

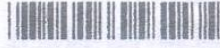
B.Com. (Semester – V) Examination, October 2010 INDUSTRIAL MANAGEMENT – I

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 indicates maximum marks to the questions.*
 - Paper carries maximum of 80 marks.*

- Answer **any four** of the following : (4×4=16)
 - Explain the concept of Industrial Management.
 - State and explain any four techniques of scientific management.
 - Explain the labour factors affecting industrial productivity.
 - Discuss any four advantages of work study.
 - Explain the human aspect of rationalisation.
 - What are the steps initiated by the Government of India to facilitate rationalisation ?
- Write short notes (**any four**) : (4×4=16)
 - Objectives of Just-in-Time.
 - Phases in critical path method.
 - Failure Mode and Effect Analysis.
 - Occupational Health.
 - Occupational Hazards.
 - Explain the meaning of Industrial Safety.



3. Define Productivity. What are the suggestions for productivity improvement ? 1

OR

3. Discuss the role of National Productivity Council. 1

4. Explain Method Study as a technique of work study. 1

OR

4. Describe the need for Rationalisation in Indian Industries. 1

5. Explain the types of Benchmarking. 1

OR

5. What is Critical Path Method ? Describe its process. 1

6. Explain the objectives of Safety Management. 1

OR

6. What is occupational environment ? Explain the methods to control noise. 1

B.Com. (Semester – V) Examination, October 2010

BUSINESS ECONOMICS – INTERNATIONAL TRADE AND FINANCE

Duration : 2 Hours

Total 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 question 3 to question 6 in not more than 400 words each.

iv) Figures to the right indicate maximum marks assigned to the question.

1. Answer any four of the following : (4×4=16)

- i) Explain any two features of international trade.
- ii) What is the hedging function of the foreign exchange market ?
- iii) What are managed floating rates ?
- iv) Explain the concepts of gross barter terms of trade and net barter terms of trade.
- v) Explain any four features of the foreign exchange market.
- vi) Examine the role of multinational corporations in the foreign exchange market.

2. Answer any four of the following : (4×4=16)

- i) Explain the concepts of specific and ad valorem tariffs by giving suitable examples.
- ii) What is the 'Most Favoured Nation' principle ?
- iii) What are anti-dumping duties and countervailing duties ?
- iv) Explain the components of the current account of the balance of payments.
- v) Distinguish between balance and equilibrium in the balance of payments.
- vi) Explain any two causes of disequilibrium in the balance of payments.



3. a) How do resource endowments and technology influence international trade ? 12

OR

b) What are gains from trade ? Explain the different gains arising from international trade. 12

4. a) Explain the determinants of the long-term exchange rate. 12

OR

b) Explain **any two** of the following transactions in the foreign exchange market :

i) Spot transactions

ii) Forward transactions

iii) Currency swaps 12

5. a) Explain any two monetary measures for correcting the disequilibrium in balance of payments. 12

OR

b) What is meant by disequilibrium in balance of payments ? Explain the types of disequilibrium in balance of payments. 12

6. a) How do administered protection and voluntary export restraints act as barriers to international trade ? 12

OR

b) What is meant by a free trade policy ? What are the advantages of such a policy ? 12

B.Com. (Semester – V) Examination, October 2010
ENTREPRENEURSHIP MANAGEMENT – I

Duration : 2 Hours

Total 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 question.

v) Paper carries maximum 80 marks.

1. Answer **any four** of the following : 16

i) Concept of entrepreneur.

ii) Functions of an entrepreneur- (any four)

iii) Entrepreneur V/s Intrapreneur- (any four)

iv) Psychological theory of entrepreneurship.

v) Need for marketing research.

vi) Delphi Technique.

2. Answer **any four** of the following : 16

i) Uses of Break-even Analysis.

ii) Role of Incubation centres.

iii) Sources of business ideas.

iv) New knowledge as a factor of purposeful innovation.

v) Project appraisal.

vi) Field survey techniques.



3. a) Explain the qualities that an entrepreneur requires to have.

OR

b) Explain the skills of an entrepreneur.

4. a) Explain any 6 types of entrepreneurs.

OR

b) Describe the role of entrepreneurs in economic development.

5. a) Explain the concept of SWOT analysis.

OR

b) Explain the contents of a project report.

6. a) Explain the different elements in project formulation.

OR

b) Explain the principles of purposeful innovation.

B.Com. (Semester - V) Examination, Oct. 2010
ADVANCED ACCOUNTING - I (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.*

1. The summarised Balance Sheet of Prosperous Co. Ltd. as at 31/12/2009 was as follows :

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Liabilities		Amount	Assets		Amount
Equity shares of Rs. 10 each fully paid		9,00,000	Fixed Assets		20,00,000
8% Redeemable Preference shares of Rs. 10 each fully paid		9,00,000	Current Assets (including Bank balance of Rs. 2,00,000)		5,80,000
General Reserve		3,60,000	Investment		2,70,000
Profit / Loss A/c		5,40,000			
Share Premium A/c		27,000			
Creditors		1,23,000			
		28,50,000			28,50,000

The company exercised the option to redeem Preference shares at 10% premium and for this purpose, the company issued 45000 Equity shares of Rs. 10 each at a premium of Rs. 10 per share. The Equity shares were fully paid in cash.

The company sold all investments for Rs. 3,42,000. All payments were made to redeemable preference shareholders except those holding 450 shares, who could not be traced. The directors then issued bonus shares to the then shareholders after issue of the new shares at the rate of 2 shares for 3 shares held. The company decided to reduce free reserves to minimum.

Pass journal entries in the books of Prosperous Co. Ltd. and prepare a Balance Sheet after redemption.



II. Following purchases and sales have been extracted from the books of Sunrise and Co. Calculate inventory value under Weighted Average method and FIFO method for the month of August 2010.

1-8-2010 opening balance 400 units @ Rs. 3.50

Receipts :

2-8-2010	200	units	@ Rs. 9.50
4-8-2010	600	units	@ Rs. 8.50
8-8-2010	700	units	@ Rs. 6.50
15-8-2010	500	units	@ Rs. 5.75
23-8-2010	300	units	@ Rs. 4.75
31-8-2010	Refund of surplus of 20 units from those issued on 25 August 2010		

Issues :

5-8-2010	800	units
10-8-2010	600	units
18-8-2010	300	units
25-8-2010	200	units

III. Following is the summary of the Bank Account of Mr. Sumit, a trader for the year 2009 :

Bank Summary

Receipts	Amount	Payments	Amount
Balance on 1/1/2009	5,140	Payment to Trade creditor	1,87,860
Cash Receipts on		General Expenses	16,970
account of credit sales	2,43,720	Rent and Rates	7,710
Balance on 31/12/2009	1,180	Drawings	37,500
	2,50,040		2,50,040

All business takings had been paid into the bank except Rs. 21,180, out of which he paid wages amounting to Rs. 12,800. He retained Rs. 8,380 for private purposes.

The following information is obtained from the books :

Particulars	31/12/2008	31/12/2009
Stock in trade	24,300	31,500
Creditors for goods	19,450	17,090
Debtors for goods	22,400	26,900

Amount owing to a customer who had overpaid his account	600	-
Rates paid in advance	420	450
Creditors for general expenses	810	1,340
Furniture and fittings	10,000	10,000

Discounts received from trade creditors during 2009 amounted to Rs. 1,500. No discounts were allowed to customers. The amount due to the customer who overpaid his account was set off against sales to him in the year 2009.

Prepare a Trading and Profit and Loss Account for the year ended 31st December 2009 and a Balance Sheet as on that date.

Star Ltd. issued Rs. 6,00,000 - 9% debentures during 2001 on the following terms and conditions :

20

- 1) A redemption fund to be created by yearly appropriation of profit and similar amount to be invested.
- 2) The company will have the right to purchase, for cancellation debenture from the market, if available below par value.
- 3) The debentures to be redeemed on 31st December 2005 at a premium of 2%.

The following balances appeared in the books of the company as on 1st January 2005.

Sinking Fund Investment	Rs. 4,43,250
Sinking Fund	Rs. 4,43,250
Debentures Account	Rs. 4,50,000

The following transactions took place during the subsequent twelve months :

- a) On 1st July 2005, Rs. 30,000 debentures were purchased for Rs. 26,664 and cancelled immediately, the amount being provided out of sale proceeds of investments of the book value of Rs. 34,800 made at Rs. 33,900.
- b) The income from sinking fund investment Rs. 22,200 received on 1st July 2005 was not invested.
- c) On 29th December 2005, Rs. 4,23,000 was received on sale of the remaining sinking fund investments.
- d) On 31st December 2005 the remaining debentures were redeemed.

You are required to show for the year ended 31st December 2005 :

Debentures A/c, Sinking Fund A/c, Sinking Fund Investment A/c, Debenture holders A/c.



- V. A) Shah and Rao are partners sharing profits and losses in the ratio of 3:2 after charging interest on capital @ 6% p.a. On 1st July 2008, their position was as under :

Liabilities		Amount	Assets		Amount
Sundry Creditors		14,300	Machinery		20,000
Capitals :			Stock		12,000
Shah	20,000		Sundry Debtors		11,000
Rao	<u>15,000</u>	35,000	Cash at Bank		4,000
			Furniture		2,000
			Prepaid Insurance		300
		49,300			49,300

During the year ended 30th June 2009, Shah had drawn Rs. 5,000 and Rao had drawn Rs. 3,500 for their private purposes. On 30th June 2009, the assets and liabilities were

Sundry Debtors	Rs. 12,000	(subject to a provision of 5% for doubtful debts)
Stock	Rs. 18,000	
Cash at Bank	Rs. 4,500	
Prepaid Insurance	Rs. 200	
Sundry Creditors	Rs. 13,700	
Expenses owing	Rs. 600	

Machinery and Furniture were the same as previously but a depreciation @ 10% p.a. was to be written off. Prepare Statement of Profit for 2008-09 and the Statement of Affairs as at 30 June 2009.

- B) Journalise the following transactions :
- 1) A debenture of Rs. 100, issued at Rs. 100 and redeemable at Rs. 100.
 - 2) A debenture of Rs. 100, issued at Rs. 90 and redeemable at Rs. 100.
 - 3) A debenture of Rs. 100, issued at par and repayable at Rs. 120.
 - 4) A debenture of Rs. 100, issued at Rs. 95 and redeemable at Rs. 115.
 - 5) A debenture of Rs. 100, issued at Rs. 115 and repayable at Rs. 100.

- VI. Answer the following :

- a) State the importance of proper valuation of stock.
- b) Explain the main features of Single Entry System.
- c) Write a note on "Sources of Redemption of Preference Shares".
- d) Discuss the different types of debentures.



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B.Com. (Semester – V) Examination, Oct. 2010
COST AND MANAGEMENT ACCOUNTING (Major – I)
Process Costing and Integral Accounting

Duration : 2 Hours

Total Marks : 80

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

A company manufactured 5000 units and incurred the following expenditure :

	Rs.
Materials	20,000
Wages	25,000
Direct expenses	400
Fixed overheads	16,000
Variable overheads	4,000

For manufacturing every 1000 extra units, the cost of production increases as follows :

- Materials : Proportionately
 Wages : 10% less than proportionately
 Direct expenses : No extra cost
 Fixed overheads : Rs. 200 extra
 Variable overheads : 25% less than proportionately.

Calculate the cost of producing 8000 units. Write the working notes.

Prepare a cost sheet showing cost of producing 5000 units, additional 3000 units and total 8000 units.



2. A manufacturer produces certain goods by 3 consecutive processes. Profit is not added in the course of processing but goods of warehouse are sold at 25% profit on cost.

In each process 5% of the total weight put in is lost and 20% is scrap which from process 'A' and 'B' realises Rs. 10 a ton and from process 'C' Rs. 5 a ton. The product of the three processes is dealt with as follows :

	Process A		Process B		Process C	
	Tons	Rs.	Tons	Rs.	Tons	Rs.
Materials	1000	10,000	550	15,000	200	2,000
Wages		4,000		2,000		6,000
Expenses		6,000		3,000		2,000
Output						
Passed to						
Next process	60%		80%		—	
Sent to warehouse	40%		20%		100%	

Prepare Process Accounts and Warehouse Account.

3. A certain product passes through three processes before it is transferred to finished stock. The following information is available :

	Process I	Process II	Process III	Finished Stock
	Rs.	Rs.	Rs.	Rs.
Opening stock	2,000	12,000	10,000	25,000
Direct material	13,000	20,000	40,000	—
Direct wages	10,000	10,500	50,000	—
Overheads	10,000	25,000	25,000	—
Closing stock	5,000	6,000	32,000	33,000



Percentage of profit				
on transfer price	20%	25%	10%	-
Inter-process profit				
for opening stock	-	2,000	2,800	10,000

Stocks in processes are valued at prime cost and finished stock has been valued at the price at which it was received from process III.

Sales during the period Rs. 3,00,000.

Prepare :

- 1) Process accounts showing profit element at each stage.
- 2) Finished stock account.
- 3) Show the calculation of unrealised profit in closing stocks. 20

4. A) From the following information relating to financial and cost records, pass necessary entries in Cost-Journal and prepare Stores Ledger Control Account :

	Rs.	
Purchase of materials	45,000	
Carriage inward	3,000	
Direct labour	42,000	
Indirect labour	18,000	
Materials issued to job	43,000	
Materials used in repairs	2,800	15

B) What is meant by elements of cost and divisions of cost ? 5

5. A) Journalise the following transactions assuming that the cost and financial records are integrated :

- 1) Materials purchased on credit Rs. 3,50,000
- 2) Direct material issued to production Rs. 2,00,000



- 3) Factory overheads incurred Rs. 60,000
- 4) Factory overheads charged to production Rs. 62,000
- 5) Selling expenses paid Rs. 10,000
- 6) Received from customers Rs. 50,000
- 7) Paid to creditors Rs. 60,000.

B) Following information is related to a particular process :

Input of units in the process – 1200

Units completed – 1000

200 units were 100% complete with regard to materials and 60% complete with regard to other expenses.

Material cost of the process Rs. 96,000

Other expenses Rs. 3,36,000

Prepare :

- a) Statement of equivalent production and
- b) Statement of cost per unit of equivalent production.

6. A) What is Non-integrated Accounting System ? Explain in detail cost ledgers maintained under non-integrated accounting system.

B) What is meant by Integrated Accounts ? Which subsidiary ledgers and control accounts are maintained under Integrated Accounting System ?

✓ 2

B.Com. (Semester - V) Examination, October 2010
COST AND MANAGEMENT ACCOUNTING
Major 2 : Methods and Techniques of Costing - I

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) *Question No. 1 is compulsory.*
 2) *Answer any three questions from Q. No. 2 to Q. No. 6.*
 3) *All questions carry equal marks.*
 4) *Give working notes whenever is necessary.*

1. A firm of contractors began 2 contracts on 1st February 2009 and 1st June 2009 respectively. Their accounts as on 31st December 2009 showed the following position :

Particular	Contract 1	Contract 2
	Rs.	Rs.
Contract price	1,60,000	1,08,000
Work certified	82,000	64,000
Work uncertified	2,400	3,200
Materials	28,800	23,200
Wages	44,000	45,000
General expenses	1,600	1,100
Cash received in respect of work certified	60,000	48,000
Wages accrued	1,400	1,500
General expenses accrued	300	200
Material in hand	1,600	1,600
Plant	8,000	6,400

On the respective commencement dates of the contracts, the plant was installed. Depreciation on plant is to be charged at 15% p.a.

You are required to prepare Contract 1 and Contract 2 and show how the relevant items will be reflected in the Balance Sheet of the firm.

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2. Star Transport Company supplies the following details in respect of a truck :

Cost of truck	Rs. 90,000
Estimated life	10 yrs.
Diesel, oil, grease etc.	Rs. 0.30 per km
Repair and Maintenance	Rs. 500 per month
Driver's wages	Rs. 500 per month
Cleaner's wages	Rs. 250 per month
Insurance	Rs. 4,800 p.a.
Tax	Rs. 2,400 p.a.
Garage rent	Rs. 4,800 p.a.

The truck carries goods to and from the city covering a distance of 50 km each way. On onward trip it is full to the extent of 100% capacity and on return upto 20% of capacity.

The truck has carrying capacity of 5 tonnes. On an average the truck runs for 25 days in a month.

Calculate the rate per tonne per trip that the company should charge if a profit of 25% on taking is desired.

3. Following is the cost structure for production of an article when the firm is operating at a level of 5000 units.

Particular	Rs.
Direct material cost	25,000
Direct labour cost	15,000
Power	1,250 (20% fixed)
Repair and maintenance	2,000 (25% fixed)
Stores	1,000 (100% variable)
Inspection – factory	500 (20% variable)
Depreciation on plant	10,000 (100% fixed)
Administrative overheads	5,000 (25% variable)
Selling overheads	3,000 (50% variable)

Find the cost of the production at 4000 units and 6000 units capacities level of production.

4. a) Refined Oils Ltd. is engaged in the manufacturing of a product 'A' and in the process yields a byproduct X.

During the month of June 2010, the amount spent upto the separation was Rs. 30,600. Subsequent expenses were as follows :

	"A"	"X"
Materials	300	100
Direct wages	400	150
Overheads	300	135
	1000	385

Gross sales value of "A" was Rs. 25,000 and that of "X" was Rs. 15,000. The net profit earned in case of "X" was 25% on selling price.

A certain the profit earned on "A".

10

- b) S. Banerjee and company is planning for the arrangement of overdraft facilities with the Bankers during the period from April to June 2010.

Prepare a cash budget for the above period from the following data indicating the extent of the bank facilities the company will be requiring at the end of each month :

Month	Sales	Purchases	Wages
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

50% of the credit sales are realised in the month following the sales and the remaining 50% in the second month following. Creditors and wages are paid in the following month. Cash at bank on 1-4-2010 was estimated to be Rs. 25,000. 10



5. a) Define Management Accounting. Explain the various system and techniques used in management accounting.
- b) What are the main objectives of management accounting ? Explain the reason why the objectives may not be achieved fully.
6. Write short note on **any four** from the following :
 - a) Master budget
 - b) Production budget
 - c) Hotel costing
 - d) Batch costing
 - e) Concepts of budget and budgetary control
 - f) Concepts of joint product and by product.

Month	Sales	Purchases	Wages
Jan	1,80,000	1,24,800	1,20,000
Feb	1,95,000	1,41,000	14,000
Mar	1,08,000	1,23,000	11,000
Apr	1,74,000	2,46,000	10,000
May	1,58,000	2,08,000	1,00,000

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B.Com. (Semester - V) Examination, October 2010
COST AND MANAGEMENT ACCOUNTING (Major - 3)
(Cost and Management Audit)

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) *All questions are compulsory.*
2) *Figures to the right indicate maximum marks allotted to questions/sub-questions.*
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 : 16
- 1) Efficiency Audit
 - 2) Social Audit
 - 3) Civil Liability
 - 4) Ceiling on number of cost audits
 - 5) Professional misconduct
 - 6) Cost auditor as an agent.
2. Answer **any four** of the following : 16
- 1) Physical Examination
 - 2) Depth Testing
 - 3) Accounting for Raw Materials
 - 4) Working paper
 - 5) Internal check
 - 6) Internal control system.



- 3. a) Discuss general and social objectives of a cost audit.
- b) Explain qualities of cost auditor.

OR

- 3. a) What is financial audit ? How does it differ from cost audit ?
- b) State disqualification of a cost auditor.

- 4. What are the rights and duties of a cost auditor ? Discuss.

OR

- 4. What are qualification of a cost auditor ? Discuss the procedure involved in appointing cost auditor.

- 5. What are the preliminaries to be followed by a cost auditor before commencing cost audit ?

OR

- 5. What is cost audit programme ? Discuss the points to be considered while preparing a cost audit programme.

- 6. a) What do you mean by internal control ? Discuss its objectives.
- b) State accounting for salary and wages.

OR

- 6. a) Discuss different functions of internal audit.
 - b) Discuss the importance of audit notes to cost auditor.
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B.Com. (Semester - V) Examination, October 2010
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) Following are the particulars of income of 'Mr. Durbal' for the P.Y. 2009-10 :

- a) Profits from business at Sri Lanka controlled from London Rs. 78,000
- b) Income earned India received in Japan Rs. 1,05,000
- c) Income from house property in Goa received in Delhi Rs. 2,50,000
- d) Interest on Nepal Development Bond Rs. 21,000 (1/3 received in India).

Calculate his gross total income for the Asst. Year 2010-11.

If he is :

- i) Resident but not ordinarily resident
- ii) Non resident.

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B) In the books of ABC Ltd., the written down value of block of asset consisting of Machinery X, Machinery Y and Machinery Z was Rs. 4,60,000 as on 1st April 2009. On 16th August 2009 part of the machinery consisting of Rs. 80,000 was totally damaged by fire and disposed off for Rs. 18,000 and an insurance claim of Rs. 7,000 was received. On 12th December 2009 this part was replaced at a cost of Rs. 96,000 incurring fitting charges Rs. 4,000. On 18th December 2010 Company received a subsidy of Rs. 30,000 from the Government. Company purchased machinery for Rs. 1,05,000 on 28th March 2010 which was installed on 17th April 2010. The rate of depreciation allowable is 15%. Calculate the depreciation for the assessment year 2010-11.

5



3. Following is the P&L account of Mrs. 'Asha Kamath' for the year ending 31st March 2010 :

Particulars	Rs.	Particulars	Rs.
To Opening Stock	55,000	By Sales	54,68,000
To Purchases	51,45,000	By Closing Stock	90,000
To Freight	45,450	By Income Tax refund	15,000
To Electricity charges	29,450	By VAT refund	14,000
To Salaries	1,14,000	By Bank interest	5,000
To Telephone Expenses	56,400	By Net loss	64,200
To Computer stationary	29,200		
To Motor Car expenses	35,200		
To General Expenses	13,800		
To Int. on Bank Loan	45,600		
To VAT paid	18,400		
To Advance Tax	5,000		
To Bad debts	12,000		
To Provision for bad debts	6,700		
To Depreciation on fixed assets (@ 30%)	45,000		
	56,56,200		56,56,200

Additional Information :

- a) Closing stock as on 31-3-2010 has been valued at 10% below cost ; opening stock was valued at cost.
- b) 1/3rd of Telephone charges were considered for personal purpose.
- c) Computer stationary includes Rs. 12,000 for buying a printer on 1-9-2009.
- d) General expenses include advance income tax of Rs. 5,000.
- e) Purchases include Rs. 50,000 paid in cash, exceeding the limit prescribed e/s 40(A)(3) of the Act.
- f) Depreciation is admissible @ 25% on all assets.
- g) VAT refund Rs. 14,000, excess paid in 2007-08.

Compute her income under the head 'Profit and Gains of Business or Profession' for the assessment year 2010-11.



4. Answer in short **any four** of the following in relation to Income Tax Act. 2
- Definition of 'Person'.
 - Gross total income.
 - Explain the 'Scope of total income'.
 - Agriculture income U/S 10(1).
 - House Rent Allowance U/S 10 (13A).
5. Answer in short **any four** of the following in relation to Income Tax Act. 2
- Definition of 'Transfer' 2 (47).
 - Previous Year U/S 3.
 - Exemption for 'Gratuity' U/S 10 (10).
 - Salary U/S 17 (1).
 - Deductions in respect of Rent, Rates, Taxes repairs and insurance of building U/S 30.
6. a) Explain the deduction of Entertainment Allowance U/S 16 (ii).
- b) Briefly explain certain deductions to be allowed only on actual payment basis U/S 43 B.
- c) Explain the provisions of service tax relating to the following :
- Furnishing of returns.
 - Due dates for payment of tax in case of an individual.

B.Com. (Semester – V) Examination, October 2010
AUDITING – I (Major Paper – III)

Duration: 2 Hours

Total Marks : 80

- Instructions :*
- 1) *All questions are compulsory, however internal choice is available.*
 - 2) *Answer subquestions in question no. 1 and question no.2 in not more than 100 words.*
 - 3) *Answer question no. 3 to question no. 6 in not more than 400 words.*
 - 4) *Figures to the right indicate full marks for respective questions (Subquestions).*

1. Write short notes on **any four** of the following : (4×4=16)
 - a) Essentials of a good audit programme
 - b) Test check
 - c) Contents of Audit Notebook
 - d) Errors of principle
 - e) Auditing versus accounting
 - f) Routine checking.

2. Write short notes on **any four** of the following : (4×4=16)
 - a) Types of vouchers
 - b) Interim audit
 - c) Verification versus valuation
 - d) Verification of goodwill
 - e) Verification of creditors
 - f) Valuation of Land and building.



3. What are the various techniques of Auditing ?

OR

Explain the basic principles governing an audit.

4. Distinguish between Internal check, Internal Audit and Internal control.

OR

What is Audit Planning ? What are the steps in Audit Planning ?

5. Explain the procedure for Evaluation of Internal Control System by the external auditor.

OR

What is an Internal Control Questionnaire ? What are its advantages and disadvantages ?

6. a) What are the special considerations to be borne in mind by the auditor in the course of vouching ?

b) How would you vouch the item 'cash purchases' ?

OR

a) Explain the procedure adopted by the auditor in verification of fixed assets.

b) How would you vouch the item 'loan taken' ?
