting is concerned with ----- industry.

- A. Manufacturing
- B. Small scale
- C. Corporate
- D. Shipping.

iv. Voyage Account is in the form of -----

- A. Trading Account
- B. Profit and Loss Account.
- C. Balance sheet
- D. None of the above.

v. Voyage Accounting is accounting for a voyage which includes -----journey.

- A. Outward
- B. Inward
- C. Both a and b
- D. None of the above.



- vi. In investment accounting interest is always calculated on -----
- Market value
  - Cost of purchase
  - Face Value
  - Higher of cost and fair value.
- vii EVA Stands for.....
- Economic Value Added
  - Economic Value Application
  - Emergency Value Added
  - Economic Value Advance
- viii WACC Stands for.....
- Weighted Average Cost of Capital
  - Weighted Cost of Company
  - Weighted Average Cost of Company
  - None of these
- ix. Which of the following is NOT typically included in an underwriter's financial report?
- Claims paid
  - Premium income
  - Dividend distributions
  - Administrative expenses
- x. The person of Institutions underwriting and a public issue of shares and debentures are called .....
- Underwriters
  - Overwriters
  - A and B
  - None of the above
- B. B) State True or False [6]**
- The environment includes only the living elements such as plants and animals.
  - Pollution can take many forms, including air, water, soil, and noise pollution.
  - Economic value added also known as economic profit.
  - A commission is given to the underwriters for underwriting work, this commission is known as Underwriting Commission.
  - Economic value Added is calculated on the basis of accounting profit and economic capital.
  - Voyage accounts are prepared to track and analyze the financial performance of a specific voyage.



**Q2) Write Short Notes (Any 4 out of 6)**

- 1) Environmental Accounting
- 2) Voyage Accounting
- 3) Objectives of Value Added Statements
- 4) Application of EVA
- 5) Limitations of EVA
- 6) Pollution and Environmental Degradation

**Q3) Long answer questions/ Practical Problem**

[16]

State the importance of Environmental Accounting ?

OR

Mr. Patwardhan undertook a Voyage from Bombay to Kolkata starting from 1<sup>st</sup> January 2023 and reaching on 31<sup>st</sup> March 2023. The Cargo consisted of 1,800 tons of machinery parts and 200 tons of food grains. The freight charges were Rs. 1500 per ton for machinery parts and Rs. 100 per ton for food grains. In addition Primage was 10%. Brokerage was payable at 5%. The expenses were:

Particular	Bombay	Kolkata
Diesel	40000	-----
Port Charges	18000	4000
Harbour Charges	6000	2000
Loading Charges	4000	-----

Other Expenses

Stores	1000
Discharging expenses	4000
Postage	2000
Salaries	20000

The ship was insured for 20,00,000 @ 1% for voyage policy of Hull. The freight was insured @ ½ %. Depreciation is charged on the written down value of the ship @ 5% p.a. the value as on 1<sup>st</sup> January 2023 was 16,00,000.

Prepare Voyage Account.

**Q4) Solve the Problem**

[16]

Reliance Limited holds as on 1/04/2023 Rs. 50,000 (Cost Rs. 49,000) 6% Government of India Loan as an investment on which interest is payable half yearly on 1<sup>st</sup> January and 1<sup>st</sup> July. The following purchases and sales were made out of these investments during the accounting year ended 31<sup>st</sup> March 2024.

Date	Particulars
1/08/2023	Purchases F.V. Rs. 10,000 @ Rs. 102 Cum- Interest.
1/12/2023	Purchases F. V. Rs. 20,000 @ Rs. 105 Ex-Interest
1/11/2023	Sales F.V. Rs. 5,000 @ Rs. 104 Cum-Interest.
1/02/2024	Sales F.V. Rs. 15,000 @ Rs. 102 Ex-Interest.

**Q5) Solve the Problem**

[16]

ABC Ltd issued 10,000 shares of Rs. 100 each at a premium of Rs. 15 each. 90% of the issue was underwritten by M/S Broker and Co. at a commission of 1% on the nominal face value. Applications were received for 8,000 shares and allotment was fully made. All the money due from allottees was received in one instalment. The

accounts with Broker & company were settled.  
Show the Journal entries to record the transaction.

**Q6) A. Solve the Problem [8]**

Indian Commercial Bank has a criterion that it will give loan companies that have an economic value added greater than zero for the past three years on average. The bank is considering lending money to a small company that has the economic value characteristics shown below. Does that meet the bank criterion for a positive economic value added? The data relating to the company is as follows:

1. Average operating income before tax equals Rs. 50,00,000 per year for the last three years.
2. The average tax rate for 3 years equals to 35.875%.
3. The average total assets of company over the past three years equals Rs.1,50,00,000.
4. The weighted average cost of capital appropriate for the company equals 10% which is applicable to all three years.
5. The company average current liabilities over the past three year equals Rs. 30,00,000.

**B. Short answer question/ [8]**  
**Problem**

Explain Meaning and Advantages of Underwriting.

OR

Consider a firm that has existing assets in which it has capital invested of Rs. 100 crores. The after tax operating income on assets-in place is Rs. 15 crore. The return on capital employed of 15% is expected to be sustained to perpetuity, and company has a cost of capital of 10%. Estimate the present value of economic value added (ECA) of the firm from its assets-in-place.

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS) (NEP 2020) (97779) Advanced Accountancy Paper-XIV Part 2 SEM 4

Seat No.

QP-4966

Total No. of Pages : 3

M.COM-II sem IV

**MAR-APR 2025 SUMMER EXAMINATION**

**7830 Master of Commerce**

**Sub. Name: Advanced Accountancy Paper-XV**

**Sub. Code: 97780**



**Day and Date: APRIL ,30-04-2025**

**Total Marks: 40**

**Time: 02.30 PM To 04:00 PM**

**Instructions:**

- Special Inst.:**
1. Question Number 1 and 2 are Compulsory.
  2. Attempt any three questions from question number 3 to 6.
  3. Use of calculator is allowed.

- Q1) A.** Choose correct alternative. **[5]**
- i. .... is a branch of accounting which intend to make investigation for detecting financial crime and collecting evidences thereof.
    - A. Carbon Credit Accounting
    - B. Forensic accounting
    - C. Human Resource Accounting
    - D. Police Accounting
  - ii. .... section of the Companies Act, 2013 deals specifically with CSR.
    - A. Section 135
    - B. Section 149
    - C. Section 177
    - D. Section 182
  - iii. Which of the following does the term Corporate Social Responsibility relate to?
    - A. Ethical conduct
    - B. Environmental practice
    - C. Community investment
    - D. All of the above
  - iv. Cost of Production +Selling and Distribution Overheads =
    - A. Cost of Production
    - B. Total Cost
    - C. Works Cost
    - D. Direct Cost
  - v. -----packages are such which cannot be returned by the customers.
    - A. Returnable
    - B. Non-returnable
    - C. Empties
    - D. Bag

B. True and False.

1. Sale of scrap recorded at actual price received.
2. The services of a forensic accounting are quite useful in preparing and presenting the desired evidence.
3. Purchase price of packages is called Historical price.

Q2) Short Notes (any 2 out of 3) [8]

1. Concepts of Packages.
2. Concept of Forensic Accounting.
3. Significance of Forensic Accounting.

Q3) Explain the Provisions of Corporate Social Responsibility. [8]

Q4) India Ltd. Delivers goods their customers in packages costing ₹ 6 each but charging them out at ₹. 12 each and crediting them at ₹, 8 each if returned within 3 months. [8]

On 1st April 2023 there were 1000 packages in the godown of the company and 2100 returnable packages in the hands of the customers. During the year ending 31st March 2024 , 1500 packages were purchased at ₹ 10 each, 3200 packages were sent out to customers 2300 packages were returned by the customers throughout the year. 30 packages from the old lot completely destroyed by fire in the warehouse and another 50 packages from the old lot were accidentally broken and were sold as a scrap for ₹. 4 each.

On 31st March 2024, 1900 returnable packages from the old lot were with customers and stock in godown included all the new packages. Besides the old ones. The packages are valued at their cost price for stock taking purposes. Show the Package Ledger Account and Package Trading Account in the ledger of the company.

Q5) Durga Ltd. Delivers goods to customers in drums (which are valued in books at ₹ 30 each charging them out ₹. 60 each . customers are credited with ₹ 40 each if the drums are returned in time. Following are details of drums: [8]

	Drums		Drums
Stock in hand on 1.4.23	2000	Drums returned by customers	4600
Drums with customers on 1.4.23	4200	Drums destroyed in accidents	60
Purchases at ₹ 50 each	3000	Drums Sold as scrap for ₹1000	100
Drums Sent out to customers	6400	Drums with customers (returnable) as on 31.3.24	3800

Solve above problem with Stock and Trading Method.

Q6) Exe Ltd. started business supplying gas in cylinders which were billed to the customers at Rs. 75 per cylinder, the customer got a credit of Rs. 60 if the cylinder [8]

was returned within 10 weeks. In the first accounting year of its operations, the company purchased 5,000 cylinders at Rs. 50 per cylinder and sent 15,000 cylinders to the customers who returned 12,000 of them; in respect of 2,500 the period of 10 weeks had not yet expired. The company spent Rs. 40,000 on maintenance and repairs of the cylinders and considered them to be worth Rs. 40 each at the end of the year. Give journal entries and the prominent accounts to reveal profit or loss on this part of the business.

## End Of Question Paper



### Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7830) Master of Commerce (CBCS) (NEP 2020) (97780) Advanced Accountancy Paper-XV Part 2 SEM 4





SC-250

Total No. of Pages : 3

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

**M. Com. (Part - II) (Semester - IV) (CBCS) (NEP)**  
**Examination, December-2024**  
**Business Finance (Paper - II)**  
**Sub. Code : 91740**

Day and Date : Thursday, 12/12/2024

Total Marks : 80

Time : 02:30 p.m. to 05:30 p.m.

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

**Q1) A) Select the appropriate alternative from among given below each statement. [10]**

- 1) The newly established company can issue \_\_\_\_\_ securities.  
A) Equity-based                      B) Debt-based  
C) Both A) and B)                      D) New
- 2) The SEBI protects the interest of the \_\_\_\_\_.  
A) Companies                      B) Investors  
C) Intermediaries                      D) Government
- 3) The manager who takes care of investments is called \_\_\_\_\_.  
A) Finance manager                      B) Production manager  
C) Portfolio manager                      D) Marketing manager
- 4) The main objective of financial inclusion is \_\_\_\_\_.  
A) access to everyone                      B) access to privileged  
C) access to business people                      D) access to few
- 5) Efficient management leads to better performance of the \_\_\_\_\_.  
A) Capital market                      B) Industrial sector  
C) Corporate sector                      D) Economy





only if it qualifies four years from now for certification clearing commercial use and only if it meets America's Federal Aviation Administration's (FAA) ever tightening standards for noise reduction. Certification also has to be obtained from India's Director General of Civil Aviation (DGCA). There is competition from world-class manufacturers like Pratt and Whitney and Rolls Royce who are developing competing engines. If you decide to proceed with the project, you must also determine where the new engines will be produced and develop the manufacturing facilities. If you decline to proceed, your company could invest its resources elsewhere and based on its track record, get attractive returns.

**Questions :**

- 1) What would be your line of action?
- 2) In case of lengthy product design and development time, what kind of risks are there?

**Q3) Write short answers from the following. (Any four) [16]**

- 1) Discuss the functions of the SEBI.
- 2) Explain the objectives of portfolio management.
- 3) State the causes of corporate failure.
- 4) Describe the need for credit rating.
- 5) Discuss the schemes launched by government of India about financial inclusion.
- 6) Write the remedies for prevention of corporate failure.

**Q4) Discuss the Schemes available for new startups by Government in the form of Finances. [16]**

**Q5) Explain the types of mutual funds. [16]**

**Q6) Write short notes. (Any two) [16]**

- 1) Forms of corporate restructuring.
- 2) Comparison between venture capital and private equity.
- 3) Demerger.



SC-181

Total No. of Pages : 3

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

**M. Com. (Part - II) (Semester - IV) (CBCS)**  
**Examination, December-2024**  
**CC-CD-2 : Business Finance (Paper - II)**  
**Sub. Code : 73756/61794/69979/84412**



Day and Date : Thursday, 12/12/2024

Total Marks : 80

Time : 02:30 p.m. to 05:30 p.m.

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

**Q1) A) Choose the correct alternative.**

**[8]**

- 1) The \_\_\_\_\_ market deals with issue of new securities only.  
A) Secondary Capital                      B) Retail  
C) Super                                      D) Primary Capital
- 2) SEBI protects the interest of \_\_\_\_\_.  
A) Companies                              B) Investors  
C) Consumers                              D) Government
- 3) The first step in portfolio management is \_\_\_\_\_.  
A) Evaluation                              B) Construction  
C) Review                                      D) Revision
- 4) \_\_\_\_\_ finance is provided for enterprising purpose for those who live in poverty.  
A) Micro                                      B) Lease  
C) Credit                                      D) Export



**Q3) Describe various methods of selling corporate securities in primary capital market. [16]**

**Q4) Explain the forms of corporate restructuring. [16]**

**Q5) What do you mean by make or buy decision? Explain the functional aspects of make or buy decision. [16]**

**Q6) Write short notes. (any 2 out of 3) [16]**

- 1) Importance of Mutual Fund
  - 2) Need for Financial Inclusion
  - 3) Micro Finance
- 





Seat No. 

M.Com. II sem. IV

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Management Accounting - II (Management Control System)****Sub. Code: 91739**

Day and Date: APRIL ,28-04-2025

Time: 02:30 PM To 05:30 PM

Total Marks: 80

Instructions: 1. Figures to the right indicate full marks

Special Inst.: 1) Question No. 1, Q. No. 2 and Q. No. 3 are compulsory.  
2) Attempt any two questions from Question No. 4 to 6.

Q1) A. Choose the correct alternatives.

[10]

i. Planning, organizing, directing and controlling are the-----

- A. Functions of management.
- B. Goals of management.
- C. Results of management.
- D. All of the above.

ii. Strategic planning is done by -----

- A. Top management of the firm.
- B. Middle management
- C. Supervisory managers.
- D. Non supervisory employees.

iii. Operational control is also referred as -----

- A. Planning control
- B. Task Control
- C. Corrective control
- D. Risk Control.

iv. Profit Volume Ratio (PV Ratio) = ----- ÷ sales × 100.

- A. Fixed Cost
- B. Contribution
- C. Variable Cost
- D. Profit

v. The method of costing that leads itself to break-even analysis is -----

- A. Standard costing
- B. Marginal costing
- C. Job Costing
- D. Operating costing.

vi. Payback period, return on investment, NPV are the techniques/tool used in ----  
- budgeting.



- A. Capital
- B. Cash
- C. Purchase.
- D. Flexible

vii Characteristics of good report is -----

- A. Simplicity
- B. Accuracy
- C. Promptness
- D. All of the above.

vii Under standard cost system the cost of the product determined at the beginning of production is its -----

- A. Direct cost
- B. Pre-determined cost
- C. Historical Cost
- D. Actual cost

ix. If standard hours for 100 units of output are 400 @ Rs. 2 per hour and actual cost hours take are 380 @ Rs. 2.25 per, then the labour rate variance is -----

- A. Rs. 95 (adverse)
- B. Rs. 100 (adverse)
- C. Rs. 25 (Favorable)
- D. Rs. 120 (adverse)

x. -----budget is backbone or nerve centre of the organization.

- A.
- B.
- C.
- D.
- A. Cash budget.
- B. Flexible Budget
- C. Sales Budget.
- D. Purchase Budget.

**B. State True or False.**

**[6]**

1. Break-even point is the volume of output at which total cost is exactly equal to sales.
2. Margin of safety is the difference between total sales revenue and sales at Break-even point.
3. Budget variance is the difference between a budgeted figure and the actual cost figure.
4. Marginal costing is not a method of costing.
5. The formula of Direct Material Cost Variance is  $(SP \times SQ) - (AP \times AQ)$
6. Reporting is conveying the factual information to the higher authorities for

a specific purpose.

Q2)

[16]

A) State the difference between strategic planning and Management Control.

B) Explain in brief difference types of reports.

OR

Write short Notes. (Any four out of six)

- Break-even point
- Master Budget
- Advantages of standard costing.
- Need of Management control.
- Contribution
- Characteristics of Good Report.



Q3) Narayan Patil Industries is considering purchasing Machine. Two machines are [16] available. Each costing Rs. 40,000. Earnings after taxation but before charging depreciation are expected to be as under.

Cash Flows		
Year	Machine A	Machine B
1	12,000	8,000
2	18,000	16,000
3	20,000	24,000
4	15,000	18,000
5	10,000	14,000

Evaluate the two alternatives according to

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

By making your own calculations please give us your opinion whether our industry should buy a Machine and which machine can be preferred.

(Note)

Years	1	2	3	4	5
Present value	0.909	0.826	0.751	0.683	0.621

Q4) DB Desai Limited furnished the following information.

[16]

Year	Sales	Profit
2023-24	2,00,000	30,000
2024-25	2,50,000	50,000

You are required to calculate

- Break- Even point
- P/V ratio
- Fixed Cost
- Sales required to earn profit of Rs. 60,000.
- The Profit/ Loss made when sales are Rs. 1,00,000.

F. Variable Cost of Two period.

G. Margin of safety when profit will be Rs. 80,000.

Q5) The Statement given below gives the flexible budget at 60% capacity.

[16]

Expenses	At 60% capacity
Direct Material	1,60,000
Direct Labour	40,000
Indirect Material and spares	48,000
Depreciation	60,000
Indirect Labour	40,000
Rent	12,000
Electric Power (40% Fixed)	8,000
Repairs and Maintenance (40% Variable)	20,000
Insurance on Machinery	12,000



You are required to prepare a tabulated statement giving the budget figures at 75% capacity and 90% capacity.

Q6) Following labour mix had been provided in the budget to produce 1000 units of a [16] product.

		Total standard hours	Total standard cost
30 Males	0.40 per hour 50 hours	1,500	600
20 Females	0.30 per hour 30 hours	600	180
10 children	0.20 per hour 20 hours	200	40
		2,300	820

The information about actual hours of work and labour mix is as follows:

		Total actual hours	Total actual cost
25 Males	0.45 per hour 50 hours	1,250	562.50
30 Females	0.30 per hour 30 hours	900	270.00
10 children	0.20 per hour 15 hours	150	30.00
		2,300	862.50

you are required to calculate :

- Labour cost variance
- wage rate variance
- labour efficiency
- labour mix variance.

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7828) Master of Commerce (CBCS) (91739) Management Accounting - II (Management Control System) Part 2 SEM 4 (NEP 20)

Seat No. **OCT\_NOV\_2024 WINTER EXAMINATION**7830 Master of Commerce II Sem-IV**Sub. Name: Management Accounting - II (Management Control System)****Sub. Code: 91739****Day and Date: DECEMBER ,11-12-2024****Total Marks: 80****Time: 02:30 PM To 05:30 PM****Instructions: 1. Figures to the right indicate full marks****Special Inst.: 2) Question No. 1, Q. No. 2 and Q. No. 3 are compulsory.****3) Attempt any two questions from Question No. 4 to 6.****4) Use of calculator is allowed.****Q1) A. Choose the correct Alternative.****[10]**

i. ----- has an efficient characteristic of producing maximum output with minimum input per unit.

- A. Information control
- B. Management control
- C. Project control
- D. Machine control

ii. Payback period, return on investment, N.P.V. are the techniques/tools used in - ----- budgeting.

- A. Cash
- B. Flexible
- C. Capital
- D. Sales

iii. Master Budget represents ----- of all budget.

- A. Base
- B. Summary
- C. Tool
- D. Hurdle

iv. Profit Volume Ratio (P.V. Ratio) = ----- ÷ sales × 100.

- A. Fixed Cost
- B. Contribution
- C. Variable Cost
- D. Profit

v. Expenditure Variance arises because of -----

- A. Increase in overhead rate per hour
- B. Decrease in overhead rate per hour.
- C. Change in actual output
- D. Difference in budgeted and actual overhead.



QP-2274

vi. Contribution = -----

- A. Selling Price – Variable Cost
- B. Selling Price – Fixed Cost.
- C. Selling Price – Fixed and Variable cost
- D. Variable Cost – Selling Price.

vii Management Control is quite essential at----- levels to make business successful.

- A. Top
- B. Middle
- C. Lower
- D. All Levels

viii The ascertaining of costs after they are incurred is known as -----

- i. A. Historical Costing
- B. Notional Costing
- C. Marginal costing
- D. Sunk Cost.

ix. Fixed cost includes -----

- A. Property Tax
- B. Rent
- C. Insurance Premium
- D. All of the above

x. Budget is tool which helps the management in planning and control of -----

- A. All business activities
- B. Production activities.
- C. Purchase Activities.
- D. Sales Activities.

**B. State True or False. [6]**

1. Marginal Costing is not a method of costing.
2. Cash Budget is a part of financial budget.
3. A Flexible budget is one that is prepared for changing level of activity.
4. If contribution is equal to fixed cost there is no profit or loss.
5. There is no necessity of highly competent staff for an effective control.
6. A standard costing is a method of ascertainment of cost.

**Q2) A) Give the Difference between Strategic Planning and Management [16] Control.**

**B) State the Characteristics good report.**

**OR**

**[2]**

**P.T.O.**



QP-2274

Write short Notes. (Any four out of six)

- A. Advantages of Marginal Costing.
- B. Objectives of Budgetary Control.
- C. Limitations of standard costing.
- D. Need of Management control.
- E. Break Even Point.
- F. Cash Budget,

Q3)

You are the financial analyst of DPK Limited Co. Kolhapur. You are asked to analyze two proposals of investment- viz. Project A and Project B. Each Project has a cost of proposals Rs. 2,00,000 and the cost of capital for each project is 12%. The net cash inflows are as under.

[16]

Year	Machine A	Machine B
1	1,30,000	70,000
2	60,000	70,000
3	60,000	70,000
4	20,000	70,000

Evaluate the two alternatives according to

1. Pay Back Period Method
2. Net Present Value Method

By making your own calculations please give us your opinion whether our industry should buy a Machine and which machine can be preferred.

(Note: the discounting factor @ 12% of Re. 1 to 4 years are as under.)

Years	1	2	3	4
Present value	0.8929	0.7972	0.7118	0.6355

Q4) The sales and profit during two years were

[16]

Year	Sales	Profit
2022	3,00,000	40,000
2023	3,40,000	50,000

You are required to calculate

- A. Break- Even point
- B. P/V ratio
- C. Fixed Cost
- D. Sales required to earn profit of Rs. 80,000.
- E. The Profit made when sales are Rs. 5,00,000.
- F. Variable cost of the two period
- G. Margin of safety in 2023.

Q5)



A newly started City –Bazar Limited Gadhinglaj wishesh to prepare Cash budget from January. Prepare a Cash Budget for the First six Months from the following estimated revenue and expenses.

Period	Sales	Material	Wages	Overheads	
				Production	Selling & distribution
Jan.	40,000	40,000	8,000	6,400	1,600
Feb.	44,000	28,000	8,800	6,600	1,800
March	48,000	28,000	9,200	6,600	1,600
April	52,000	24,000	9,200	6,800	1,800
May	56,000	24,000	9,600	7,000	1,800
June	60,000	32,000	9,600	7,200	2,000

**Additional Information:**

- Cash balance on 1<sup>st</sup> January was Rs. 20,000.
- A new machine is to be installed at Rs. 60,000 on credit to be repaid by two equal installments in March and April.
- Sales commission @ 5% on total sales is to be repaid within the month following actual sales.
- Rs. 20,000 being the amount of second call may be received in March. Share premium amounting to Rs. 4,000 is also obtained with second call
- Period of credit allowed by suppliers 2 Month.
- Period of credit allowed to customers 1 month.
- Delay in payment of overheads 1 month.
- Delay in payment of wages  $\frac{1}{2}$  month.
- Assume cash sales to be 50% of total sales.

**Q6)** from the following records of B Ltd. compute the Material and Labour Variances. [16]

One ton of material input yields a standard output of one lakh units.

Number of employees – 200

The standard wage rate per employee per day is Rs. 6

The standard price of material is Rs. 20 per kg.

Actual quantity of material issued by production department 10 tons.

Actual output is 9 lakh units.

Actual wage rate per day is Rs. 6.50.

Standard daily output per employee is 100 units.

Total number of day worked is 50.

Idle time paid for and included above is  $\frac{1}{2}$  day.

\* \* \*



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

**SK - 53**

**Total No. of Pages : 6**

**M.Com. (Part – II) (Semester – IV) (CBCS)  
Examination – April 2025  
ADVANCED ACCOUNTANCY (Paper – VII)  
Costing**

**Sub. Code : 73757/61795/84226**

**Day and Date : Wednesday, 30/04/2025**

**Total Marks : 80**

**Time : 2.30 pm to 5.30 pm**

**Instructions : 1) Question no. 1, 2 and 3 are compulsory.**

**2) Attempt any two questions from question number 4 to 6.**

**Q. 1. A) Choose the correct alternatives.**

**[10]**

- 1) Cost accounting concepts include all of the following except .....
  - A) Planning
  - B) Controlling
  - C) Profit sharing
  - D) Product costing
- 2) Cost of goods sold includes .....
  - A) Cost of production and WIP
  - B) Cost of production and finished goods
  - C) Prime cost and cost of sales
  - D) All of these
- 3) Main function of cost accounting is reporting to .....
  - A) Management
  - B) Cost accountant
  - C) Financial accountant
  - D) Costing P & L a/c





**SK - 53**

**Q. 2. A)** Explain the concept, "Cost". Explain the various elements of cost. [08]

**B)** Explain job costing and its advantages. [08]

**OR**

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

- 1) Elements of cost
- 2) Concept of equivalent production
- 3) Profit for incomplete contract
- 4) Concepts of joint products and byproducts
- 5) Cost centre
- 6) Operating costing

**Q. 3. Case Study.** [16]

Bharat Engineering Company manufactured and sold 1,000 sewing machines in 2021. Cost of Materials 80,000, Wages paid 1,20,000, Manufacturing expenses 50,000, Salaries 60,000, Rent, rates and insurance 10,000, Selling Expenses 30,000, General Expenses 20,000, Sales 4,00,000. The company plans to manufacture 1,200 sewing machines in 2022. The price of materials will rise by 20 per cent on the previous year's level. Wage rates will rise by 5 per cent. Manufacturing expenses will rise in proportion to the combined cost of materials and wages. Selling expenses per unit will remain unchanged. Other expenses will remain unaffected by the rise in output.

From the above case you are required to submit a statement showing the price at which machines would be sold so as to show a profit of 10% on the selling price.



**SK - 53**

- Q. 4.** A product is obtained after passing it through three processes. The following information is Collected for Jan 2020. [16]

Particulars	Process -I	Process-II	Process-III
Direct Material	Rs 5,200	Rs 3,960	Rs 5,924
Direct Wages	Rs 4,000	Rs 6,000	Rs 8,000
Output units during the month	950 units	840 units	750 units
Normal Loss	5%	10%	15%
Value of Scrap per unit	Rs. 4	Rs. 8	Rs 10

Additional information :

1,000 units @ Rs.6 each was introduced in process I account. There was no stock of materials or WIP at the month end. The production overhead was Rs. 18,000, for that month on basis of wages.

Prepare the Process A/c. indicating the normal loss, abnormal loss and abnormal gain.

- Q. 5.** Laxmi construction Ltd undertook a contract for construction of library buildings. The following is the information relating to the contract during the year 2019-2020. [16]

Particulars	Amt
Materials sent to site	1,00,000
Materials purchased and issued	70,698
Materials returned to stores	1,098
Materials at site on 31-3-2020	3,766
Labour engaged on site	1,40,000
Wages accrued and due but not paid	8,750
Engineers' Fees	6,334
Direct Exp. payable	580



SK - 53

General Overheads	8,252
Overheads outstanding	9,250
Plant installed at site at cost	41,500
Erection charges on site for plant	1,250
Scrap value of plant after its life of Five years	2,750
Work Certified	3,90,000
Cost of Work not Certified	9,000
Cash received from Contractee	3,60,000

Prepare the Contract A/c, Contractee A/c and also show the amount of profit which you consider might be fair on the Contract and how you have calculated the same.

- Q. 6. From the following figures, prepare reconciliation statement as per cost [16] or financial account.

Particular	Amt
Net loss as per financial a/c	2,08,045
Net loss as per costing records	1,72,400
Works overhead under recovered in costing	3,120
Administration overhead records in excess	1,700
Depreciation charged in financial records	11,200
Depreciation recovered in costing	12,500
Interest received not included in costing	8,000
Obsolescences loss charged in financial books	5,700
Income tax provided in financial books	40,300
Bank interest credited in financial books	750
Store adjustment credited in financial books	475
Value of opening stock in cost a/c	52,600
Value of opening stock in financial a/c	54,000



**SK - 53**

Value of closing stock in cost a/c	52,000
Value of closing stock in financial a/c	49,600
Interest charged in cost a/c but not in financial a/c	6,000
Preliminary expense written off in financial a/c	800
Provision for doubtful debts in financial a/c	150

---

SC-182

Total No. of Pages : 04

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



**M.Com. (Part-II) (Semester-IV) (CBCS)**  
**Examination, December 2024**  
**Advanced Accountancy**  
**COSTING (Paper-VII)**

Sub. Code : 73757 / 68806 / 84226

Day and Date: Friday, 13-12-2024

Total Marks: 80

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

- Instructions:**
- 1) Question Nos. 1, 2 and 3 are compulsory.
  - 2) Attempt ANY TWO questions from Q.4 to Q.6.
  - 3) Figures to the right indicate full marks.

**Q.1 (A) Choose the correct alternative. (10)**

- 1) Total of indirect material, indirect labour and indirect expense is .....  
(A) Prime cost (B) Basic cost  
(C) Overhead (D) Factory cost
- 2) ..... overheads are uncontrollable.  
(A) Fixed overhead (B) Variable overhead  
(C) Semi-variable overhead (D) All of these
- 3) One of the most important tool in cost planning is .....  
(A) Direct cost (B) Cost sheet  
(C) Budget (D) Marginal costing
- 4) When profit is 25% of cost, it is .....% of sales.  
(A) 75% (B) 20%  
(C) 125% (D) 85%



SC-182

- 5) An escalation clause usually relates to change in prices of .....  
(A) input (B) output  
(C) retention money (D) work certified
- 6) Byproducts remain in stock are valued at ..... value for balance sheet purposes.  
(A) Nil (B) Positive  
(C) Contract (D) Work uncertified
- 7) In process costing, each process is treated as separate .....  
(A) Cost centre (B) Cost object  
(C) Cost plus contract (D) All of these
- 8) Service costing is also known as .....  
(A) Process costing (B) Job costing  
(C) Unit costing (D) Operating costing
- 9) Reconciliation for financial statements is required because .....  
(A) over absorption of overhead (B) under absorption of overhead  
(C) stock valuation (D) All of these
- 10) ..... are of relatively small value.  
(A) Joint product (B) Byproduct  
(C) Scrap (D) Main product

b) **State true or false.** (6)

- 1) Supplementary cost is termed as overhead.
- 2) Abnormal overheads are charged to production overheads.
- 3) Job costing is suitable for special order concerns.
- 4) Cost of work of sub contract is credited to contract account.
- 5) Joint costs are not precisely divisible.
- 6) Operating costing is essence of job costing.

Q.2 a) Explain the scope and advantages of cost accounting. (8)

b) Explain the needs for reconciliation of costs and financials statement. (8)

OR



Write short notes on the following. (Any four)

(16)

- 1) Elements of cost
- 2) Concept of equivalent production
- 3) Profit for incomplete contract
- 4) Concepts of joint products and byproducts
- 5) Cost centre
- 6) Operating costing

**Q.3 Case Study.**

(16)

Bharat Engineering Company manufactured and sold 1,000 sewing machines in 2021. Cost of materials 80,000, wages paid 1,20,000, manufacturing expenses 50,000, salaries 60,000, rent, rates and insurance 10,000, selling expenses 30,000, general expenses 20,000, sales 4,00,000. The company plans to manufacture 1,200 sewing machines in 2022. The price of materials will rise by 20 percent of the previous year's level. Wage rates will rise by 5 percent. Manufacturing expenses will rise in proportion to the combined cost of materials and wages. Selling expenses per unit will remain unchanged. Other expenses will remain unaffected by the rise in output.

From the above case, you are required to submit a statement showing the price at which machines would be sold so as to show a profit of 10% on the selling price.

**Q.4** You are required to prepare Memorandum Reconciliation Statement from the following information for 2020.

(16)

Particulars	Amount
Profit as per costing records (estimated)	3,44,800
Profit as per financial books (Actual)	2,57,510
Works overhead under absorbed in cost A/c	6,240
Admin overhead over recovered in cost A/c	3,400
Depreciation absorbed in cost	25,000
Depreciation charged in financial A/c	22,400
Interest on investment not included in cost A/c	16,000
Bank interest and transfer fees accounted for financial books only	1,500
Store adjustments credited to financial books only	950
Loss due to depreciation in stock values accounted for in financial book only	13,500
Income tax provided in financial books	80,600
Loss due to obsolescences charged in financial A/c	11,400



**SC-182**

- Q.5** Laxmi Construction Ltd. undertook a contract for construction of library buildings. The following is the information relating to the contract during the year 2019-2020. **(16)**

<b>Particulars</b>	<b>Amount</b>
Materials sent to site	1,00,000
Materials purchased and issued	70,698
Materials returned to stores	1,098
Materials at site on 31-3-2020	3,766
Labour engaged on site	1,40,000
Wages accrued and due but not paid	8,750
Engineers Fees	6,334
Direct Exp. payable	580
General overheads	8,252
Overheads outstanding	9,250
Plant installed at site at cost	41,500
Erection charges on site for plant	1,250
Scrap value of plant after its life of five years	2,750
Work certified	3,90,000
Cost of work not certified	9,000
Cash received from contractee	3,60,000

Prepare the Contract A/c, Contractee A/c and also show the amount of profit which you consider might be fair on the contract and how have you calculated the same.

- Q.6** A product passes through three process A, B and C. 10,000 units were issued to Process A in the beginning at cost Rs. 10 per unit. **(16)**

Prepare process account and necessary ledger accounts assuming that there was no opening and closing stock. The following information is made available.

<b>Particulars</b>	<b>Process A</b>	<b>Process B</b>	<b>Process C</b>
Sundry material Rs.	10,000	15,000	5,000
Wages Rs.	50,000	80,000	65,000
Direct expenses Rs.	15,300	18,100	30,828
Normal scrap %	3	5	8
Value of scrap per unit Rs.	2.50	5.00	8.50
Actual output, units	9,500	9,100	8,100

Seat	
No.	



**SK - 67**

**Total No. of Pages : 7**

**M.Com. (Part – II) (Semester – IV) (CBCS) (NEP-2020)**  
**Examination - April 2025**  
**DSE – A – I : ADVANCED ACCOUNTANCY (Paper -VII)**  
**(Cost Accounting)**  
**Sub. Code : 91741**

**Day and Date : Wednesday, 30/04/2025**

**Total Marks : 80**

**Time : 02.30 pm to 05.30 pm**

- Instruction :**
- 1) Question number 1, 2 and 3 are compulsory.
  - 2) Attempt any two questions from question number 4 to 6.
  - 3) Figures shown in right side indicate marks.

**Q.1. A) Choose the correct alternative given below.**

**[10]**

- 1) A step cost is also referred to as:
  - a) Variable cost
  - b) Semi-fixed cost
  - c) Sunk cost
  - d) Direct cost
- 2) Which of the following costs is included in the cost of production in a cost sheet?
  - a) selling expenses
  - b) Distribution expenses
  - c) Factory overheads
  - d) Profit
- 3) If the prime cost is Rs. 100,000, factory overhead is Rs. 50,000 and administrative overhead is Rs. 20,000, the cost of production will be :
  - a) Rs. 120,000
  - b) Rs. 150,000
  - c) Rs. 170,000
  - d) Rs. 180,000



SK - 67

- 4) In job costing, indirect costs are allocated to jobs using:
- a) Prime cost percentage
  - b) Predetermined overhead absorption rates
  - c) Actual factory overhead rates
  - d) Direct material cost percentage
- 5) In job costing, when a job is completed, the total cost of the job is transferred to :
- a) Work-in-progress account
  - b) Finished goods account
  - c) Cost of goods sold account
  - d) Overhead account
- 6) In contract costing, the profit to be credited to the Profit and Loss account is typically based on :
- a) The total estimated profit for the contract
  - b) The proportion of work completed
  - c) The stage of completion and cash received
  - d) The total contract value
- 7) In process costing, “normal loss” refers to:
- a) Losses caused by inefficiency in the production process
  - b) Expected losses inherent in the production process
  - c) Any loss of inventory due to theft or damage
  - d) Losses that exceed the planned production levels
- 8) In a process costing system, if opening work-in-progress (WIP) is 500 units (50% complete), and 2,000 units are introduced during the period, what are the equivalent units for labour if closing WIP is 400 units (40% complete)?
- a) 2,500 units
  - b) 2,260 units
  - c) 2,360 units
  - d) 2,100 units



**SK - 67**

- 9) In service costing, "cost per unit" is calculated by :
- Dividing total cost by total revenue
  - Dividing total cost by the total service provided
  - Adding fixed and variable costs for each service.
  - subtracting variable costs from fixed costs.
- 10) In service costing for a hotel, which of the following would be considered a variable cost?
- Salaries of front desk staff
  - Laundry expenses for guest rooms
  - Property tax on the building
  - Depreciation of furniture

**B) State the following statements are True or False**

**[6]**

- A cost sheet is prepared only for internal reporting purposes and is not shared with external stakeholders.
- Abnormal losses are generally not included in a cost sheet.
- In job costing, direct material costs are charged to a job based on standard costs, not actual costs.
- Job costing is used for continuous, repetitive manufacturing processes.
- Work-in-progress in contract costing includes the value of work done but not yet certified by the client.
- The key focus of process costing is on individual jobs, which are unique and can be traced back to a specific customer.

**Q. 2.** a) Explain cost center and cost unit with examples.

**[8]**

b) Distinguish between job costing and contract costing.

**[8]**

**OR**



SK - 67

OR

Q. 2. Short notes (any four)

[16]

- 1) Features of cost accounting
- 2) Element of cost
- 3) Escalation clause in contract costing
- 4) Joint product and byproduct
- 5) Features of process costing
- 6) Objectives of Transport costing

Q. 3. The following is the Trading and Profit and Loss account of Alex Co. for the year ending 31<sup>st</sup> March, 2022 in which half year 1000 refrigerators were manufactured and sold. [16]

**Trading and Profit and Loss Account**

Particulars	Rs.	Particulars	Rs.
To materials	80,000	By sales	4,00,000
To wages	1,20,000		
To Manufacturing exp	50,000		
To G/P C/D	1,50,000		
	4,00,000		4,00,000
To staff salaries	60,000	By GP/b/d	1,50,000
“Selling Exp”	30,000		
General Exp	20,000		
“Rent and Taxes	10,000		
N/P	30,000		
	1,50,000		1,50,000

For the year ending 31<sup>st</sup> March, 2023, it is estimated that:

- 1) The price of raw materials will increase by 20% on the previous year's level.
- 2) Rate of wages will rise by 5%





**SK - 67**

Its fixed administration expenses related to production activities amount to Rs. 1,50,000 and fixed marketing expenses amount to Rs. 2,50,000 per month respectively. The variable distribution cost amounts to Rs. 30 per unit.

It can market 100% of its output at Rs. 500 per unit provided it incurs the following further expenditure:

- a) It gives gift items costing Rs. 30 per unit of sale:
- b) It has lucky draws every month giving the first prize of Rs. 50,000; 2<sup>nd</sup> prize of Rs. 25,000, 3<sup>rd</sup> prize of Rs. 10,000 and three consolation prize of Rs. 5,000 each to customers buying the product.
- c) It spends Rs. 1,00,000 on refreshments served every month to its customers.
- d) It sponsors a television programme every week at a cost of Rs. 20,00,000 per month.

It can market 30% of its output at Rs. 550 per unit without incurring any of the expenses referred to in (a) to (d) above.

Prepare a cost sheet at 30% and 100% capacity levels showing per unit and total cost and profit.

**Q. 6.** The books of a manufacturing company present the following data for the month of April 2022: **[16]**

Direct labour cost Rs. 17,500 being 175% of works overhead. Cost of goods sold excluding administrative expenses Rs. 56,000.

Inventory account showed the following opening and closing balances:

Particulars	April 1		April 30
	Rs.		Rs.
Raw materials	8,000		10,600
Work in progress	10,500		14,500
Finished goods	17,600		19,000
Other data are:		Rs.	
Selling expenses		3,500	



**SK - 67**

General and administration expenses		2,500	
Sales for the month		75,000	

You are required to:

- 1) Compute the value of raw material purchased.
- 2) Prepare a cost statement showing the various elements of cost and also the profit earned.

---





SC-251

Total No. of Pages : 05

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

**M.Com. (Part-II) (Semester-IV) (CBCS)  
Examination, December 2024  
Advanced Accountancy**

**COST ACCOUNTING (Paper-VII)**

**Sub. Code : 91741**

**Day and Date: Friday, 13-12-2024**

**Total Marks: 80**

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

- Instructions:**
- 1) Question Nos. 1, 2 and 3 are compulsory.
  - 2) Attempt ANY TWO questions from Q.4 to Q.6.
  - 3) Figures to the right indicate full marks.

**Q.1 (A) Choose the correct alternative. (10)**

- 1) Cost accounting is the technique and process to of ascertain the .....  
(A) profit (B) price  
(C) cost (D) None of these
- 2) Direct materials + Direct labour + Direct expenses = .....  
(A) Prime cost (B) Cost of production  
(C) Cost of sales (D) Factory cost
- 3) If financial profit is Rs. 25,500 and goodwill written off is Rs. 5,000 and rent received is Rs. 3,500, the cost profit shall be .....  
(A) Rs. 26,000 (B) Rs. 27,000  
(C) Rs. 34,000 (D) Rs. 17,000



SC-251

- 4) Input in process is 10,000 units and normal loss is 20%. If finished output in the process is only 8,150 units, there is .....
- (A) neither abnormal loss nor abnormal gain  
(B) abnormal gain of 150 units  
(C) abnormal loss of 150 units  
(D) normal loss of 150 units
- 5) In hospital costing, the cost unit is .....
- (A) doctor (B) patient  
(C) hospital bed (D) staff
- 6) If the work certified is less than ..... of the contract price, no profit should be taken in to account.
- (A) 1/4 (B) 1/3  
(C) 2/4 (D) None of these
- 7) Which of the following items is NOT included in cost accounts?
- (A) Interest received on bank deposits  
(B) Debenture interest  
(C) Fines and penalties paid  
(D) All of these
- 8) Running charges of transport firm are .....
- (A) standing charges (B) semi variable expenses  
(C) variable expenses (D) semi fixed expenses
- 9) Indirect material in production process is ..... overheads.
- (A) selling (B) distribution  
(C) factory (D) administration
- 10) The process loss that does not affect the cost per unit is .....
- (A) Abnormal loss (B) Normal loss  
(C) Standard loss (D) Seasonal loss

**b) State true or false.**

**(6)**

- 1) There is no difference between Cost Centre and Cost Unit.
- 2) Job cost sheet may be prepared for estimating the profit in the job.
- 3) Driver's wages in a transport firm may be treated as either a standing charge or a running charge.
- 4) Separate contract account is opened for each contract to ascertain profit or loss.
- 5) Normal process loss is transferred to costing profit and loss A/C.
- 6) Rent on own building is not included in cost accounting.



**SC-251**

**Q.2 Write short notes on the following. (Any four)**

**(16)**

- 1) Purely financial expenses or charges
- 2) Objectives of cost accounting
- 3) Features of job costing
- 4) Features of contract costing
- 5) Characteristics of operating costing
- 6) Normal loss

**Q.3 Kedar Electric Ltd., Kolhapur manufactured and sold 500 refrigerators in the year ending 31.3.2021. The summarized Trading and Profit and Loss account is set below: (16)**

To cost of materials	80,000	By sales	4,00,000
To direct wages	1,20,000		
To other manufacturing cost	50,000		
To gross profit	1,50,000		
	<b>4,00,000</b>		<b>4,00,000</b>
To management and staff salaries	60,000	By gross profit	1,50,000
To rent, rates and insurance	10,000		
To selling expenses	30,000		
To general expenses	20,000		
To net profit	30,000		
	<b>1,50,000</b>		<b>1,50,000</b>

**For the year ending 31.3.2022, it is estimated that:**

- a) Output and sales will be 600 refrigerators.
- b) Price of the materials will go up to by 20% from the level of previous year.
- c) Wages will rise up by 5%.
- d) Manufacturing costs will rise in proportion to the combined cost of materials and wages.
- e) Selling cost per unit will remain unaffected.
- f) Other expenses will also remain constant.

You are required to submit a statement to the Board of Directors showing the price at which the refrigerators should be marketed so as to show profit of 25% on selling price.



SC-251

Q.4 Product A is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the month ending on 31<sup>st</sup> March 2022.

(16)

Particulars	Total Rs.	Process		
		I	II	III
Direct material	7,542	2,600	1,980	2,962
Direct wages	9,000	2,000	3,000	4,000
Production overheads	9,000	---	---	---

1,000 units at Rs. 3 per unit were introduced to Process I, there was no stock of material or work-in-progress at the beginning or end of the period. The output of each process passes direct to next process and finally to finished stores. Production overhead is recovered @ 100% of direct wages. The following additional data are obtained.

Process	Output	% of normal loss to input	Value of scrap per unit
I	950	5%	2
II	840	10%	4
III	750	15%	5

Prepare process cost accounts and abnormal gain or loss account.

Q.5 Modern Contractors have undertaken the following two contracts on 1<sup>st</sup> January.

Particulars	Contract A	Contract B
Material sent to sites	85,349	73,267
Labour engaged on sites	74,375	68,523
Plants installed at sites at cost	15,000	12,500
Direct expenditure	3,167	2,859
Establishment charges	4,126	3,852
Materials returned to store	549	632
Work certified	1,95,000	1,45,000
Cost of work not certified	4,500	3,000
Materials on hand as on 31 <sup>st</sup> December	1,883	1,736
Wages accrued on 31 <sup>st</sup> December	2,400	2,100
Direct expenses incurred on 31 <sup>st</sup> December	240	180
Value of plant on 31 <sup>st</sup> December	11,000	9,500

The contract price have been agreed at Rs. 2,50,000 for contract A and Rs. 2,00,000 for contract B. Cash has been received from contracts as follows:

Contract A - Rs. 1,80,000

Contract B - Rs. 1,40,000

Prepare: A) Contract Accounts and Contractee's in the books of contractor. (8)

B) Show how the work in progress shall appear in the balance sheet of the contractor. (8)



- Q.6** The net profit of A Co. Ltd. appeared at Rs. 41,800 as per financial records for the year ending 31<sup>st</sup> March 2021. The cost books, however, showed a net profit of Rs. 1,11,900 for the same period. A scrutiny of the figures from both the sets of accounts revealed the following facts: (16)

Particulars	Rs.
Works overhead under-recovered costs	1,500
Administrative overheads over-recovered in costs	850
Depreciation charged in financial accounts	5,600
Depreciation recovered in costs	6,250
Interest on investments not included in costs	3,000
Loss due to obsolescence charged in financial accounts	2,850
Income-tax reserve made in financial accounts	20,150
Bank interest and transfer fee credited in financial books	370
Stores adjustments (credit) in financial books	230
Value of opening stock in : Cost accounts	24,800
Financial accounts	26,300
Value of closing stock in : Cost accounts	25,000
Financial accounts	23,000
Interest charged in cost accounts	2,000
Imputed rent charged in cost accounts	1,000
Goodwill written off	5,000
Loss on the sale of furniture	600
Selling and distribution expenses not charged in cost A/cs	10,000
Donations to Prime Minister's Relief Fund	5,100
Transfer to Debenture Redemption Fund	9,000
Transfer to Dividend Equalization Fund	20,500

Prepare a statement showing the reconciliation of net profit as per accounts and net profit shown in the financial books.



Seat No. 

M.com. II Sem. IV

**MAR-APR 2025 SUMMER EXAMINATION**

7830 Master of Commerce

**Sub. Name: Advanced Accountancy Paper- VIII (Contemporary Issues in Accounting)****Sub. Code: 91742****Day and Date: MAY ,02-05-2025****Total Marks: 80****Time: 02:30 PM To 05:30 PM****Instructions:**

- Special Inst.:** Instructions: 1.Question number 1,2 and 3 are compulsory.  
 2. Attempt any 2 question from question number 4 to Question number 6  
 3. Figures shown in right side indicate marks

**Q1) A.** Choose correct alternative given below**[10]**

i. 1.What is segmental reporting primarily intended to provide?

- A. Information about the overall profitability of a company
- B. Information about the financial performance of different segments of a company
- C. Information on the share price movement
- D. Information on the company's tax obligations

ii. Cap-and-trade system is

- A. A system where companies are forced to buy carbon credits only from renewable energy projects
- B. A system where governments allocate carbon credits, and companies can trade them to meet emission targets
- C. A system that penalizes companies that do not reduce their emissions
- D. A global carbon tax that applies to all businesses

iii. A company has the following data: Total Revenue = Rs 500,000, Cost of Raw Materials = Rs 150,000, Cost of Services = Rs 50,000, Wages = Rs 100,000, Interest on Loans = Rs 20,000, Dividends Paid = Rs 30,000. What is the value added?

- A. Rs 300,000
- B. Rs 500,000
- C. Rs 170,000
- D. Rs 200,000

iv. "Reportable Segment" under IFRS 8 is



- A. A segment that contributes at least 5% of the total revenue, profit, or assets of the company
  - B. A segment that is audited by external auditors
  - C. A segment that has operations in multiple countries
  - D. A segment identified by the company's shareholders
- v. The Value Added Statement helps to assess
- A. A company's profitability over a period of time
  - B. The contribution of labor and capital in the value-creation process
  - C. The performance of the management team
  - D. The cash flow of the company
- vi. In the CAA method of inflation accounting, the primary focus is on
- A. Adjusting historical costs to current levels of purchasing power
  - B. Revaluing assets based on market prices
  - C. Calculating the tax implications of inflation
  - D. Reporting income based on nominal figures
- vii The primary objective of event-driven trading is
- A. To profit from broader market trends
  - B. To capitalize on specific events such as mergers, acquisitions, earnings
  - C. To trade based on the overall economic conditions
  - D. To exploit short-term market inefficiencies using technical analysis
- viii The adjustment of the cost of assets to their replacement cost under CAA accounting method primarily aims to
- A. Minimize the impact of inflation on income statements
  - B. Ensure that assets are reported at their original purchase price
  - C. Reflect the current economic value of assets in financial statements
  - D. Adjust liabilities based on changes in market conditions
- ix. The distribution of value added in a company, as shown in the Value Added Statement, typically includes all except
- A. Wages and salaries
  - B. Payments to shareholders in the form of dividends
  - C. Interest payments on loans
  - D. Depreciation of assets
- x. Volatility arbitrage typically involves



- A. Betting on the direction of a stock price based on news events
- B. Trading based on predicted changes in the implied volatility of options relative to actual volatility
- C. Taking advantage of inefficiencies between spot and futures prices
- D. Trading options exclusively on high volatility stocks

- B.**
1. Under the CAA method, both income and asset values are adjusted for inflation. [6]
  2. In the Value Added Statement, the cost of services refers only to the costs incurred from external suppliers providing services to the company.
  3. CSR only focuses on environmental sustainability and ignores social issues.
  4. The Value Added Statement calculates the net profit of a company.
  5. Day trading typically involves holding positions overnight to capture larger price movements over multiple days.
  6. CSR is mainly beneficial for large corporations and does not apply to small businesses.

**Q2)** Short Notes (Any 2 Out Of 3) [16]

1. Explain Segmental Reporting and Scope of Forensic Accounting
2. Discuss Hybrid method of Inflation Accounting
3. Provisions of Accounting standards 31 and 32 along with Features of option trading

**Q3)** A broker starts a business on January 1 with Rs 100000 cash and no other assets and liabilities. He buys shares on January 1 for Rs 100000 and sells half of the shares for Rs 88000 on June 30. During the year, general price level has increased by 12.35% (7% in the first 6 months and 5% in last 6 months of the year) The current cost of shares which were bought on January 1 for Rs 50000 was Rs 73500 on June 30, and 84000 on December 31. [16]

From the above information, you are required to prepare the financial statements under alternative accounting method, viz, historical cost accounts, purchasing power adjusted accounts, current cost accounts and specific and general price adjusted accounts

**Q4)** You are required to calculate the Economic Value added by using the following information of Palak Ltd. [16]

Equity shares of Rs 100 each	45,00,000
Reserve and Surplus	35,00,000
10% Debentures of Rs 100 each	60,00,000
Dividend Expectations of Equity Shareholders	16%
Prevailing Corporate Tax Rate	30%
Financial Leverage	1.2 times

**Q5)** From the following particulars, ascertain the values of cost of sales and closing stock as per CPP method [16]



QP-5080

Stock on 1/1/24 Rs 20000  
Purchases during 2024 Rs 60000  
Stock on 31/12/24 Rs 24000  
Price Index on 1/1/2024 150  
Price Index on 31/12/2024 240  
Average Price Index for 2024 180

Q6) Prepare value added statement

[16]

Pooja Auto Engineering Co. has following data on 31st December 2024:

Particulars	Amount
Sales	13,72,000
Opening stock of raw materials and Finished goods	4,20,000
Closing stock of raw materials and Finished goods	3,00,000
Purchase of raw materials	5,00,000
Carriage on purchase	25,000
Wages and salary	1,75,000
Factory, office and selling and distribution expenses	2,50,000
Depreciation	40,000
Interest on loan	10,000
Tax paid	45,000
Dividend paid	90,000

## End Of Question Paper

**Important Note for Chief Exam Officer / SRPD Coordinator / Sr Supervisor/ Student -**

This Question Paper may be distributed for following Subjects as common code.

सदरची प्रश्नपत्रिका खालील विषयांकरिता वितरित करता येईल.

1] (7828) Master of Commerce  
(CBCS) (NEP 20)

(91742) Advanced Accountancy Paper- VIII  
(Contemporary Issues in Accounting)

Part 2 SEM 4



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

**SK - 54**

**Total No. of Pages : 6**

**M.Com. (Part II) (Semester – IV) (CBCS)**

**Examination – May 2025**

**ADVANCED ACCOUNTANCY – VIII**

**(Contemporary Issues in Accounting)**

**Sub. Code : 73758/84232/84436**

**Day and Date : Friday, 02/05/2025**

**Total Marks : 80**

**Time : 02.30 pm to 05.30 pm**

**Instructions : 1) Question number 1, 2 and 3 are compulsory**

**2) Attempt any two questions from question number 4 to 6**

**Q. 1. A) Choose correct alternative.**

**[10]**

- 1) In inflation accounting, which of the following methods is used to adjust historical cost figures?
  - A) Discounted cash flow method
  - B) Current cost accounting
  - C) Cash basis accounting
  - D) Accrual basis accounting
- 2) Under which circumstances is inflation accounting typically applied?
  - A) In periods of deflation
  - B) In periods of stable prices
  - C) In periods of high inflation
  - D) In periods of economic recession



**SK - 54**

- 3) Which financial statement is most affected by inflation?
  - A) Income statement
  - B) Statement of cash flows
  - C) Balance sheet
  - D) Statement of retained earnings
- 4) What is the primary objective of Economic Value Added (EVA)?
  - A) Maximizing shareholder wealth
  - B) Maximizing revenue
  - C) Maximizing net income
  - D) Minimizing operational costs
- 5) How is Economic Value Added calculated?
  - A) Revenue minus expenses
  - B) Net income minus taxes
  - C) Net operating profit after taxes minus cost of capital
  - D) Gross profit minus operating expenses
- 6) Which of the following is a component of Economic Value Added?
  - A) Accounts receivable
  - B) Interest expense
  - C) Goodwill
  - D) Retained earnings
- 7) How are financial instruments initially recognized in financial statements?
  - A) At fair value
  - B) At historical cost
  - C) At par value
  - D) At present value
- 8) Which financial instrument is categorized as a financial asset?
  - A) Bank loan received from a customer
  - B) Long-term investment in land
  - C) Patent owned by the company
  - D) Machinery used in production

- 9) Under IFRS 9, how are financial assets classified?
- A) Amortized cost, fair value through profit or loss, and fair value through other comprehensive income
  - B) Held-to-maturity, available-for-sale, and trading
  - C) Current assets, non-current assets, and contingent assets
  - D) Tangible assets, intangible assets, and financial assets
- 10) Which financial instrument is categorized as a financial liability?
- A) Treasury stock
  - B) Long-term bond issued by the company
  - C) Investment in stocks of another company
  - D) Land owned by the company



**B) State True or False**

[6]

- 1) Financial instruments classified as held-to-maturity are measured at fair value, with changes recognized in other comprehensive income.
- 2) Derivatives are always classified as financial liabilities under IFRS 9.
- 3) Economic Value Added is based on the concept of net present value.
- 4) Economic Value Added considers a company's performance relative to its industry peers.
- 5) The Consumer Price Index (CPI) is commonly used as a measure of inflation in inflation accounting.
- 6) In periods of high inflation, the use of historical cost accounting tends to overstate the value of assets on the balance sheet.

**Q. 2. Write Short Answers. (Any 2 out of 3)**

[16]

- a) Significance of Forensic Accounting
- b) Corporate Social Responsibility
- c) Concept of Carbon Credit



**SK - 54**

**Q. 3. Problem**

**[16]**

Following is the balance sheet of Anil Ltd as at 31<sup>st</sup> March, 2023.

Liability	Rs.	Assets	Rs.
Share Capital	160000	Fixed Assets	160000
Total	160000	Total	160000

- 1) The replacement cost of the Fixed Assets on 31<sup>st</sup> March, 2023 is Rs. 200000.
- 2) General Price Index is increased by 10%.
- 3) The fixed asset is sold for Rs 2,40,000.

Find out the profit or loss on sale of fixed Asset and prepare balance sheet according to Historical Cost Method, Current Purchasing Power Method and Current Cost Accounting method.

**Q. 4. Problem**

**[16]**

Indian Commercial Bank has criterion that it will give loan companies that have an economic value added greater than Zero for the past three years on average. The bank is considering lending money to a small company that has the economic value characteristics shown below. Does that meet the bank criteria for a positive economic value added? The data relating to the company is as follows:

- 1) Average operating income before tax equal Rs. 50,00,000 per year for the last three years.
- 2) The average tax rate for 3 years equals to 35.875%.
- 3) The average total assets of company over the past three years equals Rs. 1,50,00,000.
- 4) The weighted average cost of capital appropriate for the company equals 10% which is applicable to all three years.
- 5) The company average current liabilities over the past three year equals Rs. 30,00,000.





**SK - 54**

Depreciation	1000	16000
Profit before tax		<b>4000</b>
Less: Income Tax (50%)		2000
Profit after tax		<b>2000</b>
Less: Dividend		1000
<b>Balance Representing Retained Earning</b>		<b>1000</b>



**SC-186**

Total No. of Pages : 05

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

**M.Com. (Part-II) (Semester-IV) (CBCS)**

**Examination, December 2024**

**Advanced Accountancy**

**Contemporary Issues in Accounting (Paper-VIII)**

**Sub. Code : 73758 / 84232 / 84436**

**Day and Date: Saturday, 14-12-2024**

**Total Marks: 80**

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

- Instructions:**
- 1) Question Nos. 1, 2 and 3 are compulsory.
  - 2) Attempt ANY TWO questions from Q.4 to Q.6.
  - 3) Figures to the right indicate full marks.

**Q.1 (A) Choose the correct alternative. (10)**

- 1) What is inflation accounting?
  - (A) Accounting for the effects of changing prices on financial statements
  - (B) Accounting for changes in the Consumer Price Index (CPI)
  - (C) Accounting for changes in exchange rates
  - (D) Accounting for changes in interest rates
- 2) Which of the following is a primary objective of inflation accounting?
  - (A) To reflect the purchasing power of money
  - (B) To report historical cost figures
  - (C) To inflate reported profits
  - (D) To minimize the impact of inflation
- 3) What is Economic Value Added (EVA)?
  - (A) A measure of a company's revenue generation
  - (B) A measure of a company's net income
  - (C) A measure of a company's profit after deducting its cost of capital
  - (D) A measure of a company's total assets



- 4) Who developed the concept of Economic Value Added (EVA)?  
(A) Warren Buffet (B) Peter Drucker  
(C) Joel Stern (D) Michael Porter
  
- 5) What are financial instruments?  
(A) Documents issued by financial institutions  
(B) Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity  
(C) Physical assets such as machinery and equipment  
(D) Legal documents for investment purposes
  
- 6) Which accounting standard governs the accounting for financial instruments under International Financial Reporting Standards (IFRS)?  
(A) IFRS 15 (B) IFRS 9  
(C) IFRS 16 (D) IFRS 10
  
- 7) Which accounting method attempts to adjust financial statements for inflation?  
(A) FIFO (First-In, First-Out)  
(B) LIFO (Last-In, First-Out)  
(C) Current purchasing power method  
(D) Straight-line depreciation method
  
- 8) Economic Value Added is based on the concept of .....  
(A) historical costs (B) market value  
(C) replacement costs (D) net present value
  
- 9) Which financial instrument is categorized as a financial liability?  
(A) Treasury stock  
(B) Long-term bond issued by the company  
(C) Investment in stocks of another company  
(D) Land owned by the company
  
- 10) How are changes in the fair value of financial instruments classified as fair value through profit or loss recognized?  
(A) In equity (B) In other comprehensive income  
(C) In profit or loss (D) As adjustments to retained earnings

SC-186

(6)



b) State true or false.

- 1) Inflation accounting is mandated by law in most countries to ensure fair and accurate financial reporting.
- 2) Inflation accounting methods always result in higher reported profits compared to traditional accounting methods.
- 3) Economic Value Added is a measure of a company's total assets.
- 4) Economic Value Added helps in assessing a company's long-term shareholder value creation.
- 5) The primary purpose of fair value measurement for financial instruments is to simplify accounting.
- 6) Fair value measurement for financial instruments should be based solely on observable market prices, even if those prices are not current.

Q.2 Write short notes. (Any two)

(16)

- 1) Segment Reporting
- 2) Objectives and importance of Inflation Accounting
- 3) Current purchasing power method

Q.3 Problem.

(16)

Compute monetary gain or loss from the following information.

Particulars	Opening	Closing
Cash	40,000	50,000
Debtor	1,00,000	1,20,000
Creditor	1,40,000	1,60,000
Loan	60,000	60,000

Rates:

Opening Rate : 200

Average Rate : 210

Closing Rate : 230



SC-186

(16)

**Q.4 Problem.**

Following are the balance sheets and profit and loss accounts of Ganesh & Co. as on 31<sup>st</sup> March 2020.

Liabilities	Rs.	Assets	Rs.
Share Capital	10,00,000	Plant and Machinery	6,00,000
Profit and Loss A/c	1,50,000	Motor car	1,20,000
Trade creditors	2,70,000	Closing stock	3,00,000
		Sundry debtors	2,00,000
		Cash in hand	2,00,000
	<b>14,20,000</b>		<b>14,20,000</b>

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

Liabilities	Rs.	Assets	Rs.
Share Capital	10,00,000	Plant and Machinery 6,00,000 Less Dep. 60,000	5,40,000
Profit and Loss A/c	3,50,000	Motor car 1,20,000 Less Dep. 12,000	1,08,000
Trade creditors	70,000	Closing stock	2,40,000
		Sundry debtors	3,00,000
		Cash in hand	2,32,000
	<b>14,20,000</b>		<b>14,20,000</b>

Profit and Loss Account for the year ended on 31<sup>st</sup> March 2021

Particulars	Rs.	Particulars	Rs.
To Opening stock	3,00,000	By Sales	24,00,000
To Purchases	17,40,000	By Closing stock	2,40,000
To Depreciation	72,000		
To other expenses	3,28,000		
To Net profit c/d	2,00,000		
	<b>26,40,000</b>		<b>26,40,000</b>

**Other information:**

- 1) Replacement cost on 31<sup>st</sup> March 2021 : Inventory ₹ 3,00,000, plant and machinery ₹ 6,60,000, Motor car ₹ 1,00,000.
- 2) The replacement cost of goods sold on the dates the sales were done worth ₹ 20,00,000

Prepare restatement of profit and loss for the year ended 31<sup>st</sup> March 2021 and balance sheet as on that date under CCP method.

**Q.5 Problem.**

(16)

Following are the details of M/s. Manjushri and Company for the given period.

Particulars	Historical Cost	Price Index
Opening Stock on 1 <sup>st</sup> April 2014	20,000	110
Purchases during the year 2014-2015	1,30,000	125
Closing stock	22,000	150

Ascertain (i) Cost of sale, (ii) Closing inventory as per CPP Method under LIFO.

**Q.6 Problem.**

(16)

Prepare Value Added Statement from following income statement of Ajay Company Ltd.

**Income Statement**

Particulars	Rs.	Rs.
Sales		20,000
Less : Material consumed	8,000	
Wages paid	4,000	
Interest paid	2,000	
Insurance premium	500	
Auditors fees	300	
Rent	200	
Depreciation	1,000	16,000
<b>Profit before tax</b>		<b>4,000</b>
Less : Income Tax (50%)		2,000
<b>Profit after tax</b>		<b>2,000</b>
Less : Dividend		1,000
<b>Balance representing retained earning</b>		<b>1,000</b>





**SC-180**

Total No. of Pages : 05

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

**M.Com. (Part-II) (Semester-IV) (CBCS)**

**Examination, December 2024**

**Management Accounting**

**Management Control System (Paper-II)**

**Sub. Code : 73755**

**Day and Date: Wednesday, 11-12-2024**

**Total Marks: 80**

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

- Instructions:**
- 1) Question Nos. 1, 2 and 3 are compulsory.
  - 2) Attempt ANY TWO questions from Q.4 to Q.6.

**Q.1 (A) Choose the correct alternative. (10)**

- 1) In the process of Management Control System, the next step after setting performance standards is .....  
(A) analyzing deviations (B) taking correcting action step  
(C) measurement of actual performance (D) None of these
- 2) Only significant deviations which go beyond the permissible limit should be brought to the notice of management is called .....  
(A) Management by Exception (B) Critical Point Control  
(C) Break Even Analysis (D) ABC Analysis
- 3) Contribution price  $\equiv$  .....  
(A) Selling price - Variable cost  
(B) Selling price - Fixed cost  
(C) Selling price - Fixed and variable cost  
(D) Selling price - Profit



- 4) The Break-even point is the point at which .....
- (A) there is no profit nor loss
  - (B) contribution margin is equal to total fixed cost
  - (C) total revenue is equal to total cost
  - (D) All of these
- 5) On sales of Rs. 2,00,000, fixed cost is Rs. 30,000 and P/V ratio is 40%. What is profit?
- (A) Rs. 12,000
  - (B) Rs. 1,20,000
  - (C) Rs. 80,000
  - (D) Rs. 50,000
- 6) With the help of ..... analysis, it is possible to decide which product is most profitable and least profitable.
- (A) ROI
  - (B) CVP
  - (C) NPV
  - (D) BEP
- 7) Budgets are helpful in .....
- (A) controlling cost
  - (B) controlling activities
  - (C) controlling business
  - (D) All of these
- 8) Sales budget, purchase budget, production budget, labour budget are the examples of ..... budget.
- (A) Functional
  - (B) Optional
  - (C) Financial
  - (D) None of these
- 9) Standard cost is ..... cost.
- (A) predetermined
  - (B) determined
  - (C) not determined
  - (D) All of these
- 10) Volume variance arises because of .....
- (A) increase in overhead rate per hour
  - (B) decrease in overhead rate per hour
  - (C) change in actual output
  - (D) difference in overhead rate per hour

**b) State true or false. (06)**

- 1) A budget coordinates the activities of various departments.
- 2) Idle time variance is always unfavourable.
- 3) Margin of safety can be improved by lowering fixed cost.
- 4) A flexible budget is one that is prepared for changing level of activity.
- 5) The reports to the top management should be in a summarised form.
- 6) P/V ratio can be used to calculate BEP and ascertained required sales to achieve a desired level of profit.



- Q.2 a)** What is management control system? Explain the process of MCS. (08)
- b)** Define 'Budget' and 'Budgetary Control'. State the advantages of budgetary control. (08)

**OR**

**Q.2 Write short notes on the following. (Any four)** (16)

- 1) Importance of cash budget.
- 2) Net Present Value (NPV)
- 3) Strategic Planning
- 4) Profit-Volume Ratio (P/V Ratio)
- 5) Break-Even Analysis
- 6) Profitability Index (PI)

**Q.3** A cost sheet shows the following situations prevailing in Star Ltd., which is facing depression. (16)

Direct Material		50,000
Direct Wages		20,000
Overheads:		
Variable	Rs. 10,000	
Fixed	Rs. 20,000	30,000
Total Cost		1,00,000
Sales 4,000 units @ Rs. 23 per unit		<u>92,000</u>
Loss		<u>8,000</u>

There is no sign of improvement in the situation. Therefore, the management wants to know whether it is desirable to stop the production. What should be the minimum price at which company should shut down its production?

**Q.4** Data about a company for March, 2015 is as follows: (16)

Total direct labour		Rs. 4,320
Direct standard hours		2,000 Hours
Standard wage rate per hour		Rs. 2
Actual paid hours		1,800 Hours
Abnormal idle time		80 Hours



- Calculate: 1) Actual wage rate per hour  
2) Labour cost variance  
3) Wage rate variance  
4) Labour efficiency variance  
5) Idle time variance

**Q.5** The following data is available in ABC Co. Ltd., for the year ended on 31-3-2021. (16)

Fixed expenses	Wages and salary	9,50,000
	Rent and rates	6,60,000
	Depreciation	7,40,000
	Administrative expenses	6,50,000
Semi-variable expenses (at 50% capacity)		
	Repairs and maintenance	3,50,000
	Indirect labour	7,90,000
	Sales department salaries	3,80,000
	Administrative salaries	2,80,000
Variable expenses (at 50% capacity)		
	Material	21,70,000
	Labour	21,40,000
	Other expenses	7,90,000
	<b>Total cost</b>	<b>99,00,000</b>

- a) Fixed expenses remain constant at all levels of production.  
b) Semi-variable expenses remain constant between 45% and 65% capacity, increasing by 10% between 65% and 80% capacity and 20% between 80% and 100% capacity.  
c) Sales at various levels of capacity are (Rs. 000)
- |               |                 |
|---------------|-----------------|
| 50% capacity  | Rs. 1,00,00,000 |
| 60% capacity  | Rs. 1,20,00,000 |
| 75% capacity  | Rs. 1,50,00,000 |
| 90% capacity  | Rs. 1,80,00,000 |
| 100% capacity | Rs. 2,00,00,000 |

Prepare flexible budget for the year 2021-22 and forecast the profit at each level of capacity.



- Q.6** A company is expecting to have Rs. 32,000 cash in hand on 1st April 2021 and it requires you to prepare cash budget for 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:**

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

