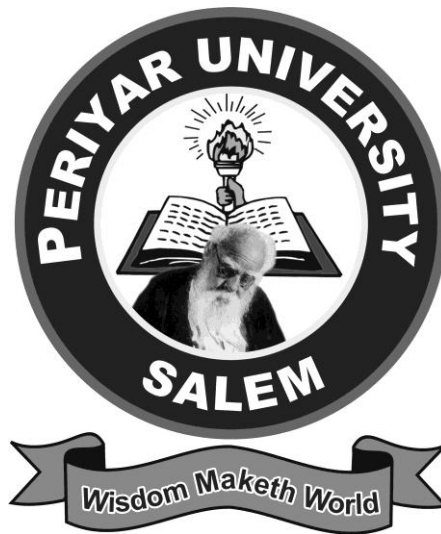


PERIYAR UNIVERSITY

Salem – 636 011.

**Periyar Institute of Distance Education
(PRIDE)**



**DEGREE OF
BACHELOR OF COMMERCE
(NON – SEMESTER)**

SYLLABUS

REGULATIONS

I. ELIGIBILITY FOR ADMISSION:

Candidates for admission to the first year of the Degree of Bachelor of Commerce course shall be required to have passed the Higher Secondary Examination (Academic or Vocational Stream) conducted by the Government of Tamil Nadu, or an Examination accepted as equivalent thereto by the Syndicate, subject to such conditions as may be prescribed thereto.

II. ELIGIBILITY FOR THE AWARD OF DEGREE:

A candidate shall be eligible for the award of the Degree only if she/he has undergone the prescribed course of study in Periyar Institute of Distance Education for a period of not less than three academic years and passed the examinations prescribed and fulfilled such conditions as have been prescribed therefore.

III. COURSE OF STUDY:

a) Objectives of the Course:

- i) To provide the basic and essential knowledge regarding various activities undertaken and necessary to run socially responsible business organization.
- ii) To impart certain basic skill and aptitude which will be useful in taking up any particular activity in a business
- iii) To provide a global view of the several financial and other institutions and their function which support the business system.
- iv) To develop the personality so as to become a responsible citizen with greater awareness about the Indian society and its culture.

b) The course of study for the B.Com Degree shall consist of the following subjects:

1. Foundation courses consisting of:

- a) Tamil or Hindi at the option of the candidate, according to the syllabi and text books prescribed from time to time.
- b) English

IV. PASSING MINIMUM:

A candidate shall be declared to have passed in each paper if he/she secures not less than 40% of the marks prescribed for the examination. He/she shall be declared to have passed the whole examination, if he/she passes in all the papers as per the scheme of examination.

V. CLASSIFICATION OF SUCCESSFUL CANDIDATES:

Successful candidates passing the examination securing the marks (i) 60% and above and (ii) 50% and above but below 60% in the aggregate of the marks prescribed for the core courses including. Allied subjects together shall be declared to have passed the examination in the First and Second class respectively. All other successful candidates shall be declared to have passed the examination in the Third Class.

SCHEME OF EXAMINATIONS

Year	Subject	Duration (Hrs)	Max Marks	Min Marks
	I year (Foundation courses)			
	Part-I			
Paper I	Language	3	100	40
	Part-II			
Paper II	English	3	100	40
	Part-III (Core Course)			
Paper III	Financial Accounting	3	100	40
Paper IV	Business Communication Management	3	100	40
Paper V	Allied-Business Economics & Indian Economy	3	100	40
	II Year Part-III (Core Courses)			
Paper VI	Corporate Accounting	3	100	40
Paper VII	Banking Theory Law and Practice	3	100	40
Paper VIII	Business Law and Company Law	3	100	40
Paper IX	Business Environment and Entrepreneurship	3	100	40
Paper X	Allied – Business Statistics	3	100	40
	III Year Part-III (Core Courses)			
Paper XI	Cost and Management Accounting	3	100	40
Paper XII	Practical Auditing	3	100	40
Paper XIII	Principles of Marketing	3	100	40
Paper XIV	Computer Application in Business (Theory only)	3	100	40
Paper XV	Income Tax Law and Practice	3	100	40

PAPER – III- Main
FINANCIAL ACCOUNTING

UNIT – I

Meaning and scope of Accounting, Basic Accounting Concepts - Double Entry Book keeping – Journal, Ledger, preparation of Trial Balance - Preparation of Final Accounts of a Sole Trading Concerns – Adjustments.

UNIT – II

Preparation of Receipts and payments Account, Income and expenditure account and Balance sheet of non trading concerns (Simple problems).

Average Due Date – Account current – Insurance claim (Loss of stock only).

UNIT – III

Depreciation Methods – Fixed – Diminishing – change in method, Annuity method.

Single Entry System – Statement of Affairs and Conversion Method.

UNIT – IV

Branch Accounts (Foreign Branch excluded) hire purchase and instalments.

UNIT - V

Partnership Accounts – Admission – Retirement - Death of a partner – Insolvency of a partner – Dissolution of a partnership – Piece meal distribution.

TEXT BOOKS :

1. R.L. Gupta and V.K. Gupta - Financial Accounting - Sultan Chand & Sons, New Delhi.
2. S.P. Jain and K.L. Narang, - Financial Accounting - Kalyani Publishers, Ludhiana

REFERENCES BOOKS :

1. Reddy and Murthy - Financial Accounting Margham Publications, Chennai –17
2. Dr. S. Ganesan and Kalavathy - Financial Accounting Tirumala Publications, Nagercoil.

QUESTION PAPER PATTERN
FINANCIAL ACCOUNTING

Time: 3hrs

Max. Marks:

100

Part – A

(10 x 2 = 20 Marks)

Answer all Questions

1. Explain Entity concept
2. Define Book keeping
3. Differentiate between Trial Balance and Balance sheet
4. What is Red ink interest?
5. What are the features of Depreciation ?
6. How Branches are classified?
7. Journalise the following:
 - (a) Purchased from Manjith Singh goods for Rs.10,000 who allowed a Trade discount of 2%.
 - (b) Sold goods to Ranjith Singh for Rs.20,000 and allowed him a Trade discount of 3%.
8. Calculate the profit or loss from the following data: Withdrawals by the proprietor during the year Rs.1,500. Capital in the beginning of the year Rs.9,000. Capital at the end of the year Rs.10,000. Capital brought in by proprietor during the year Rs.2,500.
8. Record the following in the Books of a Head office.
 - (a) Cash remitted by a branch Rs.10,000 at the end of accounting year did not reach the H.O. on the date of closing of accounts.
 - (b) Goods Rs.20,000 sent by Bangalore Branch to Hyderabad Branch under instruction from Head Office.

- (c) A and B are partners sharing profits in the ratio of 7:3. C was admitted as a partner. A surrendered $\frac{1}{7}$ th of his share and B $\frac{1}{3}$ rd of his share in favour of C. Calculate new ratio.

Part – B (5 x 4 = 20 Marks)

Answer all Questions

- (d) (a) What are the objects of preparation of a Trial Balance
- (or)
- (b) What are the adjustment entries for the following:
- a) Depreciation in building b) Provision for doubtful debts to be provided
- c) Salary outstanding d) Insurance premium prepaid
- e) Interest received in advance
- (e) (a) Distinguish between receipts and payments account and income and expenditure account.

(or)

(b) Calculate insurance claim from the following facts assuming that the insurers met their liability under the policy on 'average basis'.
A trader's stock valued at Rs.40,000 was totally destroyed. The stock in the godown was insured for Rs.30,000 subject to average clause. The balance of stock, left after fire, appeared in the books at Rs.24,000.

- (f) (a) What is single entry system? Discuss its demerits?

(or)

(b) A company whose accounting year is the calendar year purchased on 1-4-98 machinery costing Rs.30,000. It purchased further machinery on 1-10-98 costing Rs.20,000 and on 1st July 1999 costing Rs.10,000. On 1st January 2000, one-third of the machinery which was installed on 1-4-1998 became obsolete and sold for Rs.3,000. Show how machinery

account would in the books of the company assuming depreciation was charged @ 10% p.a. on W.D.V

- (g) Subramanian & Co. of Chennai sends goods to branch at Tanjore to Cost plus 25%. All cash received by branch is remitted to the Head Office. All expenses are paid from Chennai. From the following particulars. Show how the branch account will appear in the books of head office:

Opening Stock (invoice price)	Rs. 12,500	Remittance	to	Rs. Chennai
16,000				
Closing Stock (invoice price)	15,000	Cash Sales		
29,000				
Opening Debtors	12,000	Cash received from Debtors		
2,400				
Closing Debtors	32,500	Wages & Salaries		
11,000				
		Rent		
3,000				
		Sundry Expenses		510

(Or)

- (b) X purchased a machinery under Hire-purchase agreement from Y. The Cash Price of the machinery was Rs.15,000. The payment was to be made as follows: Down payment rs.3,000 First year end Rs.5,000 Second year end Rs.5,000. Third year end Rs. 5,000 Calculate Interest for each year.

- (h) (a) A, B and C are partners sharing profits and losses in the proportion of 3:2:1. B dies and his legal representative is appointed. Calculate has

value of goodwill according to this share of profit to be calculated by taking twice the amount of the average profit of the last three years. The profits of the three years were – 1989 Rs.7,800; 1990 Rs.9,000; 1991 Rs.9,600. Pass journal entry for the amount of goodwill to be transferred to Rs.7,800; 1990; 1991 Rs.9,600. Pass journal entry for the amount of goodwill to be transferred to continuing and Deceased partner account.

(or)

(b) Following is the Balance sheet of Anna and Thambi as on January 1, 2002:

Liabilities	Rs.	Assets	Rs.
Anna's Capital	5,000	Sundry Assets	8,000
Thambi's Capital	4,000	Bank	1,000
Sundry Creditors	2,000	Goodwill	2,000
	11,000		11,000

PART – C (5 x 12 = 60 Marks)

Answer all Questions

(i) (a) The following balances were extracted from the ledgers of a business organisation on 31-3-2004. Prepare a Trail Balance as on that date.

Drawings	12,000	Capital	48,000
Creditors	86,000	Bills Payable	8,000
Debtors	1,00,000	Bills Receivable	10,400
Loan from Kumar	20,000	Furniture	9,000
Opening Stock	94,000	Cash in Hand	1,800
Bank Balance	25,000	Taxes	7,000
Sales	2,56,000	Salaries	19,000
Sales Returns	2,000	Purchases Returns	2,200
Travelling Expenses	9,200	Commission Paid	8,000

Rent 4,000 Discount Earned 12,000

Purchases 1,41,600

(b) Prepare Trading and Profit and Loss Account for the year ended 31-3-1999 and Balance Sheet as on that date:

	Rs		Rs
Capital	80,000	Drawing	6,000
Opening Stock (1-4-1998)	45,000	Purchases	2,50,000
Sales	3,10,000	Furniture	10,000
Debtors	40,000	Freight and octrol	4,800
Trade expenses	500	Salary	5,500
Rent	2,400	Advertisement	5,000
Insurance premium	400	Commission earned	1,300
Discount allowed	200	Bad debts	1,800
Provision for bad debts	900	Creditors	20,000
Cash	5,200	Bank	5,800
Goodwill	20,000		

Adjustments:

- (a) Closing Stock Rs. 53,000.
- (b) Salaries have been paid for 11 months only.
- (c) Prepaid insurance premium Rs.100
- (d) Commission earned but not received Rs.122
- (e) Create 3% provision for bad debts on debtors.
- (f) Charge 10% depreciation on future
- (g) ¼ of advertisement is to be written
- (j) (a) The following are the transaction that took place between X and Y during the period from 01-02-99 to 30-06-99:

Jan. 01	Balance due to X by Y	12,040
Jan. 07	Goods sold by X to Y	17,680
Feb. 16	Goods sold by Y to X (due date 1 st April)	25,920
Feb. 18	Goods returned by X to Y (out of goods purchased on 16 th Feb.)	2,240
March 24	Goods sold by Y to X (due date May 1)	14,240
April 22	Bill Receivable drawn by Y to X (at 3 month and accepted by X)	6,000
April 29	Cash paid by X to Y	10,000
May 17	Goods sold by X to Y (due date June 1)	10,840
June 22	Goods sold by Y to X (due date Aug. 1)	9,120

Required: Draw up an Account Current upto 30th June 1999, to be rendered by X to Y charging interest at 18% p.a.

(b) A owes S the following sums of money due on the dates stated:

Rs.400 due on 5th January, 1990 : Rs.200 due on 20th January, 1990

Rs.800 due on 4th February, 1990 : Rs.100 due on 26th February, 1990.

Rs.50 due on 10th March, 1990. Calculate the average due date.

(k) (a)The cost of machinery in use with a firm on 1-4-2000 was Rs.2,50,000 against which the depreciation provision stood at Rs.1,05,000 on that date. The firm provided depreciation at 10% diminishing balance. On 31-12-2000, two machines costing Rs.15,000 and Rs.12,000 respectively. Both purchased on 1-10-97 had to be discarded because of damage and had to be replaced by two new machines costing Rs.20,000 and Rs.15,000 respectively. One of the discarded machines was sold for Rs.8,000 against the other it was expected that Rs.3,000 would be realizable.

(or)

(b) Ravi keeps his books by single entry on 1.1.99 his capital was Rs.6,900.

An analysis of his cash book for 1999 gives the following particulars.

Received from debtors	6,000	-
Paid in on capital account	500	-
Due to bank 1.1.1999		
740		
Payment to creditors		2,500
General expenses of business		1,000
Wages		1,550
Drawings		300
Balance at Bank on 31.12.1999		400
Balance in hand		10

His Assets and Liabilities were:

Assets and Liabilities

Debtors	5,300	8,800
Creditors	1,500	1,950
Stock	1,700	1,900
Plant and Machinery	2,000	2,000
Furniture and Fittings	140	140

From the above information, prepare the trading and profit and loss account for the ended 31.12.1999 and a Balance Sheet as on that date, after providing 5% interest on capital (ignoring payments in and drawings), 10% depreciation on plant, 5% depreciation on furniture and a reserve of 5% on sundry debtors.

(l) (a) A Head office sends goods to its branch at 25% less than the list price. Goods are sold to customers at Cost plus 60%. From the following particulars, ascertain the profit made by the head office and by the branch:

	Head Office	Branch
--	-------------	--------

Opening stock at Cost		
-----------------------	--	--

(at invoice price in case of branch)	50,000	30,000
Purchases	1,50,000	-
Goods sent to branch	1,08,000	-
Sales	1,60,000	80,000
Expenses	10,000	6,000

(or)

(b) X Ltd. purchased a machinery on 1-1-2000 on hire-purchase system. Cash price of the machinery was Rs.29,800. Terms of payment were Rs.8,000 half-yearly over two years. The first payment to be made on 30th June 2000. Rate of interest 6% p.a. X Ltd. written off 10% depreciation under W.D.V. and closed its books on 30th June every year. It could not pay the installments due on 30th June 2002 and as a consequence, the hire vendor took possession of the machinery. Prepare Machinery account and show the loss suffered by X Ltd.

(m) (a) Atul and Asha are partners in partnership sharing profits and losses in the ratio of 1:1. Their Balance sheet as on 31-12-1996 was as under

BALANCE SHEET

Liabilities	Rs.	Assets	Rs.
Capitals:		Land and buildings	
Atul	60,000	Furniture	60,000
Asha	40,000	Stock	10,000
General Reserve	10,000	Debtors	10,000
Sundry Creditors	30,000	Less: Bad Debts Provision	500
Bank A/c	5,000	Cash	50,500
	1,45,000		1,45,000

On 1-1-97, Arjun was admitted as a partner with 1/5th share in future profits.

Following were the terms for his admission:

- a) Land and buildings to be valued at Rs.80,000.
- b) Value of furniture and stocks to be reduced by 10 %.
- c) Arjun to bring Rs. 10,000 for goodwill in cash
- d) He has to introduce Rs.20,000 as his capital which he brought in.
- e) Increase the provision for bad debts to Rs.1.000.

Prepare necessary ledger accounts and Balance Sheet of the new firm.

(or)

(b) King, Queen and Jack are partners sharing in 3:2:3. Their balance sheet on the date of dissolution was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	34,000	Cash	2,500
King's Capital	26,000	Debtors	30,000
Jack's Capital	15,500	Stock	23,100
		Land & Buildings	15,000
		Queen's Capital	4,900
	75,500		75,500

The assets realised Rs.26,100. The creditors were paid Rs.25,500 in full settlement. Expenses of dissolution were Rs.200. Queen became insolvent and 50% was received from his private estate. Prepare necessary Ledger accounts to close the books of the firm in accordance with the decision in Garner Vs. Murray case.

PAPER – IV - Main

BUSINESS COMMUNICATION AND MANAGEMENT

UNIT – I

Business Communication – Meaning – Objectives – Effective Business Letter – Sources of Communication – Layout of Business Letter – Kinds of Business Letter.

UNIT – II

Various Types of Business Letter – Letter of Enquiry – Order and Compliants – Circular – Status Enquiry – Collection Letter – Bank Correspondence – Company Correspondence – Correspondence with Shareholders.

UNIT – III

Nature and Scope of Management – Functions of Management – Scientific Management - Planning - Importance of Planning – Forecasting.

UNIT – IV

Organization – Nature and Importance – Leading – Nature and Purpose of Directing – Controlling – Co-ordination – Meaning and Types of Control.

UNIT – V

Nature and Purpose of Staffing – Manpower Planning – Recruitments, Selection, Placement and Induction, Benefits, Scope, Types and Methods of Training.

TEXT BOOKS :

1. Pattan Chetty, cc. and Ramesh, M.S. Effective Business English and Correspondence.
2. Dinkar Pagare - Business Management

REFERENCE BOOKS:

1. R.S.N. Pillai and Bagavathi. - Commercial Correspondence
2. Chappel - Text book of Business Communication
3. Y.K. Bhushan – Business Organization and Management
4. Chatterjee – Business Management.

**MODEL QUESTION PAPER
PAPER – IV**

BUSINESS COMMUNICATION AND MANAGEMENT

Max. Marks : 100

Time : 3 hrs

Part – A

10 x 2 =20

Answer all questions

1. Define the word communication?
2. Define the term layout?
3. Name any four types of business letters?
4. What is meant by company?
5. What is meant by business?
6. Define the term management?
7. Define the word planning?
8. What are types of Organization?
9. What are control techniques?
10. Walk in interview - Explain.

Part - B

5 x 4 = 20

Answer all questions

11. What are the various objectives of communication?

(or)

Give the various kinds of business letter?

12. What is enquiry? Give types of enquiry?

(or)

Under what circumstances circular letter is made?

13. Explain the significance of management in the present world?

(or)

State why management is regarded as profession?

14. What are the characteristics of planning?

(or)

What do you mean by decision making? Explain the characteristics ships of good decision making?

15. Explain the importance of organization?

(or)

What do you meant by span of control?

Part – C

5 x 12 = 60

Answer all questions.

16. Explain the nature and functions of management?

(or)

Discuss the contribution of F.W Taylor in management thought?

17. What are the various steps involved in planning?

(or)

What is a decision? Explain the various steps involved in decision making?

18. Discuss the steps involved in the process of selection of staff?

(or)

Define training. Explain the advantages of training to the employers and the organization?

19. "Is communication essential to business?" Discuss.

(or)

Describe the essential functions of a business letter?

20. Draft a sales letter introducing a new model scooter?

(or)

Write a letter to your supplier cancelling an order placed by you due to undue delay in the execution of your order.

PAPER – VI
CORPORATE ACCOUNTING

UNIT – I

Issue of shares, forfeiture and Re-issue of forfeited shares – Issue of debentures - Redemption of preference shares and debentures,

UNIT – II

Final accounts of a company with adjustments – profit prior to incorporation

–UNIT – III

Amalgamation, Absorption and external reconstruction – Internal reconstruction different methods of purchase consideration – liquidation of a company – liquidators final statement of account only.

UNIT – IV

Accounts of banking company (New format) Accounts of Insurance company – Fire and marine insurance only.

UNIT – V

Accounts of Holding company – preparation of consolidated balance sheet (Excluding inter company holdings).

NOTE :

Problem 80% and Theory 20%

TEXT BOOKS :

1. R.L. Gupta and Radhasamy - Advanced Accounting - Sultan Chand & Sons, New Delhi.
2. Dr. S. Ganesan & S.R. Kalavathi - Corporate Accounting, Thirumalai Publications, Nagercoil.

REFERNCE BOOKS:

1. M.C. Sukla,Grewal - Advanced Accounting, Sultan Chand& Co, Delhi.
2. S.N. Maheswari - Corporate Accounting, Vikas Publication Home, Delhi.

MODEL QUESTION PAPER
CORPORATE ACCOUNTING

Time : 3 hrs

Part – A

Max. Marks : 100

Answer all questions

10 x 2 = 20

1. Define debenture.
2. When can the shares be forfeited ?
3. What is profit prior to incorporation?
4. What do you mean by purchase consideration?
5. What is bonus in reduction of premium?
6. What is minority interest?
7. Anil was holding 30 shares of Rs.10 each of X Ltd. Issued at 10% discount. He paid Rs.2 on application but could not pay the allotment money of Rs.3 and his shares were forfeited. Make journal entry for the forfeiture of shares.
8. How many debentures will a company be required to issue for satisfying the purchase consideration of Rs.28,80,000 if the debenture is of Rs.80 and is issued at a premium of Rs. 10 per debenture?
9. The liquidator of a company is entitled to a remuneration of 2% on assets realized and 3% on the amount distributed to unsecured creditors. The assets realized Rs.1,00,000 including cash balance of Rs.3,000. The amount of creditors stood at Rs.80,000 amount available for distribution to unsecured creditors before paying liquidator's remuneration was Rs.46,350. calculate liquidator's remuneration.
10. The trial balance of National bank Ltd as on 31.03.99 showed the following balances. Interest and discount received Rs. 45,40, 600. Rebate on bills on discounted 1.04.98 Rs. 4,750. Bills discounted and purchased Rs.3,37,400. The amount of unexpired discount as on 31.03.99 was Rs.5,560 Write necessary adjusting entries and calculate the amount of interest and discount to be credited to the P & L a/c.

Part – B

Answer all the Questions

5 x 4 =

20

11. a) Explain the conditions for issue of shares at a discount?

(or)

- b) Firth Limited issued 2,00,000 equity shares of Rs.10 each at Rs.12 per shares. Terms fo payment being Rs.2 on application, Rs.5 on allotment, including

premium. Rs. 3 on first call and Rs.2 on second and final call. Make journal entries upto allotment money received.

12. a) What are the basis for allocation of expenses in case of profit prior to incorporation.

(or)

b) X Ltd issued 5,000, 7% debentures of Rs.1000 each give journal entries when debentures are issued at par, at a discount of Rs.105 and at a premium of Rs.105.

13. a) Explain different methods for the calculation of purchase consideration.

(or)

b) A company has 8,000 redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 30th September 1971 at a premium of 7%. The company has sufficient profits but in order to arrangement liquid funds the following issues are made (i) 3,000, 6% debentures of Rs.100 each at Rs.106, (ii) 2,000 equity shares of Rs.100 each at Rs.111. The issues were fully subscribed and all the amounts were received. The redemption was fully carried out. Give journal exterior. Also explain what you understand by sufficient profits in this regard.

14. a) A public limited company passed to necessary resolution and received sanction of the court for the reduction of its share capital by Rs.5,00,000 for the purposes enumerated here under : (a) To write off the debit balance of profit and loss account Rs.2,10,000. (b) To reduce the value of plant and machinery by Rs.90,000 and of goodwill by Rs.40,000. c) To reduce the value of investment to market value by writing off Rs.80,000. The reduction was made by converting Rs.50,000 preference shares of Rs.20 each fully paid to the same member of preference shares of Rs.15 each fully paid, and by converting 50,000 ordinary shares of Rs.10 each fully paid, Give journal entries necessary in relation to the reduction of share capital and show how you would deal with the balance of the reduction of share capital account.

(or)

b) A, B Co.Ltd went into liquidation with the following liabilities : a) Secured creditors Rs.20,000 (securities realized Rs.25,000). b) Preference creditors Rs.600. c) Unsecured creditors amounted to Rs.252. The liquidator is entitled to a remuneration of 3% on the amounts realized (including securities in the hands of secured creditors) and 1 ½ % on the amount distributed to unsecured creditors. The various assets (excluding securities in the hands of secured creditors) realized Rs.26,000 prepare the liquidations account showing the composition given to unsecured creditors.

15. a) The following balances are extracted from the trial balance as on 31.12.77.

Interest and discount Cr. Rs. 98,00,000

Rebate for bills discounted Cr. Rs. 20,000

Bills discounted and purchased Dr. Rs. 4,00,000

It is ascertained that the proportionate discounts not yet earned for bills to mature in 1978 amount to Rs.14,000. prepare ledger accounts.

(or)

b) Consolidate the following balance sheets.

	H	S		H	S
	Rs.	Rs.		Rs.	Rs.
Capital Re.1 shares	1,400	1,000	900 shares in 'S' at cost	1,200	-
Creditors	-	500	Sundry assets	200	1,800
Profit and loss account	-	300			
	<u>1,400</u>	<u>1,800</u>		<u>1,400</u>	<u>1,800</u>

When H. Ltd acquired the shares in S. Ltd., the profit and loss account in the latter had a credit balance of Rs200.

Part – C

5 x 12 = 60

Answer all the Questions

16. a) Distinguish between amalgamation, absorption and reconstruction.

(or)

b) Give the format of profit and loss a/c and balance sheet of banking company.

17. The following was the balance sheet of Tin Toys Ltd as on 31st December 1990

Liabilities	Rs	Assets	Rs.
Authorized capital 20,000 ordinary shares of Rs. 10 each	2,00,000	Good will	10,000
Issued subscribed and paid up : 12000 shares of Rs.10 each	1,20,000	Buildings	20,500
		Machinery	50,800
		Preliminary expenses	1,500
Less:		Stock	10,275
Calls in arrear Rs.3 per share on 3,000 shares	9,000	Book debts	15,000
	1,11,000	Cash at bank	1,500
Sundry creditors	15,425	Profit and loss account	20,800
Provision for taxes	4,000		
	Rs. 1,30,425		Rs. 1,30,425

The directors find that the machinery is over valued by Rs.10,000. it is now proposed to write down this asset to its true value and extinguish good will account, profit and loss and preliminary expenses account by adopting the following scheme: a) Forfeit the shares on which the calls are outstanding, b) Reduce the paid up capital by Rs.3 per share, c) Reissue the forfeited shares at Rs.5 per share, d) utilize the provision for taxes, if necessary, draft the journal entries necessary for giving effect to the above scheme and prepare the reconstructed balance sheet of the company.

or

b) On 1st January, 1960 the Asian Trading Co.Ltd. issued debentures for Rs.5,00,000 redeemable at par on 1st January 1965. it was decided to establish a sinking fund for the purpose of redemption. Show the ledger accounts for 5 years, assuming the annually invested amount earns 5% interest. Sinking fund table shows that 0.1809748 amounts to Re.1 at 5% in 5 years. Calculate what amount will be set aside if the company has agreed to pay off debentures at a premium of 10% the rate of interest on sinking fund investment and period of redemption remaining the same.

18. a) The following is the trial balance on June 30, 1960 of the Modern manufacturing company Ltd.

	Rs		Rs.
Stock 30 th June, 1999	7,500	Dividend paid August, 1999	500
Sales	35,000	Interim dividend paid February, 2000	400
Purchases	5,000	Capital –10000 Re.1 shares fully paid	10,000
Discounts Dr.	700	Debtors	3,750

Discounts Cr.	500	Creditors	1,750
Salaries	750	Plant and machinery	2,900
Rent	495	Cash in hand and at bank	1,620
General expenses	1,705	Reserve	1,550
Account, 30 th June 1999. Cr	1,503	Loan to managing director	325
		Bad debts	158

Stock on 30th June, 2000 Rs.8,200. You are required to make out the trading account, and profit and loss account for the year ended 30th June 2000 and the balance sheet as on that date. You are also to make provision in respect of the following : (i) Depreciation machinery at 10% per annum , (ii) Reserve 5% discount on debtors. (iii) Allow 2 ½ percent discount on creditors. (iv) Provide managing director's commission 15% on the net profit before deducting his commission, (v) One month's rent Rs.45 per month was due on 30th June, and (vi) Six month's insurance included in general expenses was unexpired at Rs.75 per annum.

(or)

b) Ganesh Ltd. Was incorporated on 1st August, 1991. it took over the business of M/s. Shankar and Siva with effect from 1st April 1991. From the following figures relating to the year ending 31st March 1992. As certain profit prior to incorporation and profit after incorporation. (i) Sales for the year were Rs.60,00,000 out of which sales up to 1st August 1991 were Rs.25,00,000. (ii) Gross profit for the year was Rs.18,00,000. (iii) The expenses debited to profit and loss account were as follows.

Rent	90,000
Salaries	1,50,000
Director's fees	38,000
Interest on debentures	60,000
Audit fees	15,000
Discount on sales	36,000
Depreciation	2,40,000
General expenses	48,000
Advertising	1,80,000
Stationary and printing	36,000
Commission on sales	60,000
Interest to vendors on purchase consideration upto 1 st October 1991	30,000
Bad debts	15,000

Rs. 5,000 of bad debts mentioned above rebate to debts created prior to incorporation.

19. a) White Ltd agreed to acquire the business of Green Ltd as on December 31, 1984 on which date the balance sheet of Green Ltd was summarized as follows.

<u>Liabilities</u>	Rs	<u>Assets</u>	Rs.
Capital (in fully paid shares of Rs.10 each)	6,00,000	Good will	1,00,000
General Reserve	1,70,000	Buildings	3,00,000
Profit and Loss A/c	1,10,000	Plant	3,40,000
6% debentures	1,00,000	Stock	1,68,000
Creditors	20,000	Debtors	56,000
	Rs. 10,00,000	Cash	36,000
		Rs. 10,00,000	

The consideration payable by White Ltd was (i) A cash payment of Rs. 2.50 for every share in Green Ltd, (ii) the issue of 90,000 Rs.10 shares at an agreed value of Rs.12.50 per share. and (iii) the issue of such on amount fully paid 5% debenture in White Ltd at 96% as is sufficient to discharge the 6% debentures in Green Ltd at a premium of 20%.

The directors of White Ltd, valued land and buildings at Rs.4,00,000 and plant at Rs.4,50,000 and created a provision of 5% on debtors against doubtful debts. The expenses of liquidation Rs.6,000 were paid by White Ltd. Give journal entries to close the books of Green Ltd and to record the acquisition of business in the books of White Ltd.

(or)

b) LT limited went into liquidation with the following liabilities.

- Secured creditors - Rs. 40,000 (Securities realized Rs.50,000)
- Preferential creditors - Rs. 1,200
- Unsecured creditors - Rs. 61,000
- Liquidation expenses - Rs. 500

The liquidator is entitled to a remuneration of 3% on the amounts realized (including securities in the hands of secured creditors) and 1.5% on the amount distributed to the unsecured creditors. The various assets (excluding the securities in the hands of the secured creditors) realized Rs.52,000. Prepare the liquidators statement of account showing the payment made to unsecured creditors.

20. a) From the following balance as on 31st March 1993, prepare final accounts of Latha bank Limited.

000

Cr.

Interest on Advances	800
Interest from investments	125

Dr.

Rs. in

Commission, exchange & brokerage		200
Project on sales of investments		20
Other revenue receipts		80
Share capital		2,000
Statutory reserve		900
Profit & Loss account		650
Fixed deposits		275
Savings deposits		325
Current accounts		125
Borrowings from other banks		300
Borrowings from RBI		100
Bills payable (Net)		25
Interest accrued		75
Cash balance	200	
Balance with other banks	400	
Cash with RBI	100	
Interest in Govt. Securities	300	
Other approved securities	100	
Bills purchased and discounted	250	
Cash credits over drafts and demand loans	1,425	
Term loans	1,275	
Premises (net)	1,375	
Furniture	250	
Interest paid	120	
Salary	75	
Printing and stationary	35	
Postages & telegram	20	
Repair	25	
Interest occurred	50	
	6,000	6,000
Bills for collection		235

Additional information:

Advances made have been classified as under

	Cash credits overdrafts etc	Term loans	Bills purchased
Standard assets	1,000	975	225
Sub standard assets	125	100	25
Doubtful upto one year	100	20	-

One to three years	120	50	-
More than three years	50	80	-
Loss assets	30	50	-
	1,425	1,275	250

No provision has been made so far against these assts. Doubtful assets are secured to the extent of 50% of the dues.

(or)

b) On December 31, 1997 the books of the Good Luck Insurance Co.Ltd. contained the following particulars in respect of the Fire Insurance.

	Rs.		Rs.
Reserve for unexpired risk		Reinsurance Recoveries	20,000
on Dec, 31.1996	5,00,000	Premiums	11,20,000
Additional reserve on		Interest and dividend	64,520
Dec31, 1966	1,00,000	Income tax on above	6,520
Claims paid	6,40,000	Profit on sale of investments	11,000
Expenses of management		Commission	1,52,000
(including Rs.3,000 legal		Estimated liability in respect of	
expenses paid in connection		outstanding claims	
with claims)	2,80,000	On Dec31, 1996	65,000
Re insurance premium	75,000	On Dec31, 1997	90,000

Prepare the fire insurance revenue accounts for the year 1997 reserving 50% of the premiums for unexpired risks and keeping an additional reserve of Rs.1,00,000.

PAPER – VII - Main
BANKING THEORY, LAW AND PRACTICE

UNIT – I

Banking- Meaning – Definition and functions of commercial bank – Role of banking in the economic development of a country – classification of banks - unit banking, branch banking, mixed banking – Merits and demerits – Co-operative banks.

UNIT – II

Investment policy of commercial bank – credit creation of commercial bank - SBI – Function and its role.

UNIT – III

NABARD – Objectives and functions – Development Banking in India – IFCI – SFCS – ICICI – IDBI – UTI – SIDBI – EXIM Bank – National Housing bank.

UNIT – IV

Banker and customer – Definition – Relationship between banker and customer – General and special features of relationship – Cheque, bill of exchange and promissory note. Distinguish between them - Feature – Crossing of a cheque – General crossing and special crossing – Endorsement – significance – essentials of a valid endorsement – kinds of endorsement.

UNIT - VI

Paying banker – duties – statutory protection - Payment in due course – refusal of payment - collecting banker – duties and responsibilities – negligence of collecting banker – statutory protection – loans and advances – precautions against the security of LIC policy, stock exchange securities, goods and document of title to goods.

TEXT BOOKS :

1. Proft. E.Gordon & Dr.K.Natarajan, Banking Theory, Law and Practice, Himalaya Publishing House, Mumbai.
2. K.P.M. Sundharam & P.N. Varshnayh, Banking Theory, Law and Practice, Sultan chand & Sons, New Delhi.

REFERENCE BOOKS:

1. M.L. Tandon - Banking Theory, Law and Practice
2. S.N. Maheswari - Banking Law and Practice.

Model Question
Banking Theory Law

Time -3 Hour

Marks: 100

Part – A

(10x2=20)

Answer All Question

1. Define Banking.
2. What do you mean by unit Banking?
3. What is central Bank?
4. Define 'Cheque'
5. What is an Endorsement?
6. What are the two objectives of NABARD?
7. State any two objectives of IFCL.
8. Explain the significance of crossing of a cheque.
9. What is payment in due course?
10. What do you mean by 'pledge' and "mortgage"?

Part – B

(5x4=20)

Answer All Question

11. a) What are the function of commercial banks?

(or)

b) Explain the general principles of Co-operative Bank
12. (a) What are the functions of a central Bank?

(or)

(b) What are the different types of selective credit methods?
13. (a) What are the functions of IFC?

(or)

(b) Distinguish between a cheque and a Bill of Exchange
14. (a) Explain the General Relationship between the Banker and customers.

(or)

(b). What are essential requisites of a cheque?

15. (a) What constitutes the negligence of a collecting Banker?

(or)

(b) State the statutory protection available to the paying Banker

Part – C

(5x12=60)

Answer All Question

16. (a) Explain the role of commercial Bank in the economic development of the country.

(or)

(b) Distinguish between Branch banking, Unit banking and Mixed Banking

17. a) How does a bank Create Credit.? What are the limitations of credit creation of commercial banks?

(or)

(b) Explain the Role of SBI in the economic growth of India.

18. (a) What are the objectives, functions and workings of IDBI?

(or)

(b) Explain the functions of NABARD briefly.

19. (a) In What circumstances can a banker disclose secrecy of customers account.

(or)

b) What are the different kinds of an Endorsement

20. (a) When can a banker refuse to make payment of a cheque?

(or)

(b) What are the precautions to be taken by the banker while giving loans against Life Insurance policy?

PAPER – VIII – Main
BUSINESS LAW AND COMPANY LAW

UNIT – I

Commercial - law – Introduction – Sources nature and kinds of contract – Elements of a valid contract – Offer and Acceptance consideration – contractual capacity. Free consent – legality of object – Void Agreements – Contingent contract Quasi contract – performance of a contract – Discharge of a contract – Remedies for Breach of contract.

UNIT – II

Contract of indemnity and Guarantee – Bailment – Pledge - Lien – Hypothecation Charge – Mortgage Agency – Creation of Agency – Kinds of Agent – rights and duties of principal and Agent of principal with his Agent – Relation of Principal with third parties – Termination of Agency.

UNIT-III

Sale of goods – Sale and Agreement to sell – conditions and warranties – Transfer of property – Transfer of title – Performance - Remedies for breach – Unpaid seller – Rights of unpaid seller – auction sale – Rules relating to delivery of goods.

UNIT – IV

Meaning, Definition, Features of a Joint Stock Company – Kinds of Companies – The Companies Act 1956- Objective. Formation of a company – promotion – Incorporation – Memorandum of Association – It's content and alteration – Articles of Association - It's contents – Certificate of Incorporation and Commence of Business. Prospectus and its contents – Kinds of shares and Debentures.

UNIT –V

Company Management – Appointment, rights and duties of Directors – Qualification – Disqualification – Removal of Directors.

Kinds of meetings – Types of resolutions – Winding up of a company, types of winding up – Consequences of winding up.

Text Book:

1. N.D. Kapoor – Commercial Law - Sultan Chand & Sons, New Delhi
2. R.S.N, Pillai and Bagavathi - Business Law - S.Chand & Co, New Delhi
3. N.D.Kapoor - Company Law – Sultan Chand & Sons, New Delhi.

Reference Books:

1. M.C.Shukla – Commercial Law- S.Chand & Sons, New Delhi.
2. N.C.Shukla and S.S.Ghulsan - Principles of Company Law

MODEL QUESTION PAPER
BUSINESS LAW AND COMPANY LAW

PART – A

(10x2 = 20)

Answer all questions

1. What do you mean by contractual capacity?
2. Explain the concept of void agreement.
3. What do you mean by indemnity?
4. What is lien?
5. Define a contract of sale.
6. Who is an unpaid seller?
7. What is a prospectus?
8. What do you mean by incorporation?
9. Mention different types of Debentures.
10. Define winding up.

PART – B

(5x4 = 20)

Answer all questions

11. (a) “All agreements are not contracts but all contracts are agreements “ –
Discuss

(or)

(b) What is meant by “free consent”? When is there said to be a flaw in consent?
12. (a) Differentiate indemnity from guarantee.

(or)

(b) Explain the right of an agent towards his principal.
13. (a) Distinguish between a sale and an agreement to sell.

(or)

(b) Discuss the rules relating to auction sales.
14. (a) State the features of a Joint Stock Company

(or)

(b) What are the contents of the Memorandum of Association of a Joint Stock Company.
15. (a) Explain the various types of preference shares. State its advantages and disadvantages.

(or)

(b) Analyze the significance of a statutory meeting?

PART – C

(5x12 = 60)

Answer all questions

16. (a) What are the various methods by which a contract may be discharged?
(or)
(b) What is an offer? State the rules of a valid offer.
17. (a) What are the requisites of bailment?
(or)
(b) Explain the various ways of terminating an agency.
18. (a) Describe the right of an unpaid seller.
(or)
(b) Define the term delivery. Discuss the rules relating to delivery in Sale of Goods act.
19. (a) Examine the procedure for alternation of Memorandum of Association.
(or)
(b) Discuss in detail the contents and form of a prospectus.
20. (a) Enumerate the secretary's duties relating to Annual General Meeting.
(or)
(b) Describe the procedure for members Voluntary winding up.

PAPER – IX - Main

BUSINESS ENVIRONMENT AND ENTREPRENEURSHIP

UNIT – I

Introduction of Business – Nature and changing concept of business – Objectives of business – Social responsibilities of business – Indian business environment.- Concept, components and importance.

UNIT – II

Planned economic development - growth of savings and investment in India – National income: Growth and industrial origin. Agricultural development; the New Industrial Policy. 1991 and its impact – Economic resources on industrial licensing , Export – Import policy, Regulation of foreign investment.

UNIT – III

Trends in world trade and problems of developing countries: International economic groupings - international economic institutions – GATT, WTO, UNCTAD, WORLD BANK, IMF, GSP, GSTP, Counter trade.

UNIT – V

Entrepreneurship - meaning – distinction between an entrepreneur and manager – nature and characteristics of an entrepreneur – qualities, types and functions of an entrepreneur – role of entrepreneur in economic development. Entrepreneurial motivation: concepts of motivation – theories of motivation – Maslow and McClelland - motive for starting an enterprise – testing entrepreneurial motivation – entrepreneurial behaviour.

UNIT – V

Project identification and selection – preparation of project report, selection of site – legal considerations – basic start-up problems- Industrial finance to entrepreneurs – NSIC, SIDO, SSIB, SISI, DTC. TIIIC and Commercial banks – Entrepreneurship development in India: Entrepreneurial development – programmes – their role, relevance and achievements – institutions of entrepreneurship development – role of Government organizing entrepreneurship development programme.

TEXT BOOKS:

1. S.S. Khanka - Entrepreneurial Development, Chand & Co., Delhi.
2. Renu Arora, S.K. Sood, Fundamentals of entrepreneurship and Small business, Kalyani Publishers, Ludiana.

3. K. Aswathappa - Essentials of Business Environment, Himalaya Publishing House, Mumbai-4.
4. M.Adhikary - Economic Environment of Business, Sultan Chand & Sons, New Delhi – 2.
5. Dr.S.Sankaran - Business Environment, Margham Publications, Chennai – 17.

REFERENCE BOOKS:

1. Rudder Datt & K.P.M. Sundharam - Indian Economy, S.Chand & Company Limited, New Delhi – 55.
2. V. Lokanathan & A. Lakshmiratan - Business and Society, Emerald Publishers, Chennai – 2.
3. Dr. S. Somkaran - Business and Society, Mergham Publications, Chennai – 18.
4. S.K.Mirha & V.K.Puri, - Indian Economy, Himalaya Publishing House, Mumbai.
5. Sundaram & Black - The International Business Environment, Prentice Hall, New Delhi.

MODEL QUESTION PAPER

BUSINESS ENVIRONMENT and ENTREPRENEURSHIP

Time : 3 hrs

Max. Mark : 100

PART – A

10 x 2 = 20

Answer the all questions

1. Define the term business?
2. What are the objectives of business?
3. What is meant by economic development?
4. Define industry?
5. Define the term National Income?
6. State the aims of WTO
7. Explain the concept of entrepreneurship?
8. What is motivation ?
9. Name the institutions of EDP
10. What do you understand by project identification?

PART – B

5 x 4 = 20

Answer the all questions

11. Explain the social responsibilities of business?

(or)

What are the basic environment need for the business?

12. a) Trace the growth of savings and investment in India ?

(or)

b) What are the essential elements of regulating foreign investment?

13. a) What are the procedure for exporting, commodity?

(or)

b) Explain the role played by IMF in International Trade?

14. a) Distinguish between an entrepreneur and manager?

(or)

b) Examine the various types of entrepreneur?

15. a) Describe the role of government in organizing EDP?

(or)

b) List out the problems faced by EDPS.

PART – C

5 X 12 = 60

Answer all questions.

16. Examine the various components of Indian business environment

(or)

What are the basic concepts of business environment?

17. a) Analyse the New Industrial Policy of 1991.

(or)

b) What are the problems Import and Export Policy?

18. Discuss the role of GATT in International Trade

(or)

b) Describe the achievements of UNCTAD.

19. a) Define an entrepreneur and explain characteristics of an entrepreneur?

(or)

b) Examine Maslow's theory of motivation.

20. a) Discuss the steps involved in the identification and selection of a project?

(or)

b) How is a project formulated?

PAPER – X - Allied
BUSINESS STATISTICS

UNIT – I

Introduction – collection and tabulation of statistical data – Measures of central tendency – Mean, Median, Mode – Measures of Dispersion – Range, Quartile Deviation, Mean Deviation, Standard Deviation and their Co-Efficient – Co-efficient of Skewness.

UNIT - II

Correlation – types of correlation – measures of correlation – simple regression analysis – regression equation – refitting of regression line.

UNIT – III

Index number – definition – uses – problems in the construction of index numbers – analysis of time series – method of simple average only.

Matrix – definitions – operations on matrix – determinant of matrix – application solving of linear equations – matrix inverse method.

UNIT - IV

Sequence and series – arithmetic progression and geometric progression – probability – definition – addition and multiplication theorems – (Simple problems only) Linear programming – formation and solution to LPP – Graphical and simplex method.

UNIT – V

Transportation problem – North West Corner Method – Vam – least cost method – assignment problem – Balanced Hungarian Assignment Method.

NOTE :

Problem 80% and Theory 20%

TEXT BOOKS:

1. P.A. Navaneethan - Business statistics

REFERENCE BOOKS:

1. S.P. Gupta - Statistical methods
2. D.C. Sanchati & V.K. Kapoor - Statistics
3. Vittal - Business mathematics

MODEL QUESTION PAPER

PAPER – X

BUSINESS STATISTICS

PART – A

10 x 2 = 20

Answer the all questions

1. Explain the terms – Primary data and Secondary data.
2. Define Quartiles of a deviation
3. What do you mean by positive and negative correlation?
4. How many regression lines are there? What are its uses?
5. What in an index number? What are its uses?
6. Describes a linear programming problem?
7. Mention any three uses of Transportation problem?
8. What is an unbalanced assignment problem?
9. Define probability of an event?
10. Explain the term ‘Matrix’.

PART – B

Answer the all questions

5 x 4 = 20

11. a) A contractor employs three types of workers, male, female and children. He pays Rs.10 per day to a male worker, Rs.8 to a female worker and Rs.3 to a child labour. If the number of male, female and child workers employed are 20,15 and 5 respectively, what is the average wage per day?

(or)

- b) In a distribution, mean = 65; median = 70 and co-efficient of skewness is (-) 0.6. Find (i) mode and (ii) co – efficient of variation.

12. a) Find the co-efficient of correlation for the following data:

$$\begin{array}{lll} n = 10 & \Sigma x = 50 & \Sigma y = (-) 30 \\ \Sigma y^2 = 300 & \Sigma x^2 = 290 & \Sigma xy = (-) 115 \end{array}$$

(or)

- b) Two variables gave the following data:

$$\bar{x} = 20 \quad \bar{y} = 15 \quad r = + 0.7 \quad \sigma_x = 4, \quad \sigma_y = 3$$

obtain the regression equation and find the most likely value of y when x = 24.

13. a) In calculating a certain cost of living index number, the following weights were used : Food 15, clothing 3, rent 4, fuel 2, miscellaneous 1.

Calculate the index for the data when the average percentage increases in prices of items in the various groups over the base period were 32, 54, 47, 78 and 58 respectively.

(or)

- b) Write the products AB and BA of two matrices A and B where,

$$A = [1 \ 2 \ 3 \ 4] \text{ and } B = \begin{pmatrix} 1 \\ 2 \\ 3 \\ 4 \end{pmatrix}$$

14. a) Four coins are tossed. Find the probability of getting 2 heads and 2 tails.
(or)
b) A dietician wishes to mix two types of food in such a way that the vitamin contents of the mixture contains at least 8 units of vitamin A and 10 units of vitamin B. Food I contains 2 units per Kg of vitamin A and 1 unit of vitamin B while the Food II contains 1 unit per Kg of Vitamin A and 2 units per Kg of Vitamin B. It costs Rs.5 per Kg to purchase food I and Rs.8 per kg to purchase food II. Prepare a mathematical model of the problem.
15. a) Find the optimal solution for the assignment problem with the following cost matrix.

		Area			
		W	X	Y	Z
Sales man	A	11	17	8	16
	B	9	7	12	6
	C	13	16	15	12
	D	14	10	12	11

(or)

- b) Determine an initial basic feasible solution to the following transportation problem using the North –West Corner Rule.

	D1	D2	D3	D4	Availability
O ₁	6	4	1	5	14
O ₂	8	9	2	7	16
O ₃	4	3	6	2	5
Requirement	6	10	15	4	55

PART – C

5 x 12 = 60

Answer the all questions

16. a) The following are the marks of students obtained in a test. Find out the median marks.

Marks	No. of students	Marks	No. of students
Less than 10	4	Less than 50	96
Less than 20	16	Less than 60	112
Less than 30	40	Less than 70	120
Less than 40	76	Less than 80	125

(or)

- b) Find the standard deviation from the following data:

Wages (M)	No. of workers	Wages (M)	No. of workers
0-10	12	40-50	50
10-20	18	50-60	45
20-30	35	60-70	20
30-40	42	70-80	8

17. a) Calculate the co-efficient of rank correlation from the following data

X :	48	33	40	9	16	16	65	24	16	57
Y :	13	13	24	6	15	4	20	9	6	19

(or)

b) Compute the least square regression of y on x from the following data.

X :	89	86	74	65	64	63	66	67	72	79
Y :	92	91	84	75	73	72	71	75	78	84

18. a) Compute index numbers from the following data using (i) Laspeyre's (ii) Paasche's and (iii) Fisher's ideal formulae.

Commodity	Base year		Current year	
	Qty	Price	Qty	Price
A	12	10	15	12
B	15	7	20	5
C	24	5	20	9
D	5	16	5	14

(or)

b) Find the inverse of $\begin{pmatrix} 2 & 3 & 4 \\ 3 & 2 & 1 \\ 1 & 1 & -2 \end{pmatrix}$

19. a) A subcommittee of 6 members is to be formed out of a group consisting of 7 men and 4 women. Calculate the probability that the sub-committee will consist of

- i) exactly 2 women
- ii) atleast 2 women

b) Solve the following LPP by simplex method

$$\text{maximize } Z = 50x_1 + 60x_2 + 120x_3$$

$$\text{Subject to } 2x_1 + 4x_2 + 6x_3 \leq 160$$

$$3x_1 + 2x_2 + 4x_3 \leq 120$$

$$\text{and } x_1, x_2, x_3 \geq 0$$

20. a) Solve the following Transportation problem

				aj	
	10	18	11	7	20
	9	12	14	6	40
	8	9	12	10	35
bj	16	18	31	30	

(or)

b) Solve the following assignment problem. The data given in the table refer to production in certain units.

		Machines			
		A	B	C	D
	1	10	5	7	8
	2	11	4	9	10
Operators	3	8	4	9	7
	4	7	5	6	4
	5	8	9	7	5

PAPER – XI – Main
COST AND MANAGEMENT ACCOUNTING

UNIT – I

Cost Accounting – Meaning, Scope, objectives, Advantages – Elements of cost – Preparation of Cost Sheet.

Material Control – FIFO, LIFO, Simple Average Price and weighted average price.

Labor Cost – Various methods of wage payment.

UNIT – II

Overheads – apportionment and redistribution of overheads – computation of machine hour rate.

Process costing – normal loss and abnormal loss and abnormal gain.

UNIT – III

Management Accounting – Nature and scope – Meaning and definition – Objectives. Analysis and Interpretation of financial statements – Ratio analysis.

UNIT – IV

Funds Flow statement – Meaning – Preparation of Funds statement – Cash Flow Statement. Meaning - Preparation of Cash Flow Statements.

UNIT-V

Budget and Budgetary control – Preparation of Production, Purchase, Cash and Flexible Budget – Marginal Costing – B.E.P – Cost Volume Profit analysis P/v Ratio and Margin of trading.

Note: Problem 80% and theory 20%.

Text Book – R.S.N Pillai and Bhagavathi - Cost Accounting

Jain. and Narag - Cost Accounting

R.S.N Pillai - Management Accounting

Ref Book - S. N.Maheswari - Management Accounting

S. P. Iyengar - Cost Accounting

Model Question Paper

Cost and Management Accounting

Time -3 Hour

Marks: 100

Part – A

(10x2=20)

Answer All Question

1. What is works cost?
2. What is process costing?
3. What is marginal costing?
4. What do you mean by absorption of over heads?
5. What is Fund flow statement?
6. What do you mean by master Budget?
7. Calculate the re-order quantity from the following particulars?

Annual Usage ... 20,000 units

Buying cost per order Rs10

cost per unit Rs.100

cost of carrying inventory 10% of cost

8. Calculate current Assets and current liability
 - (a) Current ratio 2.5
 - (b) working capital Rs.63,000
9. Compute works cost form the following details

Direct materials	Rs. 10,000
Direct wages	Rs. 30,000
Direct expenses	Rs. 10,000
Indirect wages	50% of direct wages
Indirect materials	50% of direct materials
And indirect expenses	100% of direct expenses
10. From the following particulars find out the break – even point

Project	Rs. 40,000
Fixed cost	Rs. 60,000
Sales	Rs. 10,00,000

Part – B

(5x4=20)

Answer All Question

11. (a) Distinguish between cost accounting and Financial Accounting

(or)

(b) You are asked to prepare a cost sheet and to ascertain the cost of product per unit with the help of the following data.

Units produced	1200 units
Selling price per unit	Rs. 6
Sales revenue	Rs. 7,200
Cost of production	Rs. 1320
Wages	Rs. 750

Manufacturing expenses 40 paise per rupee of labour cost. Administration expense 10% of works cost. It has been found from the records that the selling and distribution expenses amount to 1 ½ % of sales.

12 a) What is machine hour rate? What are the advantages of machine hour rate

(or)

(b) Find out the Economic order Quantity (EOQ) from the following particulars.

Annual usage	:	6000 units
Cost of material per unit	:	Rs.20
Cost of placing and receiving are order	:	Rs 60
Annual carrying cost of one unit	:	10% of inventory value

13(a) What are the objectives of marginal costing?

(or)

(b) From the following particulars, prepare the stores ledger account showing the pricing of materials issue of adopting the FIFO method.

Dec 1 opening stock 1000 units at Rs.2 each
3 purchased 800 units at Rs. 2.10 each
5 Issued 1200 units
12 purchased 1600 units at Rs. 2.10 each

14) (a) Calculate p/v ratio?

Sales Rs.10,000 variable cost Rs.7,000

(or)

(b) The Golden Company plans to sell 1,08,000 units of a certain product in the first fiscal quarter, 1,20,000 units in the second quarter, 1,32,000 units in the third quarter, 1,56,000 units in the fourth quarter, and 1,38,000 units in the first quarter of the following year. At the beginning of the first quarter of the current year, there are 18,000 units of product in stock. At the end of each quarter, the company plans to have an inventory equal to one – sixth of the sales for the next fiscal quarter. Prepare production budget showing the number of units to be manufactured in each quarter.

15(a) The following figures are extracted from the books of a manufacturing concern for the year 1990-91

Direct materials Rs.2,05,000 Direct labour Rs. 7,5000

Fixed overhead Rs. 60,000 Variable over heads Rs.1,00,000 Sales 5,00,00.

Calculate the break even-point. What will be the effect on BEP of an increase of 10% in (i) fixed expenses and (ii) variable expenses

(or)

(b) What would be the volume of sales to derive a profit of Rs .20,000 if the p/v ratio is 68% and Fixed overheads for the period Rs40,000

Part –C

(5x12=60)

Answer All Question

16(a) What are the different elements of cost?

(or)

(b) Senthil Ltd., has purchased and issued materials as under

January 1 stock of materials 200 units @ Rs.2.50 per unit

3 purchased 300 units at Rs 3 per unit

7 purchased 500 units at Rs 4 per unit

10 issued 600 units

12 purchased 400 units at Rs 4 per unit

18 issued 500 units

24 purchased 400 units at Rs 5 per unit

28 issued 200 units

Ascertain the value of closing stock under the following methods

a) Average cost b) FIFO c) LIFO

17. (a) A factory is having four departments A,B and C are the producing departments and D is servicing department The actual costs pertaining to a period are as follows

	Rs.		Rs.
Rent	2,000	Depreciation	900
Repair	1,200	Supervision	3,000
Light	200	Insurance	1,000
Power	1,800	Employee's liability	300
		(Employee's Insurance)	

The following data are also available in respect of 4 departments

	A	B	C	D
Area sq.ft.	150	110	90	50
Number of workers	24	16	12	8s
Total wages (Rs)	8,000	6,000	4,000	2,000
Value of plant (Rs)	24,000	18,000	12,000	6,000
Value of stock (Rs)	15,000	9,000	6,000	-

Apportion the costs to the various departments on the most equitable basis.

(or)

(b) From the following Balance Sheets of A Ltd make out (i) Statements of changes in the working capital and (ii) Fund Flow statement

Balance Sheets (Year end)					
Liabilities	1969	1970	Assets	1969	1970
				Rs.	Rs.
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
81 Redeemable Preference			Land & building	2,00,000	1,70,000
Share capital	1,50,000	1,00,000	Plant	80,000	2,00,000
General reserve	40,000	70,000	Debtors	1,60,000	2,00,000
P & c a/c	30,000	48,000	Stock	77,000	1,09,000
Proposed dividend	42,000	50,000	Bills receivable	20,000	30,000
Creditors	55,000	83,000	Cash in hand	15,000	10,000
Bills payable	20,000	16,000	Cash at bank	10,000s	8,000
Provision for taxation	40,000	50,000			
	Rs 6,77,000	8,17,000		Rs 6,77,000	8,17,000

Additional information : (i) Depreciation of Rs.10,000 and Rs. 20,000 has been charged on plant and land and buildings respectively in 1970. (ii) An interim dividend of Rs. 20,000 has been paid in 1970. (iii) Income Tax. Rs 35,000 was paid during the year 1970.

18.(a) You are supplied with the following information and required to work out the production hour rate of recovery of overhead in Departments A,B and C

Particulars	Total	Production Depts			Service Depts	
		A	B	C	P	Q
	Rs	Rs	Rs	Rs	Rs	Rs
Rent	12,000	2,400	4,800	2,000	2,00	800
Electricity	4,000	800	2,000	500	400	300
Indirect Labour	6,00	1,200	2,000	1,000	800	1,000

Depreciation	5,000	2,500	1,600	200	500	200s
Sundries	4,500	910	2,143	847	300	300s
Estimated working hours		1000,	2,500	1,400		

Expenses of service Departments P and Q are apportioned as under

	A	B	C	P	Q
P.....	30%	40%	20%	–	10%
Q.....	10	20%	50%	20%	–

(or)

b) From the following information prepare a Balance Sheet show the Workings

1. Working capital	Rs.75000
2. Reserves and surplus	Rs. 1,00,000
3. Bank Over Draft	Rs. 60,000
4. Current Ratio	1.75
5. Liquid Ratio	1.15
6. Fixed Assests to proprietor's fund	0.75
7. Long from Liabilities	NIL

19 a) A company is expecting to have Rs25,000 cash in hand on April 1980 and it requires you to prepare an estimate of cash position during the three months April to June 1980. The following information is supplied to you.

	Sales Rs	Purchases Rs	Wages Rs	Expenses Rs
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

Other information:

- period of credit allowed by suppliers : 2 Months
- 25% of the sales is for cash and period of credit allowed to customers for credit sales are month

c) Delay in payment of wages and expenses 1 month

d) Income Tax of Rs.25,000 is to be paid in June 1980.

(or)

(b) From the following Balance Sheets of A Ltd., make out the statement of cash flow

Liabilities	1979	1980	Assets	1979	1980
	Rs	Rs		Rs.	Rs.
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Preference			Land & building	2,00,000	1,70,000
Share capital	1,50,000	1,00,000	Plant	80,000	2,00,000
General reserve	40,000	70,000	Debtors	1,60,000	2,00,000
P & L a/c	30,000	48,000	Stock	77,000	1,09,000
Proposed dividend	42,000	50,000	Bills receivable	20,000	30,000
Creditors	55,000	83,000	Cash in hand	15,000	10,000
Bills payable	20,000	16,000	Cash at bank	10,000s	8,000
Provision for taxation	40,000	50,000			
	Rs	Rs		Rs	Rs
	<u>6,77,000</u>	<u>8,17,000</u>		<u>6,77,000</u>	<u>8,17,000</u>

Additional information : (i) Depreciation of Rs.10,000 and Rs. 20,000 has been charged on plant and land and buildings respectively in 1980. (ii) An interim dividend of Rs. 20,000 has been paid in 1980. (iii) Income Tax. Rs 35,000 was paid during the year 1980.

20(a) ITC Ltd have prepared a budget for the production of 1,00,000 units of the only commodity manufactured by them for a costing period as under (Rs in Lakhs)

Raw material	2.52
Direct labour	0.75
Direct expenses	0.10
Works overhead 60% fixed	2.25
Administrative overhead 80% fixed	0.40
Selling over head 50% fixed	0.20

The actual production changing the period was only 60,000 units. Calculate the revised budgeted cost per unit.

(or)

(b) The following figures are available from the records of Venus Enterprises as at 31st March

	1988	1989
	Rs in Lakhs	Rs on Lakhs
Sales	150	200
Project	30	50

Calculate a) the P/V ratio and total fixed expenses b) the break even level of sales c) Sales required to earn a project of Rs. 90 Lakhs d) Project or lose that would arise if the sales were Rs 280 Lakhs

PAPER – XII - Main
PRACTICAL AUDITING

UNIT – I

Introduction – meaning and object of audit – difference between auditing and accountancy – kinds of audit - advantages and limitations of audit.

UNIT - II

Internal control – Meaning and object – Internal check – Meaning and object – Internal control regarding cash, purchases, sales, payment of wages and stores.

UNIT – III

Vouching – meaning – objects – features of good voucher – procedure and importance – vouching of cash transaction – verification of assets and liabilities.

UNIT – IV

Auditor – Appointment, Qualification, Disqualification, Removal, Duties, Power, Liabilities and Remuneration.

UNIT – V

Specialised audits – Charitable Institutions, Club, Cinema, Educational Institutions, Hospital, Hotel.

TEXT BOOK:

B.N. Tandon.- A Text Book of Practical Auditing

REFERENCE BOOK:

Dinker Pagare –Auditing - Sultan chand & Sons, New Delhi

R.C. Bhatia - Auditing

Answer all questions

Paper – XII

Auditing

Time : 3 hrs

Part – A

(10 x 2

=20)

Answer all Questions

1. Define the term 'Audit'
2. What is an audit programme?
3. What do you mean by internal check?
4. Define the concept of internal control.
5. What is meant by vouching?
6. Distinguish between routine checking and vouching
7. Who can appoint an auditor?
8. Who is a first auditor?
9. Explain audit procedure.
10. What do you understand by statutory audit.

Part – B

(5 x 4

=20)

Answer all Questions

11.(a) Point out the objects of auditing

(or)

(b) What are the advantages of an audit?

12. (a) Distinguish between internal check and internal audit.

(or)

(b) State the objectives of internal control

13(a) What do you understand by the term vouching? Examine its importance

(or)

(b) How a petty cash book should be vouched?

14. (a) Explain the qualities of an auditor

(or)

(b) Describe the powers of an auditor

15. Discuss the duties of an auditor in connection with the audit of educational institutions

(b) Draft an audit programme for a hotel

Part – C

(5 x 12

=60)

Answer all Questions

16.(a) What are the various kinds of audit?

(or)

(b) Explain audit programme and describe its advantages and disadvantages

17.(a) Examine the factors contributing to effective internal control system

(or)

(b) Describe internal control regarding payment of wages

18. (a) Discuss the factors to be considered while vouching

(or)

(b) What is meant by verification of assets? What are the general principles of verification of assets?

19. (a) How is an auditor of a company appointed? How is his remuneration fixed?

(or)

(b) Explain the rights, duties and liabilities of an auditor

20. (a) Draft an audit programme in connection with the audit of accounts of a hospital?

(or)

(b) Lay down an audit programme for charitable institutions

PAPER – XIII - Main
PRINCIPLES OF MARKETING

Unit-I:

Meaning, Definition, Importance and Functions of Marketing, Marketing is an Art or Science - evaluation – Buying, assembling, selling – Transportation, storage and Warehousing, Risk bearing, Market Information, Grading and Standardization.

Unit-II:

Product planning: Meaning and definition of product – classification of goods – product policies – features and importance of product – product development – product mix – alteration of product mix – product life cycle – branding – packaging.

Unit-III:

Buyer behaviour, Meaning of buyer behaviour- buying motives – features – factors influencing buyer behaviour-process - market segmentation need and - criteria for segmentation – methods of market segmentation.

Unit-IV:

Pricing - Meaning and importance of pricing – factors influencing pricing decision- process of price determination of a product – kinds of prices – basic pricing policies.

Unit-V:

Sales Promotion - meaning, definition and importance of sales promotion – types of sales promotion – Advertising – objectives - kinds – importance – advantages – disadvantages – media of advertising – elements of advertisement copy – advertising. Personal selling – objectives - importance – selection – training – role of sales person in modern business.

TEXT BOOKS:

1. S.A. Sherlekar, K. Nirmala Prasad, S.J. Salvadore Victor - Principles of Marketing, Himalaya Publishing House.
2. R.S.N. Pillai and Bagavathi Principles and Practices, of Modern Marketing - S.Chand & Co. Delhi.

REFERENCE BOOKS:

1. Marketing , Rajan Nair Sultan Chand and Sons.
2. Marketing Management, Philip Kotler, Prentice Hall

MODEL QUESTION PAPER

Paper-XIII

Max Marks: 100

Principles of Marketing

Time: 3

hrs

Part-A

10x2

=20

Answer all questions

1. Define marketing.
2. What is marketing mix?
3. Explain the term branding
4. What is packaging?
5. Define market segmentation
6. Define buyer behaviour
7. What is skimming price?
8. Define sales promotion
9. Define the term training
10. Define the term advertising

Part-B

5x4=20

Answer all questions

11. (a) Bring out the importance of marketing?
(or)
(b) State the functions of ware housing?
12. (a) What do you mean by product Mix? Explain the factors determining it?
(or)
(b) Describe the advantages of packaging.
13. (a) Explain the various buying motives?
(or)
(b) Discuss the benefits of market segmentation?
14. (a) State and explain the objectives of pricing?
(or)
(b) Explain the procedure for price determination?
15. (a) Explain the advantages and limitation of sales promotion?
(or)
(b) What are the various kinds of salesman ship?

PART – C

5x12=60

Answer all questions.

16. (a) Discuss the various functions of market?

(or)

(b) What are the various modes of transportation. What are its merits and demerits?

17. (a) What are the various stages of product life cycle?

(or)

(b) Analyse the circumstances in which the product mix is expanded or contracted?

18. (a) What are the factors influencing buyer behaviour?

(or)

(b) What are the various methods of market segmentation?

19. (a) What are the factors affecting pricing deation?

(or)

(b) Discuss the different kinds of pricing

20. (a) Define the various methods of advertising with merits & demerits?

(or)

(b) What are the procedure for requested selection of salesman?

PAPER-XIV - MAIN
COMPUTER APPLICATION IN BUSINESS
(Theory only)

Unit-I:

Introduction to computers-classification of digital computer systems-anatomy of a digital computer-auxiliary storage devices-input devices-output devices.

Unit-II:

Introduction to computer software-operating system-programming languages - general software features and trends - data processing – computer network.

Unit-III:

Communication systems-distributed systems-internet worldwide web.

Unit-IV:

Electronic mail-intranets-introduction to virtual reality.

Unit-V:

Electronic commerce-geographical information system-computers in business and industry-computers in education and training-computers in entertainment, science, medicine and engineering.

(Note: Theory questions only)

TEXT BOOKS:

Fundamentals of Information Technology – Alexis Leon, Mathews Leon, Leon TECH World, 1999.

REFERENCE BOOK:

Introduction to Computers- Alexis Leon, Mathews Leon, Leon TECH world, 1999.

MODEL QUESTION PAPER
PAPER XIV
COMPUTER APPLICATION IN BUSINESS

Time: 3 hrs
100

Max. Marks.:

Section-A

10 x 2 =

20

Answer All Questions

1. What is a digital computer?
2. What is auxiliary storage device?
3. What is software?
4. What is computer network?
5. What is a communication system?
6. What is "Internet"?
7. What are the uses of "E-mail"?
8. What are the uses of multimedia?
9. What is "E-commerce"?
10. State the uses of computer in the field of education?

Section-B

5 x 4 =

20

Answer all questions

11. (a) Explain different types of computer?
(or)
(b) What are the different types of magnetic tapes?
12. (a) Write short notes on multiprocessing and multitasking?
(or)
(b) Explain various types of file processing?
13. (a) Briefly explain how does radar work?
(or)
(b) What are the disadvantages of distributed system?
14. (a) What are the major newsgroup classifications?
(or)
(b) What are the future trends in virtual reality?
15. (a) Write short notes on e-commerce?
(or)
(b) Explain briefly various subsystems of office automation systems?

Section-C

5 x 12 =

60

Answer all questions

16. (a) Explain the various functional units of a computer?

(or)

(b) Explain the various kinds of input devices?

17. (a) Explain various levels of language in detail?

(or)

(b) Discuss clearly the various types of networks?

18. (a) Explain how distributed systems are better than centralized systems?

(or)

(b) Write notes on :

(i) Internet addressing

(ii) World wide web

19. (a) What is intranet? Explain its business merits and demerits?

(or)

(b) What are the techniques used to create a multimedia presentation?

20. (a) Write notes on

(i) Geographical information system

(ii) Office automation system

(or)

(b) Discuss the uses of computers in medicine and engineering?

PAPER- XV - Main
INCOME TAX LAW AND PRACTICE

Unit-I:

Basic concepts – assessee – persons – previous year – assessment year – gross total income – basis of charge – residence and tax liability – exempted incomes – total income.

Unit-II:

Heads of income-salaries-definition-computation of salary income-items included in salary - deduction under salary - income from house property - gross and net annual value – deductions.

Unit-III:

Profits and gains of business or profession. Computation of business income – professional income – depreciation – capital gains – capital assets – computation of capital gains – exemptions.

Unit-IV:

Income from other sources - casual income – aggregation of income-set-off and C/F of losses-computation of total income-deductions from gross total income [Individual, HUF and firm (FAPF)].

Unit-V:

Income tax authorities – CBDT - powers assessment procedure – types – appeals – penalties – TDS – Advance payment of tax.

NOTE:

Problem 60%; Theory 40%

TEXT BOOKS:

1. Gaur and Narang, Income tax law & practice.
2. Dr.A.Jayakumar & C.Dhanapal – Income Tax Theory and Law and Practice

REFERENCE BOOKS: Dr. H.C. Mehrotra – Income Tax and Accounts

MODEL QUESTION PAPER
PAPER – XV
INCOME TAX LAW AND PRACTICE

Time: 3 Hours

Max. Marks:

100

Part - A

10 x 2 =

20

Answer All Questions

1. Define the term 'Person' under the I.T. Act 1961
2. What do you mean by 'Casual income'?
3. Explain the features of 'Salary'?
4. How the 'Net Annual Value' of a home property is determined?
5. How will you treat the expenditure on premises in Business?
6. What is not included in capital assess?
7. What is 'Grossing up'?
8. What is 'Inter Source Adjustments'?
9. Who are Income tax authorities?
10. What do you mean by 'Tax deducted at source'?

Part - B

5 x 4 =

20

Answer All Questions

11. (a) What are tax free incomes? Give examples of any four tax free incomes.
(or)
(b) Mr. Balu after 30 years stay in India, retires to America on Feb 3, 1993. He returns to India in July 2005 to join an American company as it's overseas Branch Manager. Determine his residential status for the A.Y. 2006-07
12. (a) Explain the deductions allowable U/S 24(1) while calculating income from home property?
(or)
(b) Mr. P. is employed in a company at Delhi. The following are the particulars of the salary income for the previous year 2005-06.

Salary Rs. 6000 p.m

Salary in lien of leave Rs.4000

Lunch allowance Rs. 300 p.m

Bonus – 1 months salary

Furnished accommodation- rent payable by the company Rs. 4350 p.m. but it charge only Rs. 500 pm. Cost of furniture's provided by the company Rs. 15,000. Compute Gross Salary for the A.Y. 2006-07?

13. (a) Define the term 'Transfer'. Describe transactions which are extended from transfer.

(or)

(b) Mr. Raja has purchased a home in may 1984. at a cost of Rs. 40,000. In June 1988, he added two rooms at a cost of Rs. 30,000. In June, 2005, he sold the house for Rs. 3,00,000 and paid Rs. 10,000 brokerage. Compute the capital gain for the AY 2006-07. (C.1.1.84-85: 125; 88-89:161; 2006-07: 497).

14. (a) What are charitable donations? What are the conditions for allowing deduction in respect of these donations?

(or)

(b) Mr. Kamal holds the following securities on April, 2005. Rs. 90,000, 8% securities of T.N. Govt. Rs. 4,000 received as interest of A.P. Govt. loan. Rs. 60,000, 9% debentures of SPEL, Rs. 89,800 received as interest on debentures (listed) of WIPRO Company.

Calculate the taxable income for the A.Y. 2006-07.

15. (a) Enumerate the installments of advance tax along with the respective due dates.

(or)

(b) Mr. Devan has made the following donations during 2005-06

Donation to P.M's Drought Relief Fund Rs. 10,000.

Donation to P.M's National Relief Rs. 20,000

Donation to National Defence Fund Rs. 30,000

Determine the amount of deduction U/S 80 G.

Part – C

5x12=60

Answer All Questions

16. (a) Mr. Raj Mohan, scientist from USA, was appointed as senior scientist in India on 1st Apr 2001. On 31st Jan, 2003 he went to Pakistan on deputation but left his family (wife and children) in India. On 1st may 2004, he came to India and took his family on 31st Oct, 2004. He returned to India and joined his original post on 5th Feb 2006. Determine the residential status for the Ay 2005-06 and 2006-07.

(or)

(b) 'R' had the following income during the previous year 31.03.06.

9000	(i) Salary received in India	Rs.
13470	(ii) Income from HP in India	Rs.
12350	(iii) Income from Agriculture in Indonesia being invested in India	Rs.
10150	(iv) Income from business in Bangladesh being controlled from India	Rs.
23000	(v) Dividend received in UK from French companies	Rs.

You are required to compute his total income for the AY 2006-07 if he is (i) Resident (ii) Not ordinary resident and (iii) Non-resident.

17. (a) From the following details compute the income of 'A' who is employed by R Ltd for the A.Y. 2006-07. B. Salary Rs. 1,60,000; Dearness allowance (considered for service benefits) Rs.28,000; High cost of living allowance Rs. 30,000; House rent allowance Rs. 48,000 (Actual rent paid is Rs. 60,000 in Delhi); commission (2% of Turn over) Rs. 18,000; On 10th March, 2006, R Ltd offers equity shares to employees at the rate of Rs. 410 per share (Market price Rs. 600 per share on 10th March, 2006) 'A' accepts the offer and as per terms of the offer applies for 500 shares on 20th March, 2006.

(or)

(b) Mr. Suman owns a house property at Trichy. Its fair rental value p.a is Rs.27,000 and municipal value Rs. 24,000. The house was let out from April, 2005 to Aug 31, 2005 @ Rs. 2100 per month. From Sep 1, 2005, Suman occupied the house for his residence.

Municipal tax paid Rs. 4000; Fire Insurance Rs. 2500 and Repairs Rs. 1000; Interest paid on borrowings for construction: (a) For the year Rs. 21,600

(b) Proportionate pre construction interest Rs. 12,960.

Compute the taxable income from H.P

17.(a) From the following profit & loss a/c of Mr. Kumaran find his Income from Business.

P & L a/c

To salaries	35000	By Gross profit	105000
To Rent	10000	By Interest on F.D	5000
To Postage	2000	By Discount	2000
To Discount	5000	By Profit on sale of car	20000
To furniture purchase	15000		
To Depreciation	5000		
To. G. Reserve	1000		
To wealth tax	2000		
To Net. Profit	48000		
	132000		132000

Other Informations:

- (1) Closing stock was under valued by Rs. 10,000
- (2) Expenses not debited in the package Rs. 3,000
- (3) Salaries include Rs. 5000 paid outside India without deductions of tax

(or)

(b) The following is the receipts and payments account of Mr. Palaniappan, an advocate, for the year ended 31st March, 2006.

	Receipts	Rs.		Payments	Rs.
To balance b/d		2400	By typewriter		8000
To fees from client for 2005-06		30000	By office expenses		6000
		3000	By salaries to staff		10000
	2003-	10000	By interest on loan		2000
04		8000	By car expenses		5000
	2000-		By income tax		2000
01		15000	By LIC premium		4000
To presents from client			By rent of chamber		6000
To loan from bank for professional purpose			By balance c/d		25400
		68400			68400

Depreciation of the car is Rs. 5000. The car was used for 60% official use and 40% private purposes. Compute his income from profession

19.(a) Suresh sells his only residential house in Delhi on 24th August, 2005 for Rs. 15,20,000 and incurs an expenditure of Rs. 20,000 in connection with transfer. Cost of acquisition of the house by him in 1975 was Rs. 18,000. On 10th Jan 2006 he invests Rs. 5,00,000 in the Bonds of NABRAD. On 16th Jan, 2006 he purchases a residential flat in Delhi for Rs. 4,50,000 and deposits Rs. 1,50,000 in the capital gain deposits scheme. Compute his taxable capital gain in his hands. Fair market value of the house on 1.4.81 in Rs. 50,000.

(or)

(b) Compute the income from other sources of Miss. Anu from the following details furnished.

- (i) She holds Rs. 50,000, 10% tax free Govt. securities.
- (ii) She received Rs. 10,000 interest on T.N. Govt. securities.
- (iii) She holds 1,00,000, 10% Tax free debentures at P & R Co Ltd (Listed)
- (iv) Rs. 12,000 interest was received by her on tax free securities of a Ltd company.
- (v) Rs. 60,000, 15% debentures are held by her in a Ltd. Co.,
- (vi) Rs. 8,000 interest was received by her on securities of a Paper Mill Co (Listed).

20.(a) Mr. Raman submits the following particulars of his income and loss for the A.Y. 2006-07.

(i)	Income from H.P. (computed)	Rs. 8,000
(ii)	Profits & Gains of personal business	Rs. 25,000
(iii)	Share of profit from an APO...	Rs. 10,000
	(Which has paid tax at the MMR)	
(iv)	Short-term capital gains	Rs. 8,000
(v)	L.T. Capital gain on Land	Rs. 17,000
(vi)	L.T. Capital loss on home	Rs. 24,000

The following items have been b/f from Ay 2005-06:

B. Loss	Rs. 30000
Loss from HP	Rs. 10000

Compute his Gross total income and deal with carry forward losses.

(or)

(b). Rajan submits the following details of his income for the A.Y 2006-07

Interest on Bank Deposits	Rs. 1,20,000
Interest on Govt. Securities	Rs. 20,000
Rent received from let out home (p.m)	Rs. 2,000
Municipal taxes paid	Rs. 2,000
Royalty Income	Rs. 1,50,000
Expenses allowed from royalty	Rs. 10,000
L.T. Capital Gain on sale of share	Rs. 25,000
S.T. Capital gain on land	Rs. 10,000
Winning from lottery	Rs. 20,000

He has deposited Rs. 40,000 in PPF during the previous year. Compute his
Gross total income.

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