



**B.Com. (Semester - V) Examination, October 2009**  
**INDUSTRIAL MANAGEMENT**

Duration : 2 Hours

Maximum Marks : 80

- Instructions:** i) *All questions are compulsory, however internal choice is available.*
- ii) *Answer sub-questions in Question 1 and Question 2 in not more than 100 words each.*
- iii) *Answer questions from Question 3 to Question 6 in not more than 400 words each.*
- iv) *Figures to the right indicate maximum marks to the questions.*
- v) *Paper carries maximum of 80 marks.*

1. Answer in brief **any four** of the following : (4×4=16)
- Mention the basic principles of F.W. Taylor's scientific management.
  - State any four points of importance of industrial management.
  - List the main activities of National Productivity Council.
  - Enumerate the steps in Work Sampling as a technique of Work Measurement.
  - Give any four reasons to support rationalisation of Indian industries.
  - Write a short note on : Role of Indian Government to facilitate rationalisation of industries.
2. Write short notes on **any four** of the following : (4×4=16)
- Objectives of Critical Path Method
  - Steps in Deming Wheel
  - ISO-9000
  - Occupational Hazards
  - Objectives of Safety Management
  - Concept of Occupational Health.



3. A) Discuss the various factors that influence industrial productivity.

OR

3. B) Suggest suitable measures to improve productivity of Indian industries.

4. A) Explain the steps involved in method study and its importance to industrial units.

OR

4. B) Describe the technological and human aspects of rationalisation.

5. A) Elaborate the benefits and principles of Total Quality Management.

OR

5. B) Explain the concept of Quality Circles and their main features.

6. A) Describe the various causes of industrial accidents.

OR

6. B) Explain the code of practices in industries for accident prevention.

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SM – 02

B.Com. (Semester – V) Examination, October 2009

**BUSINESS ECONOMICS – INTERNATIONAL TRADE AND FINANCE**

Duration : 2 Hours

Max. Marks : 80

**Instructions :** 1) All questions are compulsory; however **internal choice** is available.

2) Figures to the **right** indicate **maximum** marks.

3) Start **each** new question on a **fresh** page.

4) Answers to questions 3 to 6 must be of approximately **400** words **each**.

Write short notes (in approximately **100** words **each**) on **any four** : **(4×4=16)**

- i) Any two sources of gains from trade
- ii) Multinational Corporations and International Trade
- iii) Any two participants in the foreign exchange market
- iv) The credit function of the foreign exchange market
- v) Exchange rate quotations
- vi) Buying and selling rates for foreign currencies.

Write short notes (in approximately **100** words **each**) on **any four** : **(4×4=16)**

- a) Any four points of distinction between autonomous and accommodating transactions
- b) The concept of Balance of Trade
- c) Deflation as a measure to correct Balance of Payments disequilibrium
- d) Any two reasons why tariffs are better than quotas
- e) Principle of non-discrimination adopted by the World Trade Organization
- f) Infant industry argument for protection.

P.T.O.



3. a) Developing countries often face continuous deterioration in their terms of trade. Elaborate upon the reasons for such deterioration.

OR

3. x) Write a brief explanation of how technology and product differentiation help to explain international trade.
4. a) How is a fixed exchange rate system superior to a system of floating exchange rates ?

OR

4. x) Describe any two transactions that take place in the foreign exchange market.
5. a) List and briefly explain the various items in the current account of a country's Balance of Payments.

OR

5. x) What is meant by disequilibrium in a country's Balance of Payments ? What are the factors responsible for causing long-term Balance of Payments disequilibrium ?
6. a) Elaborate upon the arguments put forward in favour of a free trade policy.

OR

6. x) Describe the new non-tariff barriers to trade.

**B.Com. (Semester - V) Examination, October 2009**  
**ENTREPRENEURSHIP MANAGEMENT**

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- All questions are **compulsory**, however internal choice is available.
  - Answer sub-questions in Question 1 and Question 2 in not more than **100 words each**.
  - Answer questions from Question 3 to Question 6 in not more than **400 words each**.
  - Figures to the right indicate **maximum** marks to the question/sub-question.
  - Paper carries maximum of **80 marks**.

1. Answer **any four** of the following :

- Origin and growth of entrepreneurship
- Qualities of an entrepreneur – any 4
- Sociological theory of entrepreneurship
- Imitative entrepreneur
- Delphi technique
- Concept of intrapreneur.

16

2. Answer **any four** of the following :

- Importance of project report
- Feasibility analysis
- Project appraisal
- Process need as a factor of purposeful innovation
- Role of incubation centres
- Techno-economic analysis.

16

a) Describe the skills required for entrepreneurship.

12

OR

x) Explain the functions of an entrepreneur.

12

P.T.O.



4. a) Describe the role of entrepreneurship in economic development of our country.

OR

x) Explain the various theories of entrepreneurship.

5. a) Describe the steps involved in identification of a business opportunity.

OR

x) Explain the contents of a project report.

6. a) Explain the principles of purposeful innovation.

OR

x) Explain the factors of purposeful innovation.

OR

OR

OR



**B.Com. (Semester – V) Examination, October 2009**  
**AUDITING (Major Paper – III)**

Duration : 2 Hours

Total Marks : 80

- Instructions:** i) *All questions are compulsory, however internal choice is available.*  
ii) *Answer sub-questions in Question No. 1 and Question No. 2 in not more than 100 words.*  
iii) *Answer Question No. 3 to Question No. 6 in not more than 400 words.*  
iv) *Figures to the right indicate maximum marks for respective question/sub-question.*

1. Answer **any four** of the following :

(4×4=16)

- Explain periodical audit.
- What is peer review ?
- What is routine checking ?
- Mention the items included in current and permanent file.
- Write short note on internal check system.
- Distinguish between Internal audit V/s External audit.

2. Answer **any four** of the following :

(4×4=16)

- What is internal control ?
- Explain the meaning and objects of vouching.
- Explain the types of vouchers.
- Describe valuation of stock at cost or market price whichever is low.
- Distinguish between verification and valuation.
- Enumerate the main objectives of verification of fixed assets.



3. Define an audit. State and explain the various objects of audit. 12

OR

Describe the classification of audit on the basis of objects. 12

4. What points are to be borne in mind by the auditor before the commencement of the audit ? 12

OR

What is an audit programme ? Describe its advantages and disadvantages. 12

5. a) What is an internal control questionnaire ? Explain its merits and demerits. 8

b) As an auditor how would you vouch the item salaries and wages ? 4

OR

c) What are the general considerations in framing the system of internal check in an organisation ? 8

d) As an auditor how would you vouch the item sale of investments ? 4

6. Distinguish between verification and vouching. What special points should be considered while doing vouching ? 12

OR

How will you verify the following items : 12

a) Plant and Machinery

b) Copy rights

c) Secured loans.

(3×4=12)



## B.Com. (Semester - V) Examination, October 2009

## ADVANCED ACCOUNTING

## Major - I : Financial Accounting, Auditing and Taxation

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) Question No. 1 is compulsory.
  - 2) Attempt any three questions from the remaining.
  - 3) Each question carries 20 marks.
  - 4) Working notes required wherever necessary.

Anurag Ltd. decided to redeem their preference shares on 31<sup>st</sup> March 2009. On that date their position was as under :

Liabilities	Rs.	Assets	Rs.
Share Capital :		Fixed Assets	6,00,000
4000 Equity Shares of Rs. 100 each fully paid	4,00,000	Investments	1,50,000
2000 8% redeemable Preference Shares of Rs. 100 each fully called up	2,00,000	Current Assets :	
Less : Calls in arrears (final call of Rs. 20 per share)	<u>2,000</u>	Sundry debtors	60,000
	1,98,000	Stock	1,00,000
Reserves and surplus :		Bank balance	1,40,000
Share Premium	12,000		
Capital Redemption Reserve	90,000		
General Reserve	1,10,000		
Profit and Loss A/c	50,000		
Secured Loan	1,00,000		
Unsecured Loan	40,000		
Current Liabilities	50,000		
	<b>10,50,000</b>		<b>10,50,000</b>

On getting a reminder about payment of calls-in-arrears, preference shareholders holding 50 preference shares paid their dues. The remaining preference shareholders were not able to pay. Consequently, the directors forfeited those preference shares and re-issued them as fully paid on receiving Rs. 3,000.

Thereafter, the preference shares were redeemed at a premium of 5%. To enable the redemption to be carried out the company decided to issue new Equity shares



of Rs. 100 each at a premium of 10% in a number just sufficient for the purpose after taking into account reserves which in law are available for the purpose of redemption. The redemption is duly carried out after the company arranged for Bank Overdraft.

After the redemption the Board of Directors decided to issue one share as bonus for every two equity shares held. The bonus shares so issued were of Rs. 100 each at par.

Pass necessary journal entries recording the above transactions and prepare a post-redemption Balance Sheet of the company.

2. The following records of the receipts and issues of materials in a factory are obtained during the month of January 2009.

1-1-09	Opening balance	500 tons @ Rs. 20
2-1-09	Issue	200 tons
5-1-09	Receipts	600 tons @ Rs. 14
7-1-09	Issue	500 tons
9-1-09	Receipts	800 tons @ Rs. 10
10-1-09	Issue	400 tons
15-1-09	Refund of surplus	200 tons @ Rs. 22
18-1-09	Issue	800 tons
25-1-09	Refund of surplus	200 tons @ Rs. 20
27-1-09	Issue	200 tons
31-1-09	Receipts	500 tons @ Rs. 17

The stock verifier of the factory noted that on 17<sup>th</sup> January 2009 he had found a shortage of 100 tons and on 29<sup>th</sup> January 2009 another shortage of 50 tons.

You are required to prepare the stores Ledger in respect of the above materials for the month of January 2009 using :

- LIFO Method
  - Weighted Average Method.
3. Mr. Raj Kumar commenced business on 1<sup>st</sup> April 2008 with following assets :

Particulars	Rs.
Cash (out of which Rs. 5,000 was deposited in the bank to open new account)	8,000
Furniture	2,000
Stock of goods	10,000



He has not maintained his books of accounts properly. However, he informs you that all receipts from customers, borrowings from outsiders as well as receipts from cash sales were deposited into bank invariably.

The following information is available from his records :

1) The total deposits in the bank during the year amounted to Rs. 80,000 which included receipts from customers at Rs. 58,000 as well as loan of Rs. 10,000 taken from Ajay on 1<sup>st</sup> October 2008 at 12% per annum.

2) Payments through the banks :

	Rs.
Paid to suppliers for goods purchased on credit	45,000
Rent paid for 10 months	5,000
Salaries	6,000
Insurance premium paid upto 30 <sup>th</sup> June 2009	2,000
General expenses	6,000
Drawings effected from bank (for personal use)	6,000

3) On 31<sup>st</sup> March 2009 the creditors for goods outstanding were Rs. 15,000, debtors Rs. 22,000 and closing stock was Rs. 15,000.

4) Depreciation is to be provided at 10% per annum on original cost.

5) The proprietor is entitled to 10% interest on capital.

Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2009 and Balance Sheet as on that date.

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Sam Ltd. had raised 11% debenture liability of Rs. 10,00,000 on 1<sup>st</sup> January 1999. The debentures were redeemable at par on 31<sup>st</sup> December 2008. The company entered into an arrangement with an insurance company, whereby the company had to pay on 1<sup>st</sup> January every year a sum of Rs. 85,000 and the insurance company undertook to pay the company Rs. 10,00,000 on 31<sup>st</sup> December 2008. The company's general ledger showed the balance of Rs. 6,80,000 (Cr) in debenture Redemption Fund A/c on 31<sup>st</sup> December 2006.

Prepare for the years 2007 and 2008 :

- 1) 11% Debentures A/c
- 2) Debenture Redemption Fund A/c
- 3) Debenture Redemption Policy A/c.

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5. a) Anil and Brian are partners in a firm sharing profits and loss as Anil – 60% and Brian – 40%. Their statement of affairs as on 31-3-2008 was given below :

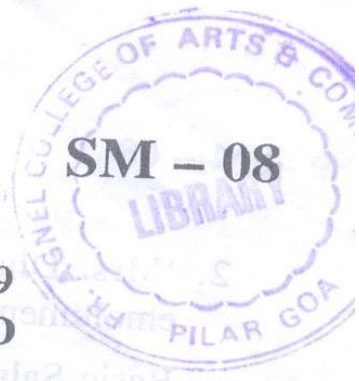
Liabilities		Amount (Rs.)	Assets	Amount (Rs.)
Creditors		20,000	Plant	40,000
Anil's Loan A/c		20,000	Land and Building	20,000
Capital :			Stock	30,000
Anil	50,000		Debtors	20,000
Brian	<u>30,000</u>	80,000	Cash	10,000
		<b>1,20,000</b>		<b>1,20,000</b>

The partners keep their books by Single Entry System. On 31-3-2009, the position of the business was as follows :

Plant Rs. 50,000, Land and Building Rs. 20,000, Stock Rs. 40,000, Debtors Rs. 25,000, Cash Rs. 20,000, Creditors Rs. 25,000.

You are required to ascertain the amount of the firm's profit or loss for the year ended 31-3-2009 after taking into consideration the following :

- 1) Depreciate plant @ 10% per annum including additions.
  - 2) On 1-1-2009 Mr. Anil increased his loan by Rs. 10,000 in order to pay for additional plant which was installed on the same day.
  - 3) Interest on loan is to be allowed @ 6% per annum.
  - 4) During the year Anil and Brian had withdrawn Rs. 12,000 and Rs. 9,000 respectively.
  - 5) Provide interest on capital @ 5% per annum.
- b) Journalise the following transactions to record the issue of debentures :
- i) 3,000 9% Debentures of Rs. 100 each issued at a premium of 15% but redeemable at par.
  - ii) 5,000 8% Debentures of Rs. 100 each issued at a discount of 10% but redeemable at a premium of 5%.
  - iii) 2,000 7% Debentures of Rs. 100 each issued to a vendor of premises costing Rs. 1,80,000.
  - iv) 10,000 6% Debentures of Rs. 100 each issued at par and repayable at a premium of 20%.
  - v) Issue of Rs. 50,000 8% Debentures at a discount of 10% and redeemable at par.
6. Answer the following :
- a) Write a short note on "Base Stock Method" of inventory valuation.
  - b) State the limitations of Single Entry System.
  - c) What do you mean by "Divisible Profits" ? Which profits are not available for dividend ?
  - d) Distinguish between shares and debentures.



**B.Com. (Semester – V) Examination, October 2009**  
**Major – 2 : INCOME TAX, SERVICE TAX AND**  
**GOA VALUE ADDED TAX (Paper – I)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :** i) Question No. 1 is compulsory.  
 ii) Answer any 3 questions from the remaining questions.  
 iii) Figures to the right indicate marks allotted.

1. A) 'Mr. Firangi' came to India for the first time on April 16, 2006. During his stay, he was in Delhi up to April 10, 2007 and thereafter in Goa till his departure from India on October 5, 2008.

Determine his residential status for the Assessment Year 2009-10. 5

B) 'Mr. Dayalu' who resides in Mumbai, gets a basic salary Rs. 60,000 (Including D.A. of Rs. 20,000 which forms part of salary). He is also entitled to a commission of 5% on sales effected by him. The sales effected by Mr. Dayalu during the previous year amount to Rs. 1,00,000. During the previous year 2008-09 he receives an advance salary of Rs. 5,000 for the month of April 2009. He is granted HRA of Rs. 19,000/- p.a. He pays the house rent of Rs. 1,000 per month.

Calculate the amount of House Rent Allowance exempt u/s 10(13A). 5

C) 'Mr. Videshilal' a non-resident, is engaged in the business of construction of bridges. His gross receipts from this business during 2008-09 amount to Rs. 34,20,000 and expenses are as follows :

	Rs.
Cost of materials used for construction	25,12,000
Salary to employees	1,08,000
Depreciation admissible u/s 32	1,14,000
Other incidental expenses	50,900

From the above information determine his income under Section 44AD. 5

D) Define 'Architect' and 'Consulting Engineer' under the Service Tax. 5

2. 'Mrs. Dharati', a Central Govt. employee in Goa receives the following emoluments for the year ending March 31, 2009 :

Basic Salary Rs. 3,60,000 p.a.

Dearness Allowance Rs. 8,000 per month.

Leave Salary Rs. 12,000.

Entertainment Allowance Rs. 550 per month.

Conveyance Allowance Rs. 750 p.m. She has actually spent Rs. 850 p.m.

Children Education Allowance @ Rs. 450/- per month for 3 children.

Employer's contribution to recognized provident fund Rs. 54,720.

Interest credited to above provident fund account @ 10% Rs. 23,000.

Perquisite value of rent free furnished accommodation provided by employer Rs. 14,250.

LTC received from employer as per prescribed rules Rs. 11,000.

Reimbursement of medical expenses incurred on medical treatment of family members in a private hospital Rs. 15,000.

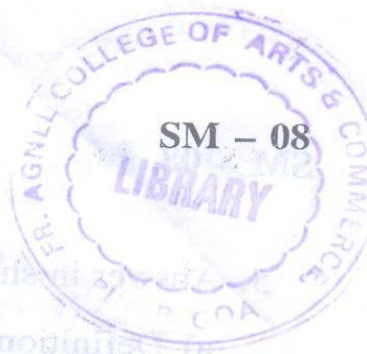
Insurance premium paid by the employers on life of the assessee Rs. 1,000.

Professional Tax paid Rs. 1,250.

Compute her income from 'Salaries' for the Assessment Year 2009-10.

3. Following is the P & L of 'Mr. Anubhav' for the year ending 31<sup>st</sup> March, 2009

Particulars	Rs.	Particulars	Rs.
General Expenses	13,400	Gross Profit	8,15,500
Bad Debts	22,000	Commission	8,600
Advance Tax	21,000	Agricultural Income	25,000
Salary to Staff	26,000	Profit on sale of investment	31,000
Salary to Mr. Anubhav	32,000	Recovery of Bad Debt	7,100
Interest on Overdraft	4,000		
Interest on :			
Mrs. Anubhav's Loan	42,000		
Mr. Anubhav's Capital	23,000		



Provision for Doubtful

Debts	4,800	
Depreciation on Machinery	48,000	
Audit Fees	4,000	
Extension of Building	6,000	
Donation	4,000	
Central Sales Tax	38,000	
VAT Payable	25,000	
Net Profit	5,74,000	
	<b>8,87,200</b>	<b>8,87,200</b>

**Additional Information :**

- i) Salary to staff includes payment of Rs. 8,000/- to a relative, which is reasonable only to the extent of Rs. 5,000/-.
- ii) The WDV of machinery as on 1-4-2008 was Rs. 5,25,000. Additional machinery of Rs. 60,000 was purchased on 7-12-2008. Old machinery worth Rs. 25,000/- was sold at a profit of Rs. 15,000 on 1-1-2009. Admissible rate of depreciation on machinery is 30%.
- iii) Bad Debt recovered during the P.Y. was allowed earlier as a deduction.
- iv) Central Sales Tax of Rs. 38,000 includes penal interest of Rs. 5,000 for payment of sales tax after due date.
- v) VAT Payable was paid within the due date.

Compute his income under the head 'Profits and Gains of Business or Profession' for the Assessment Year 2009-10.

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4. Answer in short **any four** of the following in relation to Income Tax Act :

- a) Definition of 'Person'.
- b) Definition of 'Annual Value'.
- c) Provisions for determining Residential Status of a 'company'.
- d) Exemption available for Educational Scholarship.
- e) Exemption for compensation received at the time of Voluntary Retirement u/s 10(10C).

20

5. Answer in short **any four** of the following in relation to Income Tax Act :

- a) Definition of 'Assessment'.
  - b) Provisions of Section 5A.
  - c) Exemption for amount paid on life insurance policies u/s 10(10D).
  - d) Profits in lieu of salary u/s 17(3).
  - e) Under what conditions depreciation u/s 32 is allowed ?
6. a) What is the deduction available for Professional Tax u/s 16 ?
- b) What are the provisions of Sec. u/s 40A(3) of Income Tax Act ?
- c) Explain the provisions of Service Tax relating to the following :

- i) Penalty for failure to pay service tax.
- ii) Registration.





SM - 05

**B.Com. (Semester - V) Examination, October 2009**  
**COST AND MANAGEMENT ACCOUNTING (Major - I)**  
**Process Costing and Integral Accounting**

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) Question No. 1 is compulsory.
  - 2) Answer any three questions from the remaining questions.
  - 3) Figures to the right indicate full marks.

Following are the particulars for the production of 1000 machines of ABC Engineering Co. Ltd., for the year 2008.

Cost of materials Rs. 80,000, Wages 1,20,000, Manufacturing expenses Rs. 50,000, Salaries Rs. 60,000, Rent, rates and insurance Rs. 10,000, Selling expenses Rs. 30,000, General expenses Rs. 20,000 and Sales Rs. 4,00,000.

The company plans to manufacture 1,500 machines during 2009. 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 selling price.

The following additional information is supplied to you :

- a) Price of material is expected to rise by 20%.
- b) Wages rates are expected to show an increase of 5%.
- c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages.
- d) Selling expenses per unit will remain the same.
- e) Other expenses will remain unaffected by the rise in output.

20

The finished product of a factory has to pass through three processes A, B and C. The normal wastage of each process is 2% in A, 5% in B and 10% in C. The percentage of waste is computed on the number of units entering each process.

The scrap values of wastage of processes A, B and C are Rs. 10, Rs. 40 and Rs. 20 per 100 units respectively.

P.T.O.

The output of each process is transferred to the next process and the finished products are transferred from process C into stock. The following further information is obtained :

	Process A	Process B	Process C
Materials consumed	Rs. 12,000	Rs. 4,000	Rs. 4,000
Direct Labour	Rs. 8,000	Rs. 6,000	Rs. 6,000
Manufacturing Expenses	Rs. 2,000	Rs. 4,000	Rs. 2,000

20,000 units were put in process A at a cost of Rs. 16,000. The output of each process has been A 19,600 units, B 18,400 units and C 16,700 units. There was no stock of work in progress in any process.

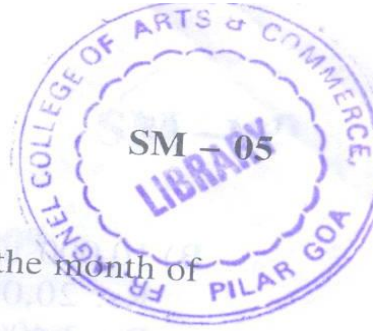
Prepare Process Accounts, Normal Loss Account, Abnormal Loss Account and Abnormal Gain Account.

3. Product A passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price. The output of process III is charged to finished stock account on similar basis. There was no work in progress at the beginning or at the end of the year and overheads have been ignored. Stocks in each process have been valued at prime cost of the process. The following data is obtained at the end of 31<sup>st</sup> March 2008.

Details	Process I Rs.	Process II Rs.	Process III Rs.	Finished stock Rs.
Direct Materials	20,000	5,000	4,000	—
Direct Wages	15,000	10,000	20,000	—
Stock on 31 <sup>st</sup> December	5,000	6,500	9,500	5,000
Sales during the year	—	—	—	1,10,000

From the above information prepare :

- Process cost account showing the profit element at each stage and
- Finished Stock A/c.



4. A) Enter the following transactions of Samarth Company Ltd., for the month of March 2009 in the cost books.

Sr. No.	Particulars	Rs.
1)	Materials purchased	
	a) Cash purchases	30,000
	b) Credit purchases for a special job	15,000
2)	Returned to suppliers	10,000
3)	Indirect material issued to jobs	5,000
4)	Material transferred from job no. 505 to job no. 555	3,000
5)	Total wages paid	20,000
	a) Direct Labour	10,000
	b) Indirect factory labour	<u>10,000</u>

15

B) What is unit costing ? State six industries in which this method is applied.

5

A) Gurudatt Enterprises operates on integral system of accounting. Pass journal entries for the following transactions that took place for the year ended 31-12-2008.

Sr. No.	Particulars	Rs.
1)	Raw material purchased on credit	3,00,000
2)	Materials issued to production	4,00,000
3)	Wages paid (50% Direct)	2,00,000
4)	Wages charged to production	1,00,000
5)	Factory overheads incurred	80,000
6)	Manufacturing overheads charged to production	1,00,000
7)	Selling and distribution overhead incurred	40,000

15



B) 10,000 units of raw material are introduced into a process at a cost of Rs. 20,000. Wages and overheads for the process are Rs. 5,100 and Rs. 3,400 respectively. 7500 units were completed. The remaining 2,500 units were 100% completed with regard to materials and 40% work has been done in respect of labour and overheads each. Prepare a statement of equivalent production.

6. Answer the following :

- a) Write a short note on Stores Ledger Control Account.
- b) List out the advantages of maintaining cost ledger.
- c) State the pre-requisites of an integrated accounting system.
- d) What is integrated accounting ? List out its advantages.

Date	Particulars	Rs.	Rs.
	Raw material purchased on credit		20,000
	Materials issued to production		(20,000)
	Wages paid (50% Direct)		(5,100)
	Wages charged to production		(5,100)
	Factory overheads incurred		(3,400)
	Manufacturing overheads charged to production		(3,400)
	Selling and distribution overhead incurred		(40,000)
	Direct Labour		10,000
	Indirect Labour		10,000
	Total Wages paid		20,000



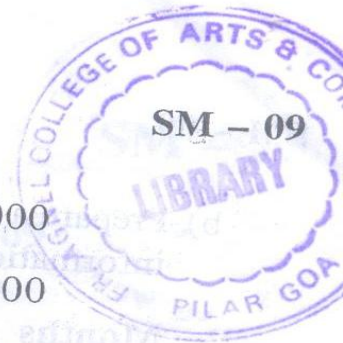


2. The following particulars relating to a contract of Rahul Construction Company Ltd., prepare a contract account and show the relevant entries in the Balance Sheet;

	Rs.
Materials sent to site	85,349
Labour engaged on site	74,375
Plant installed at cost	15,000
Direct expenditure	4,126
Establishment charges	3,167
Materials returned to store	549
Work certified	1,95,000
Cost of work not certified	4,500
Materials on hand (31 <sup>st</sup> December)	1,883
Wages accrued due on (31 <sup>st</sup> December)	2,400
Direct expenditure due on (31 <sup>st</sup> December)	240
Value of plant as on 31 <sup>st</sup> December	11,000
Contract price	2,50,000
Cash received	1,80,000

3. Pratiksha Transport Service Company is running four buses between two towns which are 50 miles apart. The seating capacity of each bus is 40 passengers. The following information was obtained from their books for June, 2009;

	Rs.
Wages of drivers, conductors and cleaners	2,400
Salaries of office and supervisory staff	1,000



Diesel, oil and their materials	4,000
Repairs and maintenance	800
Taxation, insurance, etc.	1,600
Depreciation	2,600
Interest and other charges	2,000

Actual passengers carried were 75% of the seating capacity. All the four buses ran on all the days of the month. Each bus made one round trip per day. Find out the cost per passenger mile.

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4. a) X, Y, Z Ltd. is engaged in the production of a chemical X and in the course of its manufacture a by-product Y, is produced, which after a separate process has a commercial value. For the month of August, 2009, the following are summarized cost data;

	Joint Expenses Rs.	Separate Expenses	
		X Rs.	Y Rs.
Materials	19,200	7,360	780
Labour	11,700	7,680	2,642
Overheads	3,450	1,500	544

The output for the month was 142 tonnes of X and 49 tonnes of Y and the selling price of Y averaged Rs. 280 per tonne. Assuming that the profit of Y is estimated at 50% of the selling price, prepare an account showing the cost of X per tonne.



- b) Prepare a Cash Budget for the months of January to April from the following information

Months	Expected Sales Rs.	Expected Purchases Rs.
January	60,000	48,000
February	40,000	80,000
March	45,000	81,000
April	40,000	90,000

Wages to be paid to workers Rs. 5,000 each month. Balance at bank on 1<sup>st</sup> January, Rs. 8,000. It has been decided by the management that,

- a) In the case of deficit of funds within the limit of Rs. 10,000, arrangement can be made with the bank.
- b) In the case of deficit of funds exceeding Rs. 10,000. The issue of debentures is to be preferred.
5. a) Define 'Management Accounting'. Enumerate its objectives and limitations.
- b) Explain in brief the functions and responsibilities of the Management Accountant.
6. Answer **any four** of the following :
- Job Cost Sheet
  - Operation Costing
  - Master Budget
  - Sales Budget
  - Methods of Apportionment of Joint Cost
  - Advantages of Functional Budgets.





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**B.Com. (Semester – V) Examination, October 2009**  
**COST AND MANAGEMENT ACCOUNTING**  
**Major 3 (Cost and Management Audit)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- 1) All questions are compulsory.
  - 2) Figures to the right indicate maximum marks allotted to question/sub-question.
  - 3) Answer sub-questions in Q. No. 1 and Q. No. 2 in not more than 100 words each.
  - 4) Answer Q. No. 3 to Q. No. 6 in not more than 400 words each.

1. Answer **any four** of the following :

- i) Propriety Audit
- ii) Efficiency Audit
- iii) Disqualifications of cost auditor
- iv) Qualities of cost auditor
- v) Rights of cost auditor
- vi) Ceiling on number of cost audits.

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2. Answer **any four** of the following :

- i) Cost audit programme
- ii) Familiarisation with Industry
- iii) Working papers
- iv) Audit Notes
- v) Internal check
- vi) Types of Internal control.

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- 3. a) What are the objectives of cost audit ? Discuss.
- b) Discuss duties of a cost auditor.

OR

- 3. x) Distinguish between cost audit and financial audit.
- y) State qualifications of a cost auditor.
- 4. How is a cost auditor appointed ? Discuss legal provisions relating to the appointment.

OR

- 4. What are the different liabilities of a cost auditor ?
- 5. Discuss different cost accounting records as required by a cost auditor for the purpose of cost audit.

OR

- 5. What are the different techniques of cost audit ? Discuss.
- 6. a) What is Internal control ? Discuss different objectives of internal control.
- b) Can a cost auditor exercise a Lien on company's records ?

OR

- 6. x) What is internal audit ? Discuss its objectives.
- y) What do you mean by familiarisation with a company ?