M.Com. P-II

Sem - III

April - 2024

Pages - 20

mcom - sem III

①

Time: 2 Hours Marks: 60

Note:
1. All questions are compulsory
2. Figures to the right indicate full marks

Q1. Product X is obtained after it is processed through three processes. (15)

The following information is available

Particulars	Process			
	Total Rs.	I Rs.	II Rs.	III Rs.
Material	1,50,840	52,000	39,600	59,240
Direct wages	1,80,000	40,000	60,000	80,000
Production overheads	1,80,000	-	-	-

10,000 units @ Rs. 6 per unit were introduced in Process I. There was no stock of material or work in progress at the beginning or at the end. The output of each process passes directly to the next process and finally to the finished stock. Production overhead is recovered at 100 % of direct wages.

The following additional data are obtained.

Particulars	Output unit	Percentage of Normal loss to input	Value of Scrap per unit
Process I	9,500	5%	4
Process II	8,400	10%	8
Process III	7,500	10%	10

Prepare Process accounts and Abnormal Loss/ Gain Account and Normal Loss Account.

OR

Q1. The product of a company passes through 3 distinct processes. The following information is obtained from the accounts for the month ending January 31, 2008. **(15)**

Particulars	Process – A (Rs.)	Process – B (Rs.)	Process - C (Rs.)
Direct Material	7800	5940	8886
Direct Wages	6000	9000	12000
Production Overheads	6000	9000	12000

3000 units @ Rs. 3 each were introduced to process – I. There was no stock of materials or work in progress. The output of each process passes directly to the next process and finally to finished stock A/c.

The following additional data is obtained:

Process	Output	Percentage of Normal Loss to Input	Value of Scrap per Unit (Rs.)
Process – I	2850	5 %	2
Process – II	2520	10 %	4
Process – III	2250	15 %	5

Prepare Process Cost Account, Normal Loss Account and Abnormal Gain or Loss Account.

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②

Q2 Tabled company manufactures conference tables and follows ABC to absorb overhead. The company has chosen the following cost pools and cost drivers for the production overhead: (15)

Cost pool	Production overhead (Rs.)	Cost driver	Cost driver quantity
Machine set up	4,00,000	No of setups	5,000 set up
Production orders	1,00,000	No of orders	200 orders
Machine maintenance	1,60,000	Machine hours	4,000 hours
Parts repairs	2,40,000	Number of parts	8,000 parts

You are required to:

1. Compute the overhead rate for each cost driver
2. The company received a special order of 20 conference tables that requires the following number of support activities:
   No. of machine setups: 60, No. of production orders: 25, No. of machine hours: 400, No. of parts to be repaired-50
3. How much production overhead would be charged to this order?
4. Compute the factory cost for this order from the following table:
   Direct material Cost per table-4000, direct wages per table: 2500, Direct expense per table-Rs1,000.

OR

Q.2 RBL Bank operated for year assuming that profitability can be increased by increasing rupees volumes. But that has not been the case. Cost analysis has revealed the following: **(15)**

Activity	Activity Cost (Rs.)	Activity Driver	Activity Capacity
ATM service	2,50,000	No. of ATM transactions	2,50,000
Processing Fees	6,00,000	No. of Files Processed	1,50,000
Statements Issue Charges	7,50,000	No. of statements issued	5,00,000
Customer Inquiries	4,00,000	Telephone minutes	8,00,000

The following annual information on three products was also made available:

Particulars	Savings Accounts (Rs.)	Personal Loans (Rs.)	Credit Cards (Rs.)
ATM transactions	2,00,000	0	50,000
File processed	50,000	50,000	50,000
Statements Issued	2,50,000	1,00,000	1,50,000
Telephone minutes	2,00,000	3,00,000	3,00,000

REQUIRED:

1. Calculate rates for each activity.
2. Using the rates computed in requirement (1), calculate the cost of each product using ABC.

Q3 (a) A manufacturing department set the following standard costs for producing 1,000 units of a product: (7)

Direct materials: ₹20 per unit

Direct labor: ₹15 per unit

Variable overhead: ₹10 per unit

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(3)

Actual production resulted in 1,200 units with the following actual costs:

Direct materials: ₹24,000
Direct labor: ₹17,500
Variable overhead: ₹12,000

Calculate the cost variances for each category and evaluate the department's overall performance.

Q3. (b) From the following information calculate Cost of Sales and Cost of inventory under CPP Method presuming that the firm is following LIFO Method for inventory valuation : **(8)**

Particulars	Rs.
Inventory as on 1st January 2022	8,000
Purchases during the 2022	48,000
Inventory as on 31st Dec.,2022	12,000

Price Index as on 1st Jan 2022 = 100
Price Index as 31st Dec.2022 = 140
Average Price Index for 2022 = 125

OR

Q3. X Ltd. supplies spare parts to an aircraft company Y Ltd. The production capacity of X Ltd. facilitates production of any one spare part for a particular period of time. The following are the cost and other information for the production of the two different spare parts A and B. **(15)**

Per Unit	Part A	Part B
Alloy Usage	1.6 kgs	1.6 kgs
Machine Time :Machine A	0.6 hrs	0.25 hrs
Machine Time :Machine B	0.5 hrs	0.55 hrs
Target Price	145	115

Total hours available:
Machine A – 4,000 hours and Machine B – 4,500 hours
Alloy available is 13,000 kgs @ Rs.12.50 per kg
Variable overheads per machine hour:
Machine A : Rs. 80 and Machine B Rs.100.
You are required to:
1. Identify the spare part which will optimize contribution at the offered price.
If Y Ltd. reduces target price by 10% and offers Rs.60 per hour of unutilized machine hour, what will be the total contribution from the spare part identified above?

Q.4 (a) Multiple Choice Questions: **(any 8)** **(8)**

1. Cost allocation basis in activity-based costing should be _____.
   a. cost drivers b. cost pools c. activity centres d. resources

2. ABC is _____.
   a. a method of accounting for material b. a method of allocating indirect cost
   c. another name of benchmarking d. a cost object

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3. Which statement is true about a favorable variance in responsibility accounting?
   a. It indicates that the costs are in line with the budget
   b. It shows that costs are higher than budgeted
   c. It indicates that performance is worse than expected
   d. It suggests that costs are lower than budgeted
4. Which department's performance might be assessed based on the materials price variance?
   a. Accounting b. Purchasing c. Sales d. Research & Development
5. Which method of inflation accounting is more commonly used?
   a. The historical cost method b. The current purchasing power method
   c. The cash basis method d. The accrual basis method
6. Target cost = Target Selling Price less target
   a. Cost b. Profit c. marginal cost d. Sales
7. A product which has practically no sales or utility value is
   a. Waste b. Scrap c. Spoilage d. Defectives
8. The type of process loss that should not affect the cost of inventory is
   a. Abnormal loss b. normal loss c. Seasonal loss d. standard loss
9. An unfavorable variance in responsibility accounting indicates that
   a. Costs are lower than budgeted b. Costs are higher than budgeted
   c. Costs are exactly as budgeted d. Costs are irrelevant to the budget
10. Which variance compares the actual costs to the standard costs for the actual level of output?
   a. Volume Variance b. Efficiency Variance
   c. Flexible Budget Variance d. Price Variance

(b) State whether following statements are true or false: **(any 7)** (7)

1. Process costing is used when output is produced in a continuous process system, and it is difficult to separate individual units of output.
2. Normal loss is usually expressed as a percentage of the input units of materials.
3. Target Costing is originally promoted in India.
4. The conclusions drawn on the basis of study of final accounts prepared on the basis of historical cost method of accounting may become misleading due to inflation.
5. Responsibility accounting primarily focuses on holding individual managers accountable for the performance of their respective areas within an organization.
6. Responsibility accounting only considers financial measures and does not incorporate non-financial performance indicators.
7. An unfavorable variance in responsibility accounting always suggests poor performance.
8. Traditional method of overhead allocation is more accurate than ABC Costing.
9. ABC costing is used only to allocate the direct cost.
10. ABC costing focuses on reducing costs and improving processes.

OR

Q4. Write a short note: **(any 3)** (15)

a. Limitations of Activity Based Costing
b. Responsibility Accounting and its Components
c. Objectives of Transfer Pricing
d. Methods of determination of Profit under Current Cost Accounting (CCA)
e. Abnormal gain

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(5)

Mcom - Direct tax - Sem III

Time:2 Hours | Total Marks : 60

1. All Questions are compulsory of 15 marks each.
2. Exercise internal options wherever given.
3. Figures to the right represent full marks to the question.
4. All questions should be answered w.r.t assessment year 2023-24.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

Q1.

Following is the profit and loss account of "M/s Vienna & Austen" Firm for financial year 2022-23, you are asked to compute income of firm and its tax liability for the assessment year 2023-24. (15)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To Salaries	3,15,000	By Gross Profit	21,35,000
To Rent of Office	1,57,500	By Rent from Subletting.	70,000
To Discount	10,500	By Winning from Lottery	3,10,000
To Premium on Life Insurance policy	24,500	By Interest on Fixed Deposit A/c	91,000
To Loss by Fire	42,000	By Profit on sale of computers	40,000
To Bad Debts	28,000		
To Penalties	77,000		
To Interest to Partners@10%	2,17,000		
To Repairs to Office Furniture	77,000		
To Depreciation	1,12,000		
To Gifts to Clients	28,000		
To Salary to Partners	10,50,000		
To Net Profit	5,07,500		
	26,46,000		**26,46,000**

Additional Information.

1. Depreciation as per Income Tax Act is Rs 1,05,000
2. Salary amongst partners i.e., Vienna and Austen are to be shared equally. Their profit-sharing ratio also remains equal.
3. The repairs to office furniture included Rs 15,000 paid in cash.

OR

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(6)

Q1. From the following Income and Expenditure Account of Dr. Surendra compute his taxable income and tax liability for the Assessment year 2023-24. (15)

Income & Expenditure Account for the year ended 31-03-2023.

Particulars	Rs.	Particulars	Rs.
To Salaries to staff	6,00,000	By Consultation Fees	9,25,000
To Dispensary Expenses	2,45,500	By Visiting Fees	1,95,000
To Purchase of medicines	55,800	By Sale of Medicines	1,27,500
To Rent of Dispensary	84,000	By Gift from Patients	72,500
To Membership Fees	5,000	By Rent from House	1,80,000
To Income Tax	30,000	Property	
To Municipal Tax for Rented House	15,000		
To Interest on Housing Loan for Rented House	32,000		
To Donations			
To Printing and Stationary	10,000		
To Depreciation	12,200		
To Surplus	60,000		
Total	3,50,500		
	15,00,000	Total	15,00,000

Additional Information:

1) Gifts from patients include Rs. 2,500 from his mother in personal capacity.
2) Depreciation as per Income Tax Rules Rs. 55,000.
3) He paid Rs. 50,000 to State Bank of India towards Principal of Housing Loan.
4) He paid Rs. 20,000 for medical insurance of self, his wife and children.
5) He paid Life Insurance Premium for himself Rs. 25,000.

Q2.

Mr. Siddhesh, works in Crystal Ltd., a private company, From the following particulars of income provided for the previous year ended 31st March, 2023. (15)

Particulars	Amount (Rs)	
Basic salary	15,50,000	per annum
Commission received	2,50,000	per annum
Advance salary received	1,00,000	
Perquisite value of subsidised meal at workplace	35,000	per annum
House Rent Allowance	4,18,500	Per annum
(Exempt House Rent Allowance Rs.3,50,000)		
Profession tax paid	2,500	per annum
Other Information:		
Interest on Debentures of Indian Companies	25,000	
Interest on saving bank account with Bank of Maharashtra	18,000	
Dividend from Indian Companies	15,000	
Gift from Grandfather	51,000	
He paid medical insurance premium for his dependent daughter		

You are required to compute the net taxable income for the Assessment year 2023-24. Rs. 29,000.

OR

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Q.2 Mr. Gopal is the Sales Manager of M/s "AMAR FOOD PRODUCTS Pvt. Ltd." He provides you the following information for the previous year ending on 31-3-2022. (15)

1. Basic Salary @₹15,500 p.m.
2. Dearness Allowance ₹1,900 p.m.
3. Bonus ₹28,000/-
4. Commission on sales@ 10%
5. Sales during the year ₹38,09,900/-.
6. Perquisite value of car ₹29,540 being used for personal purposes.
7. Education Allowance @ ₹1,600 per month. (Exempt u/s 10(14) 1,200/-)
8. Received Entertainment Allowance @₹ 1,825/- p.m. since 1st January, 2023.
9. He was abroad on company's work during the month of February, 2023. Expenses incurred by him abroad ₹96,385/-was reimbursed to him.
10. Sweeper, Cook and Watchman provided at a salary of ₹800/- p.m. each.
11. Gas, water and Electricity bills amounting to ₹12,000 for personal use is paid by employer.
12. Employer deducted profession tax ₹2,500/- for the year 2022-23.
13. He is director with AB & Co. and received sitting fees Rs 50,000.
14. Dividend received from foreign companies Rs.20,000.

You are required to compute Taxable Income of Mr. Gopal for the assessment year 2024-23.

Q3.

Mr. Jaydeep provides the following information. You are required to compute net taxable income for Assessment year2023-24.

He has two Residential House Property. Property 1 is Let out for Business. Property 2 used by Mr. Jaydeep for his own residence. (15)

Particulars	**Property 1**	**Property 2**
Fair Rent	20,00,000	12,00,000
Municipal Valuation	24,00,000	10,00,000
Standard rent	18,00,000	11,00,000
Interest on Loan taken for construction of property	1,50,000	2,75,000
Municipal tax paid by tenant	10%	-
Fire insurance premium	10,000	10,000
Rent per month	2,00,000	-

Additional information:

1. Interest revived on Saving bank Account with Bank of India Rs.35,000.
2. Income from lottery Rs.15,000.
3. Investment made in the PPF Rs.1,50,000.

OR

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Q3 (A)

Mr Aakash purchased a house Property for Rs 25,50,000 on 20th August 2001. (8)
He made further improvement in the financial year 2015-16 and financial year 2018-19, where he constructed first and second floor for Rs 14,50,000 and Rs 6,00,000 respectively.

During the previous year 2022-23, on 5th November 2022 he sold the property for Rs 1,95,00,000, he paid brokerage of 2% on the sale value. The fair market value of the property on 1.4.2001 was Rs 18,25,000.
He invested Rs 40,00,000 in REC bonds on 25-03-2023.

Compute his Capital Gains for the Assessment Year 2023-24.

Relevant Cost Inflation Indices are as follows

Previous Year	Cost Inflation Index
2001-02	100
2015-16	254
2018-19	280
2022-23	331

Q3.(B)

Mr. Raja has earned the following incomes during the previous year ended on 31st March 2023. (7)
Compute the Gross total Income for the Assessment Year 2023-24 assuming that he is :
a) Resident & Ordinarily Resident
b) Non Resident

Dividend received from a Co-op. Bank in India	2,00,000
Rent from a house in Bulgaria received in Sharjah (UAE)	5,00,000
Interest from Bank Account in Guwahati	3,00,000
Income from Business in London, controlled from New York	8,00,000
Past untaxed profits earned in Dubai, brought to India	9,00,000
Technical Knowhow fees from Govt. of Gujrat received in Japan	2,50,000
Income from business in Nagaland, controlled from Delhi	4,50,000

Q.4 (A) Determine whether following statements are True or False (8)

1. Income deemed to accrue or arise in India is taxable in case of all the assessees.
2. The maximum exemption in case of leave encashment for a non-government employee shall be ₹ 3,00,000.
3. Municipal tax is a deduction from net annual value.
4. Reserve for bad debts can be deducted from profits of business.
5. Capital gain arises from the transfer of any asset.
6. Dividend from co-operative society is exempt from tax.
7. Deduction u/s 80D is allowed only if the premium is paid to Life Insurance Corporation.
8. Every person, being a partnership firm (including Limited Liability Partnership), has to file its return of income compulsorily, irrespective of its income being profit or loss.

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Q 4 (B) Choose the correct alternative and rewrite the sentence. (7)

1. The maximum limit for Pension Plan u/s 80CCC is _____
   (a) ₹ ,00,000 (b) ₹ 1,50,000
   (c) ₹ ,50,000 (d) ₹ 2,00,000

2. Rebate is available to an individual assessee whose income doesn't exceed _____.
   (a) ₹ 5,00,000 (b) ₹ 10,00,000
   (c) ₹ ,50,000 (d) ₹ 20,00,000

3. The first due date for payment of Advance Tax for Assessee other than companies is _____.
   (a) 15th June (b) 15th September
   (c) 15th December (d) 15th March

4. Maximum amount of deduction for entertainment allowance is _____.
   (a) ₹ 1,500 (b) ₹ 2,500
   (c) ₹ 5,000 (d) ₹ 3,000

5. Gift received by an individual ₹ 70,000 from his relative shall be _____.
   (a) Fully exempt (b) Fully taxable
   (c) Exempt upto ₹ 50,000 (d) None of the above

6. To be a long-term capital asset, a residential house property should be held for more than _____.
   (a) 12 months (b) 24 months
   (c) 36 months (d) 60 months

7. Share of profit of partner in total income of firm is _____.
   (a) Taxable (b) Exempt upto ₹ 1,50,000
   (c) Fully Exempt (d) Exempt upto ₹ 3,00,000

OR

Q4. Write short notes: (Any three) (15)

i. Cost inflation Index
ii. Deductions under "Income from Other Sources"
iii. Deductions under section 80D
iv. Taxability of Gratuity
v. Family Pension

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mcom - sem III

Time: 2 Hours **Marks: 60**

Note - 1) All questions are compulsory subject to internal choice.
2) Figures to the right indicate full marks.
3) Working note should form the part of answer.
4) Use of simple calculator is only permitted.

Q. 1 Following is the Trial Balance of Mahesh Co-operative Consumer Society, Ratnagiri as on 31st March 2023. **(15)**

Particulars	Dr Rs.	Cr Rs.
Share Capital		10,08,000
Reserve Fund		1,80,000
Profit and Loss Account 1st April 2022		5,28,000
Furniture and Fixture	11,76,000	
Opening Stock 1st April 2022	3,72,000	
Salaries	9,00,000	
Debtors and Creditors	1,80,000	1,20,000
Commission	2,64,000	
Rent and Taxes	1,80,000	
Postage	24,000	
Printing and Stationary	42,000	
Admission Fees		6,000
Travelling and Conveyance	54,000	
Electricity Security Deposit	96,000	
Purchases and Sales	1,90,20,000	2,28,60,000
Freight and Cartage	4,80,000	
Education Fund		24,000
Investments	7,20,000	
Cash in hand	18,000	
Balance at Bank	12,00,000	
	2,47,26,000	2,47,26,000

Adjustments
1) Closing stock is valued at Rs. 13, 20,000.
2) Outstanding Rent Rs. 12,000 and Salary payable Rs. 60,000.
3) Rs. 24,000 Rent was paid in advance as on 31st March 2023.
4) Accrued Income on Investment Rs. 75,000.
5) Provide 10% Depreciation on Furniture and Fixture.
6) Contribution to Education Fund Rs. 510.

You are required to prepare
a) Trading and Profit and Loss Account for the year ended 31st March 2023
b) Balance Sheet as on that date
c) Memorandum Profit and Loss Appropriation Account for the year ended 31st March 2023.

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OR

Q 1] From the following information of Agni protection Insurance Ltd you are required to prepare Revenue Account for the year ended 31st March 2023.

Particulars	Direct Business Rs.	Re-Insurance Business Rs.
A] Premiums		
Received during the year ended 31st March 2023	18,40,000	2,88,000
Receivable as on 1st April 2022	75,000	1,00,000
Receivable as on 31st March 2023	1,04,000	1,02,000
Paid during the year ended 31st March 2023		1,84.000
Payable as on 1st April 2022		1,12,000
Payable as on 31st March 2023		1,46,000
B] Claims		
Paid during the year ended 31st March 2023	9.40,000	1,20,000
Payable as on 1st April 2022	50,000	11,0000
Payable as on 31st March 2023	62,000	13,200
Received during the year ended 31st March 2023		51,000
Receivable as on 1st April 2022		11,000
Receivable as on 31st March 2023		4,800
C] Commission		
On reinsurance accepted	88,000	8,000
On Reinsurance ceded		10,000
D] Other Expenses and Incomes		
Salaries		5,60,000
Rent and rates		1,60,000
Postage		12,000
Printing and Stationary		1,20,000
Legal Expenses (40% for settlement of claims)		72,000
Dividend and Interest Received		5,60,000

Reserve for Unexpired Risk as on 1st April 2022 was Rs. 9,00,000,

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Q.2 Innova Ltd with its Head Office at Mumbai and branch at California, The following is the Trial Balance as on 31st March 2023 of the California branch which was sent to the head office. **(15)**

Particulars	$	$
Head Office Account		1,10,720
Remittance to Head Office	24,032	
Bills Receivable and Payable	40,000	9,600
Sundry Debtors and Creditors	60,800	11,200
Purchases	2,16,000	
Sales		3,61,600
Furniture and Fixtures	21,440	
Stock (As on 1st April 2022)	32,000	
Salaries	6,400	
Depreciation on Furniture & Fixtures	24,032	
Cash on hand and at Bank	12,800	
General Expenses	22,400	
Postage and Telephone	2,048	
Travelling Expenses	31,168	
	4,93,120	4,93,120

The Stock in hand on 31st March 2023 was $ 40,000, the rates of exchanges were

1st April 2022	$1= Rs. 76
31st March 2023	$1 = Rs. 78
Average Rate	$1 = Rs. 77

In the books of head office the balance of the California Branch Account and of the remittances from the California Branch Account appears as Rs. 28, 61,552 and Rs. 5, 93,088 respectively.

The original Furniture and Fixtures were purchased when the exchange rate was $ 1 = Rs. 70
Convert the above trial balance into rupees currency and prepare final accounts of the branch in the books of the head office for the year ended 31st March 2023.

OR

Q 2 From the following information as on 31st March 2023, prepare the Revenue Account of Atlantic Co Ltd engaged in Marine Insurance Business.

(15)

Particulars	Direct Business	Re insurance Business
Premium		
Received during the year ended 31/3/2023	16,00,000	1,90,000
Receivable as on 1st April 2022	30,000	5,250
Receivable as on 31st March 2023	45,000	7,000
Premium Paid		60,000
Payable 1st April 2022		5,000
Payable as on 31st March 2023		10,500
Claims		
Paid during the year ended 31/3/2023	9,12,500	311,250
Payable as on 1st April 2022	23,750	3,250
Payable as on 31st March 2023	43,750	5,500
Claims Received		25,000
Receivable as on 31st March 2022		2,250
Receivable as on 31st March 2023		3,000
Commission		
On insurance accepted		37,500
On re insurance ceded		3,500

Other expenses	Rs.
Salaries	65,000
Rent, Rates and taxes	4,500
Printing and Stationary	5,750

Legal Expenses (Inclusive of Rs. 5,000 in connection with settlement of claim) 15,000

Reserve for Unexpired Risk as on 1st April 2022 was Rs. 17,00,000

Q.3 Following is the Trial Balances of Smart Bank Ltd Navi Mumbai as on 31st March 2023. **(15)**

Particulars	Dr Rs.	Cr Rs.
Share Capital of Rs 100 each		16,00,000
Profit and Loss Account as on 31st March 2023		6,40,000
Current Deposit Account		54,56,000
Savings Account		62,40,000
Directors' Fees	72,000	
Fixed Deposit Account		41,04,000
Audit Fees	16,000	
Interest and Discount Received		41,60,000
Furniture (Cost Rs 16,00,000)	13,92,000	
Rent and Taxes	1,36,000	
Printing and Stationary	64,000	
Commission and Exchange		16,00,000
Reserve Fund		5,60,000
Cash with Reserve Bank of India	56,00,000	
Cash with other Bank	52,00,000	
Investment at cost	24,80,000	
Salary	11,20,000	
Law Charges	24,000	
Cash in hand	2,56,000	
Branch Adjustment Account		14,40,000
Bills Discounted and Purchased	22,40,000	
Loans, Cash Credit and Overdraft	48,00,000	
Borrowings from Bank		32,00,000
Interest Paid	12,00,000	
Building (Cost Rs 48,00,000)	36,00,000	
Investments at Cost	8,00,000	
	2,90,00,000	2,90,00,000

Following additional information is available

1) The bank has accepted on behalf of the customers bills worth Rs. 24,00,000
2) Rebate on bills discounted Rs. 88,000
3) Provide depreciation on Building at 10% and Furniture at 5% on cost.

Prepare Final Accounts of Smart Bank Ltd for the year ending 31st March 2023

OR

Q.3. Following is the Trial Balance of Jai Vijay Bank Ltd as on 31st March 2023.

Particulars	Dr Rs.	Cr Rs.
Share Capital Rs 10 each		15,00,000
Savings Bank Deposits		90,00,000
Reserve Fund		30,00,000
Current Accounts		2,10,00,000
Investments	90,00,000	
Unclaimed Dividend		90,000
Money at Call and Short Notice	9,00,000	
Borrowed from Bank		6,00,000
Premises	36,00,000	
Bills Discounted	15,00,000	
Salaries	2,40,000	
Interest accrued and paid	6,00,000	
Fixed Deposits		60,00,000
Loans, Advances, Overdrafts and Cash Credits	2,10,00,000	
Rent	90,000	
Sundry Creditors		90,000
Bills Payables		24,00,000
P&L A/c as on 1st April 2022		4,80,000
Net Profit for the year		13,50,000
Cash in hand	1,80,000	
Cash at Bank	84,00,000	
	4,55,10,000	4,55,10,000

The bank has the bills for Rs. 42,00,000 as collection for its constituents and also acceptances and endorsements for them amounting to Rs. 12,00,000.
Prepare Final Accounts of the Jay Vijay Bank for the year ending 31st March 2023

Q.4

A) Fill in the blanks with the most appropriate answer. (05)

1) Deposits are shown in the Schedule Number ____ in Balance Sheet of Banks
2) Fire Insurance Company has to maintain Reserve for Unexpired Risk at ____
3) Salary is translated by applying the _____rate for conversion Trial Balance
4) Register of Members of Co op. Society is maintained in the form of _____
5) The currency of the enterprise preparing account is called_____

B) State whether the following statements are True or False. (05)

1) Rebate on bills discount is termed as advance income received.
2) Opening Inventory is translated at Closing Rate
3) Discount on Bills is shown by bank in Schedule of Interest Expended
4) Exchange difference of Integral Foreign Operation is transferred to Profit and Loss Account.
5) Advances of Loans, Cash Credits and overdrafts are shown in Schedule Number 7 of Banking Balance Sheet

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C) Math The following tables. **(05)**

Table A	Table B
1 Marine Insurance	a. Closing Rate
2 Current Deposits	b. Fixed Assets
3 Closing Stock	c. Form N
4 Schedule 10 in Banking Balance Sheet	d. Repayable on Demand
5 Form of Balance Sheet of Co op. Society	e. 50% Reserve for Unexpired Risk
	f. 100% Reserve for Unexpired Risk

OR

Q.4] Write Short Notes (Any Three) **(15)**

1) Conversion Trial Balance for Foreign Branches.
2) Consumer Co Operative Society.
3) Schedule 9 of Banking Balance Sheet.
4) Direct Insurance and Reinsurance.
5) Bye Laws of Co- operative Society

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Time: 2 Hours

Marks: 60

Note:

1. **All questions are compulsory.**
2. **Figures to the right indicate full marks.**

Q1 Product DEL is obtained after it is processed through three processes. From the following information you are required to prepare Process account and Normal loss account **(15)**

Particulars	D	E	L
Material Rs.	61,000	61,800	59,240
Direct wages Rs.	45,000	60,000	80,000
Production overheads	100% of Direct Wages	100% of Direct Wages	100% of Direct Wages
Output	9,500	8,400	7,500
Percentage of normal loss	5%	10%	15%
Value of Scrap per unit	4 Rs.	8 Rs.	10 Rs.

10,000 units @ Rs. 6 per unit were introduced in Process D. There was no stock of material or work in progress at the beginning or at the end. The output of each process passes directly to the next process and finally to the finished stock.

OR

Q1. SKT Ltd. is engaged in process industry. During the month August 2023, 2000 units were introduced. in process 'X'. The normal loss was estimated at 5% of input. At the end of the month 1,400 units had been produced and transferred to process 'Y'. 460 units were incomplete and 140 units, after passing through fully the entire process had to be scrapped. **(15)**

The incomplete units had reached the following state of completion

Material Labour Overhead	75% Completed 50% Completed 50% Completed
Following are the further information on the process 'X':	
Cost of the 2000 units Additional Direct materials Direct labour Direct overheads Units scrapped realized	Rs. 58,000 Rs. 14,400 Rs. 33,400 Rs. 16,700 Rs. 10 each

Prepare statement of equivalent production, statement of cost, statement of evaluation and process account

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Q2. Mohan & Co. has 3 production departments and 2 service departments. The expenses are to be given below (15)

Particulars	Rs	Particulars	Rs.
Insurance	2,000	Consumable store	15,400
Depreciation	30,000	Supervision	22,800
Power	9,000	Rent and rates	10,000
Light	4,000		

The following information available

Bases	Production Departments			Service Departments	
	A	B	C	S1	S2
Area sq.ft	9,000	6,000	7,500	1,500	4,500
H.P x hours x LF	10,800	7,200	--	--	--
Material	34	39	13	4	10
Wages	35	22	27	10	7
Assets Value	2,00,000	2,25,000	50,000	12,500	12,500

1. Prepare the primary distribution statement using the most appropriate basis for apportionment.
2. The production department A, B, C have issued S1 requisition in the ratio of 9:6:5 and S2 request in the ratio of 2:3:1.
3. Prepare the secondary distribution statement on non-reciprocal (direct distribution) basis.

OR

Q2. Sunny & Ltd. company manufactures conference tables and follows ABC to absorb overhead. The company has chosen the following cost pools and cost drivers for the production overhead: **(15)**

Cost pool	Production overhead	Cost driver	Cost driver quantity
Machine set up	4,50,000	No of setups	5,000 set up
Production orders	1,20,000	No of orders	200 orders
Machine maintenance	1,80,000	Machine hours	4,000 hours
Parts repairs	3,20,000	Number of parts	8,000 parts

You are required to:

1. Compute the overhead rate for each cost driver
2. The company received a special order of 20 conference tables that requires the following number of support activities:
   No. of machine setups: 60, No. of production orders: 25, No. of machine hours: 400, No. of parts to be repaired-50
3. How much production overhead would be charged to this order?
4. Compute the factory cost for this order from the following table:
   Direct material Cost per table-5000, direct wages per table: 3000, Direct expense per table-Rs1,500.

(17)

Q3. (a) Monika Ltd. Has for divisions. The following data are in respect of them. **(07)**

Particulars	A	B	C	D
Total Assets	12,00,000	10,00,000	14,00,000	18,00,000
Total Sales	20,00,000	30,00,000	36,00,000	28,00,000
Total Cost	18,00,000	27,00,000	33,60,000	26,00,000
Cost of Capital	14%	18 %	16 %	10 %

You are required to calculate: annual return on investment and residual income

Q3. (b) From the following information of Max and Lax company, calculate Cost of Sales and Cost of inventory under CPP Method presuming that the firm is following LIFO Method for inventory valuation : **(08)**

Particulars	**Rs.**
Inventory as on 1st January 2023	9,000
Purchases during the 2023	50,000
Inventory as on 31st Dec.,2023	13,000

Price Index as on 1st Jan 2023 = 100
Price Index as 31st Dec.2023 = 150
Average Price Index for 2023 = 125

OR

Q3. ABC & Co. Fixes the inter -divisional transfer price for its product on the basis of the cost plus a return on investment in the division. The budget for division A for the year is as under. **(15)**

Fixed cost	Rs. 4,50,000
Current assets	Rs. 1,50,000
Annual fixed cost of the division	Rs. 6,00,000
Variable cost per unit of the product	Rs. 10
Budgeted volume	2,00,000 units p.a
Desired ROI	28%

Determine the transfer price for division A, If the volume in units can be increased by 10% . what will be the impact on the transfer price?

Q.4 (a) Multiple Choice Questions: (any 8) **(08)**

1. Cost allocation basis in activity-based costing should be _____.
a. Resources b. Cost pools c. Activity centres d. Cost drivers

2. Which statement is true about a favourable variance in responsibility accounting?
   a. It indicates that the costs are in line with the budget.
   b. It suggests that costs are lower than budgeted.
   c. It shows that costs are higher than budgeted.
   d. It indicates that performance is worse than expected.

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3. The costing techniques that produces a stipulated profit when a product is sold at its estimated market driven price is termed----
   a. Life cycle costing b. Product costing c. Target costing d. Standard Costing
4. The Price that one division of a company charges another division for goods or services provided is called the _____.
   a. Market price b. Transfer price c. Outlay price d. Distress price Which
5. Method of inflation accounting is more commonly used?
   a. The historical cost method b. The current purchasing power method
   c. The cash basis method d. The accrual basis method
6. Target cost = Target Selling Price less target _____.
   a. Cost b. Profit c. marginal cost d. Sales
7. A product which has practically no sales or utility value is _____.
   a. Waste b. Scrap c. Spoilage d. Defectives
8. The type of process loss that should not affect the cost of inventory is _____.
   a. Abnormal loss b. normal loss c. Seasonal loss d. standard loss
9. Which variance compares the actual costs to the standard costs for the actual level of output?
   a. Volume Variance b. Efficiency Variance
   c. Flexible Budget Variance d. Price Variance
10. The Payroll department is most likely considered to be _____.
    a. Revenue center b. Cost center c. Accounting center d. Profit center

(b) State whether following statements are true or false: (any7) **(07)**

1. Normal loss is usually expressed as a percentage of the output units of materials.
2. An unfavorable variance in responsibility accounting always suggests poor performance.
3. Traditional method of overhead allocation is more accurate than ABC Costing.
4. ABC costing is used only to allocate the both direct cost and indirect cost.
5. ABC costing focuses on reducing costs and improving processes.
6. Transfer prices can be used to promote goal congruence among operating segments of an organisation.
7. ROI is not a good measure of divisional performance.
8. Responsibility accounting system should include the revenues and cost of a division.
9. All controllable costs are direct cost.
10. Inflation accounting is used to provide information that is useful to present and potential users in making decisions.

OR

Q4. Write a short note: (any 3) **(15)**

a. Importance of Activity Based Costing
b. Transfer Pricing
c. Current Cost Accounting (CCA)
d. Abnormal Loss
e. Allocation V/s Apportionment.

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