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T.Y.B.Com Courses (CBCS) Ordinance (Semester-V)
EXAMINATION OCTOBER 2019
Accounting Major 1 : Income Tax & Goods and Service Tax

[Duration : Two Hours]

[Max. Marks: 80]

Instructions:

- i. Question No.1 is compulsory.
- ii. Answer **any three** questions from Q.No.2 to Q.No.6.
- iii. Figures to the **right** indicate **marks** allotted.
- iv. Show important **working notes** as **fair work**.

Q.1 A. Mr. 'Mohan' , a resident in India, and 65 years of age provides the following particulars for the previous year 2018 – 19.

- i. Gross Total Income Rs 5, 00,000.
- ii. Deductions under Chapter VI- A- Rs 1,50,000.

Calculate total tax payable for the Assessment Year 2019 -20.

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B. Mr. 'Rajiv' is a resident in India. He makes the following donations during the year ended 31.3. 2019.

- i. Donated Rs 5,000 by cheque towards National Fund for Control of Drug Abuse.
- ii. Donated Rs 2,500 in cash towards Clean Ganga Fund.
- iii. Donated Rs 25,000 by electronic fund transfer to an Approved Charitable Trust.
- iv. Books worth Rs 10,000 were sent to an orphanage set up for boys.
- v. Rs 10,000 paid by his debit card to a notified temple for renovation.
- vi. Cheque payment of Rs 7000 to Rajiv Gandhi Foundation.
- vii. Donated Rs 5,000 to the Government of Goa for family planning purposes by cheque. His Gross Total Income for the year is Rs 3, 50,000 and he is eligible to a deduction of Rs 50,000 under Chapter VI- A Income Tax Act 1961 (excluding deduction u/s 80 – G). Calculate the amount deductible u/s 80 – G of the amount deductible u/s 80- G of the Income Tax Act, 1961 for Assessment Year 2019 – 20.

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C. Mr. Sean Almeida, a resident individual, aged 38 years of age has paid the following from his Gross Total Income of Rs. 5, 50,000 during the previous year 2018 – 19.

- a. Medical Insurance Premium paid by cheque on the health of his family (himself, his wife and two minor sons) Rs 14,000 p.a.
- b. Preventive health checks up on the health of his spouse in cash – Rs 4,500.
- c. Medical Insurance Premium on the health of his dependent mother (61 years of age) – Rs 30, 000 and on the health of his grandfather – Rs 3,000. Both the payments are made by his debit card.

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Compute the amount deductible u/s 80 – D for the Assessment Year 2019- 20.

- D. Mr. Mehta, a registered dealer from Margao, Goa is engaged in the sale of a Product 'X' in the state. The following details relate to the month August 2019. He has purchased inputs for the product from a local dealer at Rs 5, 00,000 (excluding GST @ 12%). He makes a value addition of 30% after which he sells the product 'X' in different cities in Goa.

Calculate amount of tax payable assuming that no opening balance of Input Tax Credit is available.

- Q.2 Mr. Aditya Kulkarni, a resident, individual, 50 years of age is a physically handicapped person (disability of 60%). He gives you the following details of house properties owned by him for the previous year ended 31.3.2019.

Particular	House I	House II
Fair Rental Value	4,50,000	6,90,000
Municipal Value	4,55,000	7,10,000
Annual Rent	7,80,000	--
Municipal taxes paid	25,000	70,000
Standard Rent	4,23,000	12,00,000
Land Revenue	37,000	80,000
Repairs	6,000	74,000
Fire insurance premium	4,000	18,000
Unrealized rent of 2017 – 18	26,000	--
Unrealized rent of 2018 – 19	17,000	--
Interest on Capital Borrowed	12,000	2,90,500
Loss on account of vacancy	1,30,000	--
Date on which capital was borrowed for construction	2012	2015
Nature of Occupation	Let out for Business	Self-Occupied for Residence

Additional Information:

1. Computed amount of Income from Salaries is Rs 7, 50,000 and from a part time business is Rs 2, 50,000.
2. Payments made in the year towards the following:
 - a. Paid Rs 25,000 p.a. towards pension fund of LIC of India.
 - b. Life Insurance Premium on the life of his spouse and son (married and independent) amounting to Rs 1,200 p.m. (sum Assured Rs 1,00,000 and policy is issued on 1.4.2011).
 - c. Contribution to Statutory Provident Fund Rs 5,000 p.m.
 - d. Contribution to ULIP of Unit Trust of India Rs 40,000.
 - e. Tuition fees of his daughter studying in SY BCom in a college in Mumbai Rs 15,000 p.a.
 - f. Compute his total taxable income for the Assessment Year 2019 – 20.

- Q.3**
- A)** Mrs. Tamara Jinnah, a resident in India, aged 35 years, gives you the following details of income earned during the previous year 2018- 19.
- a. Income from Salary (computed) Rs 9, 57,500.
 - b. Family Pension received from the Central Government – Rs 6,000 p.m.
 - c. Royalty received from a publisher for writing a text book on Business Studies – Rs 4,000. She spent Rs 2,100 towards printing and other expenses of manuscript.
 - d. Interest on Post Office Savings Bank Account (Joint Name) – Rs1,000.
 - e. Interest on Savings Bank account in SBI – Rs 2,400.
 - f. Interest on 6% Debentures in RCB Ltd received in December 2018 – Rs 6,000.
 - g. Royalty (Lumpsum amount) received for writing a book in India on literary works – Rs 3, 20,000.
 - h. Winnings from Horse Races (Gross) Rs 1, 20,000. Tax deducted at source @ 30%.
 - i. Gift of Rs 1, 51,000 received from friends on the occasion of marriage anniversary.
 - j. Gift of a diamond necklace (fair Market Value – Rs 12,00,000) received from her sister on the occasion of her promotion as Area Sales Manager.
 - k. Dividend from a foreign company received in India – Rs 12,000.
 - l. Interest on Securities – Rs 2,000. He spent an amount of Rs 200 towards bank commission to collect the interest.
 - m. Rent from subletting a building, along with plant and machinery Rs 48,000. Depreciation on plant Rs. 7,000.
 - n. Royalty received on original patents – Rs 1, 50,000. He is the holder of an original patent in India.
- Compute Total Taxable Income for Assessment Year 2019 – 20.

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- B)** Miss. Bharati, a resident individual, gives you the following details, for the previous year ended on 31.3.2019.

- 1) Cost of acquisition of a residential house property in Mumbai on 11th of September, 2014 for Rs 23, 76,000.
- 2) Expenses incurred for the purchase of property – Rs 24,000.
- 3) Sales Price of the residential property in December 2018 – Rs 65, 00,000.
- 4) Expenses incurred on sale of property – Rs 5,000 (borne by the purchaser of the property)
- 5) Cost of repairs and renovation of the property in June 2015 – Rs 2, 54,000.
- 6) She has invested the amount received from the sale proceeding of house property in the following on 10th May 2019:
 - a. Bonds of National Highways Authority on India – Rs 15, 00,000.
 - b. Bonds of Rural Electrifications Corporation – Rs 5, 00,000.
- 7) Cost Inflation Indices (CII) are as follows:

2014 – 15 = 240, 2015 – 16 = 254, 2016 – 17 = 264, 2018 – 19 = 280.

Compute capital Gains for Assessment Year 2019 -20.

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- Q.4** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Interest on borrowed funds for a Self – Occupied property.
 - b. Clubbing of income of a minor child u/s 64 (1A) of the Income Tax Act, 1961.
 - c. Deduction u/s 80DDB of the income Tax Act, 1961.
 - d. Amounts that are not deductible u/s 58 of the Income Tax Act, 1961, while computing income from other sources.
 - e. Any five benefits of Goods and Service Tax.
- Q.5** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Exemption u/s 54B of the Income Tax Act, 1961.
 - b. Deduction U/s 80GG of the Income Tax Act, 1961.
 - c. Return filed beyond time u/s 139 (4) of the Income Tax Act, 1961,
 - d. Payment of advance tax in pursuance of order of Assessing officer.
 - e. Definition of Person u/s 2(84) under CGST Act, 2017.
- Q.6** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Capital Asset u/s 2(14) of the Income Tax Act, 1961.
 - b. Deduction u/s 80DD of the Income Tax Act, 1961.
 - c. Due dates for payment of advance tax for assesses who have opted for presumptive taxation scheme.
 - d. Provisional Assessment u/s 60 of CGST Act, 2017.
 - e. Cases when e – way bill is not required.

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**T.Y.B.Com Course (CBCS) Semester V Ordinance
EXAMINATION OCTOBER 2019
Accounting Major II : Auditing**

[Duration : Two Hours]

[Max. Marks: 80]

Instructions:

- 1) All questions are **compulsory**, however internal choice is available
- 2) Answer Sub-questions in question 1 and 2 in not more than **100** words each.
- 3) Answer question number 3 to question number 6 in not more than **400** words.
- 4) Figures to the **right** indicate **full** marks for respective question/ sub question.

1. Answer **any four** of the following: (4x4=16)
 - a) Auditing v/s Accountancy
 - b) Objectives of vouching
 - c) Scope of auditing
 - d) Internal audit
 - e) VAT audit
 - f) Audit Note Book

2. Answer **any four** of the following: (4x4=16)
 - a) Permanent audit file
 - b) Audit sampling
 - c) Objectives of Internal Control
 - d) Vouching procedure for receipts
 - e) Tax audit
 - f) Distinguish between report and certificate

3. A. Explain the classification of audit based on authority . 12

OR

B. Define audit. Explain the basic principles governing an audit. 12

4. A. What is meant by internal control? Explain the methods of evaluation of internal control system in an organization. 12

OR

B. What is 'Internal Check System'? Explain the objectives of internal check and how does it differ from internal audit? 12

5. A. What is audit planning? Explain the steps that an auditors should take before commencement of a new audit. 12

OR

B. Explain the different type of audit reports. 12

6. A. What do you mean by audit in a computerized environment? Explain the types of internal controls in CIS environment. 12
- OR
- B. What is management audit? Explain its objectives and importance. 12

Total No. of Printed Pages:5

**T.Y. B.com. Semester V (CBCS) Ordinance
EXAMINATION OCTOBER 2019
Accounting Major III : Government Accounting**

[Duration : 2 Hours]

[Total Marks : 80]

Instructions:-

- 1) Question no.1 is compulsory
- 2) Answer any three questions from question no.2 to question no.6
- 3) Each question carries 20 marks
- 4) Figures to the right indicate maximum marks allotted.
- 5) All working notes to form part of the answer.

Q.1 From the following Receipt and Payment Account and Balance sheet of Mapusa Municipality, prepare Income and Expenditure Account for the year ended 31st March, 2019 and a Balance Sheet as on that date. (20 marks)

**RECEIPT & PAYMENT ACCOUNT
For the year ended 31st March 2019**

Receipt	Rs.	Payment	Rs.
To Cash in hand and at Bank (1-04-2018)	6,50,000	By Establishment Expenses	7,55,000
To tax Revenue		By Printing Stationary	1,20,000
House Tax	5,90,000	By water supply	1,02,500
Vehicle Tax	5,70,000	By sewerage & Drainage	1,98,750
Professional Tax	80,000	By Road	1,98,750
Other Tax	70,000	By Repairs to Municipal Building	1,10,000
To Non Tax Revenue		By Investment	6,00,000
Water supply	76,000	By store	2,30,000
Sewerage & Drainage	79,000	By Housing Complex	5,50,000
Roads Lighting	2,67,500	By Repayment of Retention money	2,50,000
Other receipts	6,30,000	By Municipal Service & Commission	2,12,500
To Government Grants		By Cash in Hand and at Bank (31- 03- 2019)	20,05,000
For Road Maintenance	5,50,000		
For Sewerage Maintenance	6,00,000		
To Retention Money			

From Contractors	5,80,000		
To Advance			
Allotment of Houses	5,90,000		
	53,32,500		53,32,500

BALANCE SHEETAs on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Capital fund	7,50,000	Fixed Assets	7,00,000
Municipal fund	5,50,000	Housing complex under construction	90,000
Water supply fund	6,00,000	Investments	7,00,000
Loans	6,00,000	Stores	5,25,000
Contractor Retention Money	75,000	Deposits	1,40,000
Depreciation Provision	70,000	Professional Tax Accrued	20,000
Expenses payable	80,000	Cash in Hand and at Bank	6,50,000
Advance for a Allotment of House	1,00,000		
	28,25,000		28,25,000

Additional Information:

1. Provide Rs.62,500 for depreciation on Fixed Assets
2. Accrued professional tax on 31st March, 2018 Rs. 20,000
3. Accrued professional tax on 31st March, 2019 Rs. 10,000
4. Expenses outstanding on 31st March, 2018 Printing & stationary 35000, Establishment expenses Rs.45000
5. Closing stock of stores on 31st March, 2019 Rs. 4,75,000

Q.2 From the following Trial Balance of Kadamba Transport Corporation Ltd, registered under Companies Act 2013, Prepare Balance Sheet as on 31st March, 2019 (20 marks)

Particulars	Debits (Rs.)	Credits (Rs.)
Issued, Subscribed & Paid up capital		30,00,000
Grant in Aid under JNRUM Scheme (after adjustment)		15,00,000
Govt. Grants for up gradation (after adjustment)		10,00,000
Profit loss Account(current year Profit)		25,00,000
Long Term Loan form GIDC		80,00,000
Provision for Employee benefits		24,50,000
Provision for Gratuity		14,85,500
Bank overdraft		10,00,000

Trade payable		12,00,000
Staff advance payable		7,85,000
KSTC welfare fund		1,76,000
Unclaimed Gratuity		3,30,000
Unpaid wages		2,50,000
Provision for bonus		2,43,500
Land & building	8,00,000	
Bus stand building	12,00,000	
Workshop shade	10,00,000	
Plant & equipment	34,00,000	
Furniture & fixture	10,00,000	
Operating fleet and other vehicles	1,00,00,000	
Investment in shares	15,00,000	
Investment in insurance Deposit fund	25,00,000	
Store and spare parts	2,50,000	
Trade receivable	50,000	
Cash in hand	50,000	
Cash in bank	17,50,000	
Loans & advance to employees	1,00,000	
Prepaid expenses	50,000	
Balance with P.W.D	1,25,000	
Balance with R.T.O	33,000	
Interest accrued on Deposits	12,000	
Computer software	1,00,000	
	2,39,20,000	2,39,20,000

Additional information:

The authorized capital of the corporation was 50,000 equity shares of Rs. 100/- each of which 30,000 equity shares are fully subscribed by the State Government. The corporation declared dividend @ 10% after transferring 5 % to General Reserve.

- Q.3 Pentair Ltd has two projects A and Project A and Project B under consideration. Both the (20 marks) projects have a estimated life of 5 years and have initial cash outlay of Rs. 500000 for Project A and Rs 800000 for Project B
The anticipated cash inflows after tax is an under:

Year	Project A	Project B
1	-	200000
2	100000	280000
3	400000	320000
4	280000	340000
5	120000	160000

The company follows straight line method of depreciation and cost of capital is 16%
The discounted value of Rs. 1 for 5 years at 16% are given below.

Year	1	2	3	4	5
PV@16%	0.826	0.743	0.640	0.552	0.476

You are required to make appraisal of the two projects and advice the company by using the following.

- Payback period
- Average rate of return
- Net present value
- Profitability index

Q.4 A. Project composed of seven activities along with its time estimates is given below. (10 marks)

Activity	Estimated duration (Weeks)		
	Optimistic	Most Likely	Pessimistic
1-2	1	1	7
1-3	1	4	7
1-4	2	2	8
2-5	1	1	1
3-5	2	5	14
4-6	2	5	8
5-6	3	6	15

Considering the above information

- Draw the Project Network.
- The expected Project Length Critical Path

B. What are the principles of government accounting?

(10 marks)

Q.5 A. Karnataka Electricity Corporation Ltd gives the following extract from its trial balance as on 31st March, 2019, Prepare statement of Profit and Loss for the year ended 31st March, 2019 (10 marks)

Also prepare a statement of Reserves and Surplus.

Particulars	Dr.	Cr.
Sale of Energy		
Domestic	-	25,75,000
Industrial		1,49,00,000
Purchase of energy	79,23,000	
Salary and wages	12,00,000	
Establishment expenses	19,95,000	
Rent, rates and taxes	76,500	
Conveyance and travelling	60,000	
Audit Fees	22,500	

General Expenses	1,50,000	
Director fees and allowances	25,500	
Interest on loan	3,52,500	
Interest on consumers Security deposits	1,20,000	
Rent of meters		1,05,000
Maintenance of public Lamps		22,500
Hire charges on machines		37,500
Miscellaneous receipts		15,000

Additional Information:

1. Depreciation for the year Rs. 17,25,00
2. Provision for taxation Rs. 22,80,000

B. Explain the accounting procedure of Government Expenditure.

(10 marks)

Q.6 Answer the following:

- a. Public Accounts
- b. Votable and Non Votable Grants
- c. Limitation of Present Accounting system of Local Self-Governing Body.
- d. BOO as a new area of Contracting

(5X4=20 marks)

Total No. of Printed Pages:04

**T.Y.B.com Semester V (CBCS) Ordinance
EXAMINATION OCTOBER 2019
Accounting Major 4 : Financial Reporting**

[Duration : Two Hours]

[Total Marks:80]

Instructions:

- 1) Question No.1 is compulsory.
- 2) Attempt any 3 questions from Questions no.2 to Questions No.6.
- 3) Each question carries 20 marks.
- 4) Mention working note required wherever necessary.

Q.1 a) ABP Ltd. Provides the following information:

Net profit for the year 2017: Rs 1,40,000

Net profit for the year 2018: Rs. 2, 75, 000

Date	Particulars	No of shares
1-1- 18	No. of shares outstanding at the beginning of the year	8,100 shares
30- 4-18	Issue of fresh shares for cash	2,700 shares
1-11-18	Buy back of shares	1,350 shares
31-12-18	Balance at the end of the year	9,450 shares

You are required to calculate the restated EPS for the year ended 31-12-2017 and the Basic EPS for the year ended 31-12-2018. (5 marks)

b) The following transactions are available of Sun Pharma Ltd. For the year ended 31-3-2019:

Sr.No	Particulars	Amount
1.	On 25-3-19 Goods sold to client but at request of the client these were delivered on 5-5-19	Rs. 90,000
2.	On 15-1-19 Goods sold on consignment basis of which 20% of goods remained unsold with consignee as on 31- 3-19	Rs. 2,25,000
3.	On 28-3-19 the company made cash sales and offered a trade discount of 5% on cash sales to its client	Rs. 11,70,000 (Gross)

You are required to advise the accountant of Sun Pharma with valid reasons on the amount to be recognized as revenue in the above cases as per the provisions of AS-9-“Revenue Recognition”. Also determine the total revenue of Sun Pharma at the end of 31-3-2019. (5 marks)

c) Tate motors obtained a loan for Rs. 1,80,00,000 cr on 1-4-2018 from Kotak Mahindra Bank and it was utilized as under:

Sr. No.	Particulars	Amount (Rs.)
1.	Construction of factory premises (construction came to a halt for a period 3 months on account of heavy rainfall)	75,00,000
2.	Working capital	30,00,000
3.	Machinery	60,00,000
4.	Advance for purchase of crane	15,00,000

On 31-3-2019, the construction of factory was completed. The machinery was ready for its intended use at the time of its purchase. Delivery of crane was not received. Total interest charged by the bank was Rs. 27, 00,000 for the year ending 31-3-19. (5 marks)

You are required to show the treatment of interest as per the provisions of AS-16 and also explain the what is meant by qualifying assets.

- d) Mahindra & Mahindra Ltd. Began the construction of a new plant on 1-4-2018 and obtained a special loan of Rs. 6,00,000 to finance the construction of the plant. The rate of interest on the load was 10%. The expenditure incurred by the company on the project was as follows:

Data	Amount (Rs)
1-4-18	7,50,000
1-8-18	18,00,000
1-1-19	3,00,000

The company's other non-specific loan was Rs. 34, 50, 000 at an interest rate of 12%. The construction of the plant was completed by 31-3-2019. You are required to calculate the amounts of interest to be capitalised as per the provisions of AS 16. (5 marks)

- Q.2 a) Following is the profit and Loss account of Bharti Airtel Ltd for the year ending 31-3-2019:

Particulars	Amount (Rs)in('000)	Amount (Rs)in('000)
Income :		
Turnover	57,050	
Other Income	1,512	58,562
Expenditure:		
Operating Expenses	51,316	
Interest on 10% Debentures	2,314	
Interest on bank OD	186	
Excise Duty	3,436	57,252
Profit before depreciation		1,310
Less: Depreciation		510
Profit before tax		800
Provision for taxation		550
Profit after tax		250
Less: Transferred to General reserve		50

		200
Less: Dividend paid and payable		90
Retained earnings		110

Notes:

- i) Sales represents value of goods sold after deducting discounts, returns and sales tax.
- ii) Salaries, wages and other employee benefits amounting to Rs. 20,494 ('000) are included in operating expense.
- iii) Bank overdraft is treated as a temporary source of finance.
- iv) Amount of Rs. 90 ('000) relating to deferred tax is included in provision for taxation.

Prepare the value Added statement of BhartiAirtel for the year ended 31-3-2019 and reconcile the Total Value Added with the profit before Tax. (10 marks)

- b) i) TLC Ltd, Has three division : Skincare, Textiles and Chemicals. The company has disclosed the following information for the year ending 31-3-2019:

Skincare		Chemicals		Textile	
Segment	Rs.	Segment	Rs.	Segment	Rs.
Sale to chemicals	1,14,37,500	Sale to textile	1,12,500	Export to Germany	6,75,000
Domestic sale	2,25,000	Export to France	7,50,000		
Export Italy	1,53,37,500				
Total	2,70,00,000		8,62,500		6,75,000

Financial results and assets of the company are as follows:

Particulars	Head office	Skincare (Rs)	Chemicals(Rs)	Textile (Rs)
Financial expenses		15,000	18,750	3,750
General expenses allocated to HO		1,80,000	90,000	90,000
Operating profit /loss before tax		6,00,000	75,000	(30,000)
Non – current liabilities	1,42,500	75,000	37,500	4,50,000
Fixed Assets	1,87,500	7,50,000	1,50,000	4,50,000
Net Current Assets	1,80,000	4,50,000	1,50,000	3,37,500

(5 marks)

Prepare a segment report of TLC Ltd for the year ending 31-3-2019.

(5 marks)

- ii) Discuss any 5 the advantages of interim reporting.

- Q.3 a) What is meant by IFRS? Discuss the convergence of IFRS with Indian Accounting (10 marks)

Standards.

- b) In the book of JK Cement Ltd, the balance of machinery appeared at Rs.5, 60,000 as on 1-4-2018. The company follows WDV method of depreciation and charges 10% depreciation p.a. on machinery. On Scrutiny it was found that a machine appearing in the books of accounts on 1-4-2018 at Rs1,60,000 was disposed of on 30-9-2018 for Rs. 1,35,000 in exchange for new machinery costing Rs.1,50,000. You are required to calculate:

- Total depreciation to be charged in Profit and Loss account for the year ending 31-3-2019
- Profit /Loss on exchange of machinery
- Book value of Machinery in the Balance Sheet as on 31-3-2019.

(10 marks)

- Q.4 a) Discuss the points of distinction between Indian GAAP and US GAAP. (10 marks)
- b) From the following details provided by Bajaj Industries ,compute the total value of Human Resource of skilled and unskilled group of employees according to the Lev and Schwartz (1971) model:

Sr.No	Particulars	Skilled	Unskilled
1.	Annual Average earning of an employee till the retirement age	75,000	50,000
2.	Age of retirement	68 years	65 years
3.	Discount rate	15%	15%
4.	No. of employees in the group	40	40
5.	Average Age	65 years	63 years

(10 marks)

- Q.5 a) Describe the essential qualitative characteristics of a financial report. (10 marks)
- b) Discuss the mechanism of setting financial reporting Standards in India (10 marks)

- Q.6 Answer any four of the following in 350-400 words: (5x4=20)
- a) Describe the Users of Financial statements.
 - b) What is meant by corporate social responsibility reporting?
 - c) Discuss the various benefits of Accounting Standards. (5pts)
 - d) Why are IFRS needed? (5pts)
 - e) What do you mean by Guidance notes?
 - f) Discuss any 5 points of comparison between IFRS and Indian AS.(5pts)