

Total No. of Questions : 6]

B.Com. (Semester - V) Examination, Oct./Nov. 2011

**BUSINESS ECONOMICS**  
**International Trade & Finance**



Total Marks : 80

Duration : 2 Hours

- 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) Answer to Questions 3 to 6 must be of approximately 400 words each.

1) Answer **ANY FOUR** of the following in approximately 100 words each : [16]

- a) Explain any two gains from international trade.
- b) Give any four points of distinction between internal and external trade.
- c) State any four merits of floating exchange rate system.
- d) What is meant by Swap transaction?
- e) Explain any two features of a foreign exchange market.
- f) Comment on the Purchasing Power Parity as a long term factor affecting exchange rates.

2) Answer **ANY FOUR** of the following in approximately 100 words each : [16]

- a) Distinguish between Autonomous and Accommodating transactions.
- b) What do you mean by a balance of payment disequilibrium?
- c) Give any four points of distinction between Balance of Trade and Balance of Payments.
- d) Explain any two effects of tariffs.
- e) Comment on Anti-dumping & Countervailing duties.
- f) State any four objectives of the World Trade Organisation.

3) Why do developing countries face unfavourable terms of trade? [12]

OR

Write a note on Multinational Companies and Transport costs as factors affecting international trade.



**Q4)** Explain the different functions performed by the foreign exchange market. [12]

OR

State any six advantages and disadvantages of fixed exchange rates.

**Q5)** Explain the structure and components of the Balance of Payments. [12]

OR

Briefly describe the monetary measures of correcting the disequilibrium in the Balance of Payments.

**Q6)** What is a Protectionist policy? State any five arguments in favour of Protectionist Policy. [12]

OR

Define the term Import Quotas and explain the different types of import quotas.



**T.Y. B.Com. (Semester - V) Examination, Oct./Nov. - 2011**  
**INDUSTRIAL MANAGEMENT - I**

Duration : 2 Hours

Total Marks : 80

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

- Q1) Write short notes on ANY FOUR of the following : [4 × 4 = 16]
- a) Benefits of Scientific Management.
  - b) Role of Government to facilitate rationalisation of Indian industries.
  - c) Industrial Management process.
  - d) Steps in method study.
  - e) Concept of Industrial productivity.
  - f) Importance of Industrial Management.
- Q2) Answer in brief ANY FOUR of the following : [4 × 4 = 16]
- a) ISO 9000.
  - b) Performance benchmarking.
  - c) Benefits of Total Quality Management.
  - d) Environmental causes of accidents.
  - e) Concept of industrial safety.
  - f) Violence at work place.
- Q3) a) Describe the technological and human aspects of rationalisation. [12]
- OR
- b) Explain any three techniques of Work Measurement.
- Q4) a) Discuss the importance of higher industrial productivity. [12]
- OR
- b) Elaborate the various factors influencing industrial productivity.



Q5) a) Explain the advantages of critical path method.

[12]

OR

b) What are the principles of Total Quality Management?

Q6) a) Suggest measures for prevention of industrial accidents.

[12]

OR

b) Explain the common occupational hazards.

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[Total No. of Questions : 6]

T.Y. B.Com. (Semester - V) Examination, Oct./Nov. - 2011

## ENTREPRENEURSHIP MANAGEMENT I

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) All questions are compulsory, however internal choice is available.
  - 2) Answer sub-questions in Question No.1 and Question No.2 in not more than 100 words each.
  - 3) Answer Question No.3 to Question No.6, each in not more than 400 words.
  - 4) Figures to the right indicates maximum marks allotted to the question/sub-question.
  - 5) Paper carries maximum of 80 marks.

Q1) Attempt any four of the following :

[16]

- a) Explain Procuring and Mobilising resources as a function of an entrepreneur.
- b) Intrapreneurs.
- c) Economic theory on Entrepreneurship.
- d) Delphi Technique.
- e) Importance of SWOT analysis of a Project Idea.
- f) Explain any Four Qualities of an Entrepreneur.

Q2) Attempt any four of the following :

[16]

- a) Preliminary evaluation of a Project Idea.
- b) Significance of a project report.
- c) Social cost benefit analysis.
- d) Need for Innovation in entrepreneurship.
- e) Role of Entrepreneurial Incubation centres.
- f) Techno-Economic analysis.

Q3) a) Define Entrepreneurship and explain the skills required in Entrepreneurship. [12]

OR

b) Explain the following theories on entrepreneurship. [12]

- i) Psychological theory.
- ii) Integrated theory.



Q4) a) Explain the various types of Entrepreneurs. [12]

OR

b) Explain briefly the Role of Entrepreneur in Economic Development. [12]

Q5) a) What is Market Survey? Explain the various techniques of Market Survey. [12]

OR

b) Explain briefly the various elements of Project Formulation. [12]

Q6) a) What is a Project Report? Explain the general contents of a Project Report. [12]

OR

b) What is purposeful innovation? Explain the principles of purposeful innovation suggested by Peter Drucker. [12]

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OR

b) Explain the following theories on entrepreneurship. [12]  
i) Psychological theory.  
ii) Integrated theory.

Total No. of Questions : 6]

**B.Com. (Semester - V) Examination, October, 2011****Major - I: FINANCIAL ACCOUNTING, AUDITING AND TAXATION****Advanced Accounting - I**

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 whenever necessary.

21) Following is the Balance Sheet of Matrix Ltd. as on 31<sup>st</sup> March 2011. [20]

Liabilities	Rs.	Assets	Rs.
20,000 Equity shares of Rs.100 each fully paid	20,00,000	Fixed Assets	39,20,000
10,000 6% Redeemable Preference shares of Rs.100 each fully paid	10,00,000	Investments (Market value Rs.4,40,000)	4,00,000
Sinking Fund	2,00,000	<u>Current Assets</u>	
Share Premium	1,60,000	Stock	7,00,000
General Reserves	4,00,000	Debtors	7,00,000
Profit and Loss a/c	1,60,000	Bank balance	2,00,000
Secured Loan	10,00,000		
Unsecured Loan	3,80,000		
Current Liabilities	6,20,000		
	<u>59,20,000</u>		<u>59,20,000</u>

6% Redeemable Preference shares are to be redeemed at a premium of 10%. Fresh issue of equity shares of Rs. 100 each to be made at par to the extent required after taking into account reserves which in law are available for the purpose of redemption.

All investments to be sold at market value. Temporary Bank Overdraft was to be arranged in case of shortage of funds. Matrix Ltd redeemed its Preference shares on 1<sup>st</sup> April 2011. The payments were duly made except in case of one shareholder holding 200 Preference shares who could not be traced.



Subsequently the company issued fully paid bonus shares in the ratio of one equity share for every four equity shares held to the existing shareholders as increased by the new issue.

Draft necessary Journal entries recording the above transactions and prepare a Balance sheet after giving effect of above transactions.

Q2) The following records of the receipts and issues of materials in a factory are obtained during the month of May 2011. [20]

1.5.11	Opening balance	1000 tons @ Rs. 20
4.5.11	Issues	400 tons
6.5.11	Receipts	1200 tons @ Rs. 14
8.5.11	Issues	1000 tons
10.5.11	Receipts	1600 tons @ Rs. 10
12.5.11	Issues	800 tons
17.5.11	Refund of surplus	400 tons @ Rs. 22
20.5.11	Shortage	200 tons
22.5.11	Issues	1600 tons
27.5.11	Refund of surplus	400 tons @ Rs. 20
31.5.11	Issues	400 tons

You are required to prepare the stores ledger in respect of the above materials for the month of May 2011 using :

- FIFO Method.
- Weighted Average Method.

Q3) Ms. Doris keeps her books under single Entry system. An abstract of her cash transactions for the year ended 31.3.2011 was as follows : [20]

	Rs.		Rs.
To Balance b/d	10,000	By cash purchases	15,000
To Cash sales	40,000	By Wages	20,000
To Collection from Debtors	60,000	By Payment to Creditors	28,000
To Capital-further introduction	10,000	By Bills Payable paid	14,000
To Bills Receivable collected	20,000	By Salaries	8,000
		By General Expenses	4,000
		By Drawings	15,000
		By Plant purchased	10,000
		By Balance c/d	26,000
	<b>1,40,000</b>		<b>1,40,000</b>



Other particulars of her assets and liabilities as on 01.04.2010 and 31.03.2011 were as follows :

	01.04.2010	31.03.2011
	Rs.	Rs.
Plant	20,000	30,000
Furniture	2,000	2,000
Bills Payable	8,000	10,000
Bills Receivable	9,000	13,000
Sundry Debtors	22,000	25,000
Sundry Creditors	15,000	16,000
Stock in trade	20,000	15,000

You are required to prepare a Trading and Profit and Loss Account for the year ended 31.03.2011 and a Balance sheet as on that date after providing for 5% interest on initial capital and 2½% interest on further capital introduced, 5% reserve for doubtful debts, 2½% reserve on Bills Receivable, 10% depreciation on Plant and 6% depreciation on Furniture. Additional Plant purchased on 1.10.2010.

- 4) The following balances appeared in the books of Astha Ltd on 1<sup>st</sup> April 2010: [20]  
 12% Debentures - Rs.8,00,000; 12% Debenture Sinking Fund - Rs.6,00,000; 12% Debenture Sinking Fund Investment - Rs. 6,00,000 (represented by 10% Rs.7,20,000 secured bonds of Government of India).

Annual contribution to sinking fund was Rs. 1,28,000 made on 31<sup>st</sup> March each year. On 31<sup>st</sup> March 2011 balance at bank was Rs. 4,00,000 after receipt of interest. The company sold the investments at 80% and debentures were paid off.

You are required to prepare the following accounts for the year 2010-11

- 12% Debentures Account.
- 12% Debenture Sinking Fund Account.
- 12% Debentures sinking Fund Investment Account.
- Bank Account.

- Q5) a) Ram and Shyam are partners in a firm sharing profits and losses as  $\frac{3}{5}$  and  $\frac{2}{5}$  respectively. They do not keep their books under Double Entry system and the position on 31<sup>st</sup> March 2010 and 31<sup>st</sup> March 2011 are given below. [10]

Particulars	On 31.3.2010 Rs.	On 31.3.2011 Rs.
Plant and Machinery	1,00,000	1,00,000
Sundry Creditors	70,000	60,000
Sundry Debtors	60,900	90,000
Stock	50,000	76,500
Outstanding expenses	2,500	3,000
Furniture and Fittings	45,000	45,000
Cash at bank	10,000	24,000
Prepaid Insurance Premium	5,000	—

You are required to ascertain the profit or loss made by the firm as on 31.03.2011 after taking into consideration the following provisions :

- Insurance Policy matured during the year for Rs. 8,000.
  - Plant and Machinery and Furniture and Fittings are to be depreciated at 10% and 6% per annum respectively.
  - A bad debt reserve is to be created at  $2\frac{1}{2}\%$ .
  - During the year 2010-11, Ram and Shyam withdrew from the business Rs. 12,000 and Rs. 8,000 respectively.
  - Interest on capital at 5% per annum.
- b) Journalise the following transactions to record the issue of debentures : [10]
- Issue of Rs. 6,00,000 7% Debentures at par.
  - Issue of Rs. 3,00,000 4% Debentures at a discount of 10% but redeemable at par.
  - Issue of Rs. 7,00,000 5% Debentures at a premium of 3% but redeemable at par.
  - Issue of Rs. 5,00,000 6% Debentures at par and redeemable at a premium of 5%.
  - Issue of Rs. 4,00,000 4% Debentures at a discount of 5% and redeemable at 10% premium.



5) Answer the following questions :

- a) Write a short note on "Standard Cost Method" of inventory valuation. [4]
- b) Distinguish between Single Entry System and Double Entry System. [6]
- c) What are the provisions of the Companies Act 1956 regarding redemption of Preference shares? [4]
- d) What is a debenture? List out the different types of debentures. [6]

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**B.Com. (Semester - V) Examination, October - 2011**  
**MAJOR - I : COST AND MANAGEMENT ACCOUNTING**  
**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.

**Q1)** Following particulars relate to the manufacture and sale of 1,000 units during the year 2010. **[20]**

	Rs.
Direct Material Cost	20,000
Direct Wages	12,000
Factory Overheads	8,000 (50% fixed and 50% variable)
Selling Overheads	1,000
Office Overheads	4,000 (50% fixed and 50% variable)

Profit-20% on selling price.

During the year 2011, it was estimated that :

- a) Production would be increased to 1,200 units.
- b) Material cost per unit would increase by 20%.
- c) Wages per unit would decrease by 10%.
- d) Selling Overheads per unit would decline by 20%

You are required to prepare :

- i) Cost Sheet for the year 2010 showing total and per unit cost and profit.
- ii) Cost Sheet for the year 2011 showing price at which the units should be marked so as to get the same rate of profit as earned during the year 2010.



Q2) Amit manufacturing Pvt. Ltd. provides you the following data for the month of March 2011:

Particulars	Process E	Process F	Process G
Units of Raw material introduced	6,000	1,220	1,300
Cost per unit of Raw Material (Rs.)	5	5	5
Labour (Rs.)	17,000	12,000	7,500
Other Expenses (Rs.)	8,080	8,100	4,800
Weight lost	4%	5%	3%
Scrap	6%	5%	4%
Sale value of scrap per unit (Rs.)	3	4	5
Output sold	30%	40%	100%
Output transferred to next process	70%	60%	
Sale price of output sold per unit (Rs.)	12	16	17

Prepare Process Accounts and Normal Loss Account.

Q3) A product passes through three processes I, II and III before it is transferred to Finished Stock. The following information is obtained for the year 2010.

	Process I	Process II	Process III	FIN. STOCK
Opening Stock (Rs.)	40,000	48,000	32,000	1,20,000
Direct Material (Rs.)	90,000	90,000	1,00,000	-
Direct Wages (Rs.)	50,000	54,000	84,000	-
Overheads (Rs.)	56,000	24,000	1,60,000	
Closing Stock (Rs.)	20,000	24,000	16,000	60,000
Profit on transfer price	25%	20%	20%	
Inter process profit for opening stock (Rs.)	-	8,000	8,000	44,000
Sales (Rs.)				15,00,000

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

Prepare Process Accounts and Finished Stock Account showing the profit element at each stage.



24) a) Pass the Journal entries in the cost books (non-integrated accounting system) for the following transactions : [14]

i) Materials purchased	Rs.5,15,000
ii) Materials issued for production	3,87,000
iii) Materials used in repairs	10,000
iv) Direct labour	84,000
v) Indirect labour	15,000
vi) Carriage Inwards	6,050
vii) Cost of completed work	7,05,000

b) What is unit costing? Write any four industries in which this method is applicable. [6]

25) a) From the following information, pass the journal entries under the integral system of accounts : [14]

i) Raw Materials purchased on credit	3,05,700
ii) Raw Materials issued to production	1,24,000
iii) Direct Expenses	10,000
iv) Payment to creditors	60,000
v) Received from debtors	50,000
vi) Finished product at cost	2,68,000
vii) Credit Sales	5,00,000

b) From the following details prepare a Statement of Equivalent Production and ascertain the element wise cost per unit of Equivalent Production : [6]

Input - 10,000 units.

Output - 8,000 units.

Closing Work in Progress - 2,000 units.

Degree of completion of closing work in progress.

Material - 90%, Labour - 60% and Overheads - 50%.

Process cost - Materials Rs. 58,800, Labour Rs. 36,800 and Overheads Rs. 9,000.

6) a) Write a note on Costing Profit and Loss Account. [5]

b) What is a non-integrated accounting system? What are the advantages of cost ledger? [5]

c) Explain the basic principles considered while designing the system of an integral accounting system. [5]

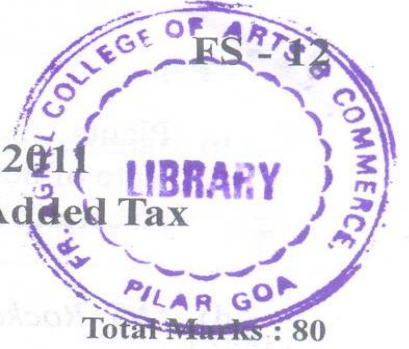
d) Write a note on Selling and Distribution Overhead Account and Cost of sales Account. [5]





[Total No. of Questions : 6]

**B.Com. (Semester - V) Examination, October - 2011**  
**MAJOR - 2: Income Tax, Service Tax & Goa Value Added Tax**  
**(Paper - I)**



Duration : 2 Hours

- Instructions :**
- 1) Question No.1 is Compulsory.
  - 2) Answer any 3 Questions from the remaining Questions.
  - 3) Figures to the right indicate marks allotted.
  - 4) Show important working notes as fair work.

Total Marks : 80

**Q1) a)** The following incomes of 'Mr. Pathaka' pertain to the previous year ended on 31<sup>st</sup> March, 2011 :

- i) Interest on Fixed Deposits in Bank of Baroda ₹55,000.
- ii) Income from business in Japan, controlled from India ₹2,75,000.
- iii) Dividend from shares of Indian Company received in Goa ₹45,500.
- iv) Fees for technical services provided in U.S.A. received in New York ₹1,52,500.

Compute his Gross Total Income for the Assessment Year 2011-12 (indicating whether a particular income is 'Indian' or 'Foreign' income), if he is :

- 1) Resident but Not Ordinarily Resident and
- 2) Non Resident.

[5]

**b)** 'Miss. Sursuri' is working at Delhi as a senior manager on a basic salary of ₹50,000 per month and D.A. ₹20,000 per month (D.A. is considered for retirement benefits). She also received H.R.A. of ₹15,000 per month and arrears of salary ₹60,000. She paid rent of ₹12,000 per month for a house at Delhi for 10 months from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> January, 2011. Thereafter, she started staying in her own new house.

Compute the amount of taxable H.R.A. for the Assessment Year 2011-12. [5]

**c)** 'Mr. Flower-Pot' owns a block of assets consisting of Plants 'A' and 'B', the W.D.V. of which on 1<sup>st</sup> April, 2010 is ₹8,50,000.

He provides the following additional particulars regarding this block :

Asset Purchased	Date of Purchase	When asset is put to use	Cost of Asset ₹
Plant 'C'	May 23, 2010	June 10, 2010	2,00,000
Plant 'D'	July 1, 2010	Dec. 15, 2010	3,50,000
Plant 'E'	March 9, 2011	April 7, 2011	1,80,000



Plants 'A' and 'B' are sold on 26<sup>th</sup> September, 2010 for ₹10,75,000.

Rate of depreciation allowed on the block is 15%.

Ascertain the amount of depreciation admissible for the Assessment Year 2011-12

[5]

d) 'Mr. Rocket' is an assessee who fails to pay the service tax of ₹1,60,000 for the quarter ending on 31<sup>st</sup> March, 2011. He paid the amount on 5<sup>th</sup> July, 2011 by cheque, after getting the show cause notice.

Ascertain the amount of penalty payable by him for non-payment of Service Tax. [5]

Q2) 'Mr. Dhamaka' is employed as a manager of 'Fireworks Limited'. He provides the following information about his income for the previous year ended on 31<sup>st</sup> March 2011.

- Basic Salary ₹35,000 per month.
- Dearness Allowance 50% of the Basic.
- Bonus received, equal to one month Basic.
- Commission received (not at fixed percentage on turnover) ₹10,000.
- Employers' contribution to Recognized Provident Fund ₹1,38,000.
- Mr. Dhamaka also contributes a similar amount.
- Interest credited to Recognised Provident Fund @ 11% p.a. ₹1,10,000.
- Arrears of Salary received during the year ₹22,000.
- Overtime Salary ₹29,400.
- L.T.C. received during the year in the form of air-conditioned first class rail fare by shortest route ₹14,000 (he had actually spent ₹15,000 for the journey).
- Wages of domestic maid paid by the employer ₹23,000 p.a.
- Entertainment allowance ₹5,000 per month. (amount utilised ₹3,000 p.m.)
- Medical allowance ₹25,000 p.a.
- Perquisite value of accommodation provided at concessional rent ₹10,600.
- Hostel Expenditure Allowance @ ₹400 per month for one child.
- Travelling allowance ₹18,000 (70% utilised for office purpose).
- Mr. Dhamaka paid the professional tax of ₹2,100.

Compute his Income from 'Salaries' for the Assessment Year 2011-12. [20]

Plant	Date of Sale	Value	Rate of Depreciation
Plant 'A'	26/9/2010	10,75,000	15%
Plant 'B'	26/9/2010	10,75,000	15%



- 3) 'Mrs. Chaturthi', a practicing Chartered Accountant, gives below the summary of her cash transactions for the year ending 31<sup>st</sup> March, 2011 :

Receipts	₹	Payments	₹
To Opening Balance	4,000	By Office expenses :	
To Audit fees :		For 2009-10	1,000
For 2008-09	2,000	For 2010-11	9,000
For 2009-10	5,000	By I.C.A.I. Membership Fees	4,000
For 2010-11	4,53,000	By Salaries and Stipends	1,92,000
To Consultation fees	10,000	By Printing and stationery	1,000
To Gift from Mother	11,000	By Travelling expenses	5,000
To Gifts from clients	9,000	By Office Rent	12,000
To Rent from let out property	12,000	By Interest on Bank Loan	11,800
To Bank interest	10,000	By Donations	2,000
To Income Tax Refund (including Interest ₹500)	5,000	By Purchase of Computer (on 15.09.2010)	60,000
		By Subscription to Journals	15,000
		By Advertisement	12,200
		By Car expenses	28,000
		By General expenses	10,000
		By Income Tax	5,000
		By Insurance	16,000
		By Closing Balance	1,37,000
	5,21,000		5,21,000

**Additional Information :**

- One fourth of the car expenses related to personal use.
- The bank loan was taken for purchase of office furniture.
- Stipends include ₹8,000 p.m. paid to the assessee's son who is working as trainee. Reasonable amount to be paid as per his qualification is ₹5,000 p.m.
- Depreciation on Computer is allowed @ 60% p.a.
- Books worth ₹2,000 purchased for her son are included in general expenses.
- Insurance includes ₹6,000 paid as mediclaim and balance on office furniture.
- Annual maintenance charges payable on computer amount to ₹4,200.
- She maintains the books of accounts on 'cash basis'.

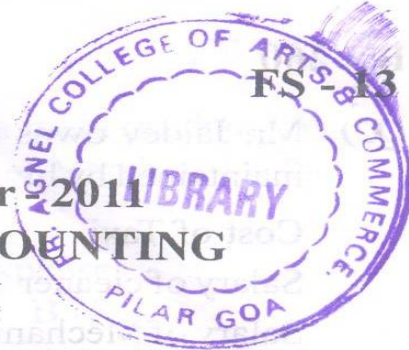
Compute her Income from Profession for the Assessment Year 2011-12.

[20]

- Q4)** Answer in short any four of the following in relation to Income Tax Act.
- Definition of Person.
  - Capital Asset U/S 2(14).
  - Two sets of conditions to determine residential status of an individual.
  - Exemption for House Rent Allowance.
  - Exemption for Gratuity.
- Q5)** Answer in short any four of the following in relation to Income Tax Act.
- Gross Total Income u/s 80(B)(5)
  - Provisions relating to residential status of H.U.F.
  - Exemption for interest u/s 10(15).
  - Profit in lieu of Salary.
  - Deduction of Interest on borrowed capital U/S 36(1)(iii).
- Q6)**
- What is the deduction for Entertainment Allowance U/s 16?
  - What are the provisions for Computation of Income U/S 44AD of Income Act?
  - Answer the following in short in relation to Service Tax.
    - Definitions of :- 'Cable Operator' and 'Architect'
    - Due date for payment of service tax in case of a Partnership a Firm and Company.

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[Total No. of Questions : 6]

**B.Com. (Semester - V) Examination, October 2011**  
**MAJOR - 2: COST AND MANAGEMENT ACCOUNTING**  
**Methods and Techniques of Costing - I**

Total Marks : 80

Duration : 2 Hours

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

**Q1)** Buildwell contractors Ltd. having an authorised capital of Rs. 1,00,000 divided into 1000 ordinary shares of Rs. 100 each under took a contract on 1<sup>st</sup> April 2010. The contract price was Rs. 4,00,000. The Trial Balance extracted from their books as on 31<sup>st</sup> March 2011 stood as follows :

	Dr. (Rs.)	Cr. (Rs.)
Share Capital	-	80,000
Sundry Creditors	-	8,000
Land and Building (at cost)	34,000	
Cash at bank	9,000	-
Materials	80,000	-
Plant	15,000	-
Wages	1,05,000	-
Expenses	5,000	-
Cash received (being 80% of work certified)	-	1,60,000
	2,48,000	2,48,000

Of the plant and materials charged to the contract, plant costing Rs. 3,000 and material costing Rs. 2,400 were destroyed by an accident.

On 31<sup>st</sup> March 2011, plant which costs Rs. 4,000 was returned to store. The value of materials at site was Rs. 3,000 and the cost of work done but not certified was Rs. 2,000.

Charge 10% p.a. depreciation on plant and prepare :

- a) Contract account for the year ended 31.3.2011.
- b) Balance Sheet as on 31<sup>st</sup> March 2011

[20]

Q2) Mr. Jaidev owns a Taxi and the following information is available from the records maintained by him :

Cost of Taxi	—	Rs.5,00,000
Salary of cleaner	—	Rs. 1,000 per month
Salary of Mechanic	—	Rs. 500 per month.
Garage rent	—	Rs. 2,000 per month.
Insurance premium	—	5% per annum.
Driver's salary	—	Rs. 5,000 per month.
Annual repairs	—	Rs. 1,000.

Total life of the taxi is about 2,00,000 kms. The taxi runs in all 3,000 kms in a month of which 30% it runs empty. Petrol consumption is 1 litre for 20 kms. Rate of petrol is Rs.60 per litre oil and sundries are Rs. 5 per 100 kms.

Calculate cost of running taxi per kilometer. [20]

Q3) From the following figures you are required to prepare a flexible budget for overheads and also ascertain the overhead rate per labour hour, at 60%, 80% and 100% capacity.

Particulars	At 60% capacity
a) <u>Fixed Overheads</u>	
Depreciation	33,000
Insurance	9,000
Salaries	30,000
b) <u>Semi Variable Overheads</u>	
Electricity (40% Fixed)	60,000
Repairs & Maintenance (80% Fixed)	6,000
c) <u>Variable Overhead</u>	
Material	24,000
Labour	36,000
<b>Total</b>	<b>1,98,000</b>

Estimated Direct Labour hours at 60% capacity are – 1,20,000 hours. [20]



- Q) a) A by-product 'B' is derived in the course of manufacturing a main product 'A'. The by-product is further processed for sale. For the month of March 2011, the following are the summarised cost data :-

Particulars	Joint expenses (Rs.)	Separate expenses	
		A (Rs.)	B (Rs.)
Materials	20,000	8,000	500
Labour	8,500	5,000	600
Overhead	2,500	2,000	500

Other Information :

- 1) The quantities produced under consideration were :-  
Main product 'A' – 500 units.  
By-product 'B' – 50 units
- 2) The selling price of by-product 'B' was Rs. 100 per unit on which profit earned was 20%.

Prepare :

- i) Statement of allocation of Joint cost to product 'B'.
- ii) Statement of comparative cost and cost per unit of product A and B. [10]

- b) ABC company plans to sell 1,80,000 units of a certain product line in first quarter, 1,20,000 units in second quarter, 1,32,000 units in third quarter, 1,56,000 units in fourth quarter and 1,38,000 units in the first quarter of the following year. At beginning of the first quarter of the current year, there are 18,000 units in stock. At the end of each quarter the company plans to have an inventory equal to  $\frac{1}{6}$  of the sale for the next quarter. How many units must be manufactured in each quarter of the current year? [10]

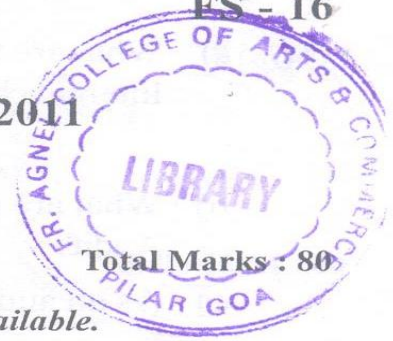
- Q) a) State the Objectives and Functions of Management Accounting. [10]
- b) What are the Techniques of Management Accounting? State the role played by the Management Accountant. [10]

- Q) Answer any four of the following : [20]

- a) Cost unit.
- b) By-product
- c) Job costing & Batch costing
- d) Escalation clause.
- e) Budgetary control.



**B.Com.(Semester - V) Examination, October - 2011**  
**Major Paper - III :AUDITING - I**



Duration : 2 Hours

- Instructions:*
- 1) All questions are compulsory, however internal choice is available.
  - 2) Answer sub-questions in question No. 1 and question No. 2 is 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 / sub - questions.

Q1) Answer any four of the following : [4 × 4 = 16]

- a) Explain Basic principles governing an Audit.
- b) Distinguish between errors and fraud?
- c) What are the contents of an Audit Programme?
- d) What is test check? Explain its Advantages?
- e) How would you vouch 'sales return'?
- f) What is Internal control?

Q2) Answer any four of the following : [4 × 4 = 16]

- a) What is Internal Audit? What are its objectives?
- b) Distinguish between verification and valuation.
- c) Importance of Audit sampling.
- d) Routine checking.
- e) Vouching procedure for Insurance claims.
- f) Teeming and lading.

Q3) Describe the classification of an audit on the basis of time. [12]

OR

What are the primary and secondary objectives of Auditing? [12]



Q4) a) What are the general points an auditor should consider while framing a system of Internal check?

OR

b) What are the aspects to be examined by statutory Auditor in evaluation of internal Audit?

c) As an auditor, how would you vouch the item 'salaries and wages'.

Q5) What points are to be borne in mind by an auditor before the commencement of an audit.

OR

What is an Audit note book? Explain its Importance and state its contents.

Q6) How will you verify the following items: [3 × 4 =

a) Debtors.

b) Copy Rights.

c) Secured loan.

OR

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



[Total No. of Questions : 6]

**T.Y.B.Com. (Semester - V) Examination, October 2011**  
**COST AND MANAGEMENT ACCOUNTING**  
**Major - III : 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 question No. 1 and question No. 2 in not more than 100 words each.
  - 4) Answer question No. 3 to Question No.6 in not more than 400 words each.

**Q1)** Answer any FOUR of the following : [16]

- a) Statutory cost Audit.
- b) Advantages of cost Audit.
- c) Rights of cost Auditor.
- d) Duties of cost Auditor.
- e) Cost Auditor as an Agent.
- f) Appointment of cost Auditor.

**Q2)** Answer any FOUR of the following : [16]

- a) Cost Accounting Records.
- b) Advantages of cost Audit programme.
- c) Cost Audit Notes.
- d) Cost Audit working papers.
- e) Internal check
- f) Internal Audit.

**Q3)** a) What is Non - statutory cost Audit? Explain the objectives of cost Audit. [12]

OR

b) What is social Audit? Explain its different types. [12]



Q4) a) Explain the liabilities of cost Auditor as per the companies Act and cost Auditor (Report) Rules.

OR

b) Explain the Legal Responsibilities of cost Auditor.

Q5) a) What factors are to be considered by the cost Auditor while familiarising with Industry and company?

OR

b) Explain the Techniques of cost Audit.

Q6) a) What is Internal control system? What are its objectives?

OR

b) What is Accounting control? How is it different from administrative control?



[16]

[12]

[12]

OR

b) What is social Audit? Explain its different types.

a) What is Non - statutory cost Audit? Explain the objectives of cost Audit.