

1

Seat No. : _____

ND-108

November-2018

B.Com., Sem.-III

Economics

(International Eco. & Public Finance)

(New Syllabus)

Time : 2:30 Hours]

[Max. Marks : 70

Instruction : Figures to the right indicate full marks of the question.

1. (A) Explain the importance of international trade.

OR

Discuss comparative cost advantage theory of international trade.

(B) Multiple Choice Questions :

(1) International trade is the outcome of

- | | |
|-------------------------------------|----------------------------|
| (A) Geographical division of labour | (B) Political relationship |
| (C) Cultural ties | (D) Social contract |

(2) Trade does not arise in a situation of

- | | |
|---------------------------------|---------------------------|
| (A) Comparative cost difference | (B) Equal cost difference |
| (C) Absolute cost difference | (D) Zero cost difference |

(3) Who developed the factor proportions theory of trade ?

- | | |
|----------------|-------------------|
| (A) Adam Smith | (B) David Ricardo |
| (C) Heckscher | (D) Ohlin |

(4) Which of the following are not advantages of foreign trade ?

- | | |
|------------------------------|-----------------|
| (A) Increase in world output | (B) Competition |
| (C) Expansion of markets | (D) Dependence |

2. (A) Explain the gains from international trade and its distribution.

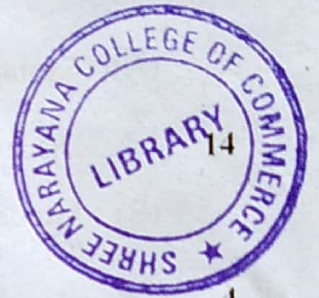
OR

Explain the concept of offer curve with figures.

(B) Multiple Choice Questions :

(1) If a country has to give more units of his product to obtain another good of other country, then terms of trade are known as

- | | |
|------------------|-----------------------|
| (A) Unfavourable | (B) Favourable |
| (C) Balance | (D) None of the given |



4



4

2

- (2) For any country if demand of export goods is value inelastic, then what can you say about its terms of trade ?
(A) Balance (B) Favourable
(C) Unfavourable (D) Not decided
- (3) From the following which factor does not affect the terms of trade ?
(A) Devaluation (B) More population
(C) Emigration (D) Trade policy
- (4) The theory of offer curve was developed by
(A) Heckscher (B) J.S. Mill
(C) Taussing (D) Marshall-Edgeworth

3. (A) Explain the advantages and disadvantages of free trade policy. 14

OR

Discuss the concept of Protection Policy.

(B) Multiple Choice Questions. 3

- (1) Due to free trade, welfare of customers is
(A) Increase (B) Stable
(C) Decrease (D) Uncertain
- (2) Which economist argues infant industries in protection policy ?
(A) Adam Smith (B) Friedrich List
(C) Nicolson (D) Hicks
- (3) Which of the following is not a protection tool ?
(A) Import Quota (B) Import tariff
(C) Contract of goods (D) Exchange controls



4. (A) Discuss the purchasing power parity theory with its limitations. 14

OR

Explain the advantages of flexible exchange rate.

(B) Multiple Choice Questions. 3

- (1) Rate of exchange means
(A) external value of currency (B) internal value of currency
(C) price of money (D) price of commodity
- (2) Who propounded purchasing power parity theory of exchange rate ?
(A) Nurkse (B) Gustav Cassel
(C) Ricardo (D) Samuel
- (3) What shows exchange rate with one currency to other ?
(A) Production rate (B) Income rate
(C) Convertible rate (D) Sales rate

3

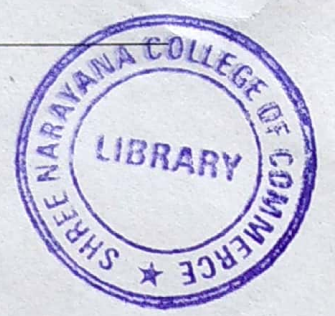
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ND-108

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B.Com., Sem.-III

Economics
(International Eco. & Public Finance)
(New Syllabus)



Time : 2:30 Hours]

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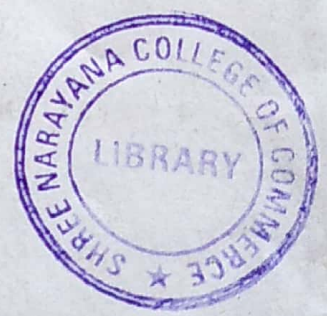
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OR

Discuss comparative cost advantage theory of international trade.

(B) Multiple Choice Questions : 4

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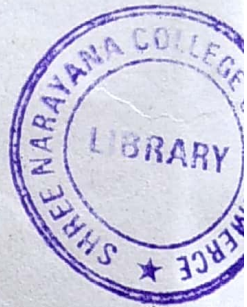
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5

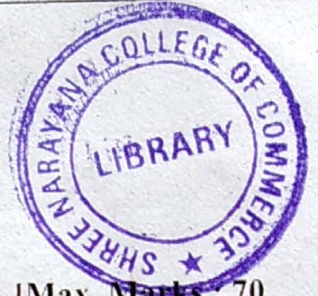
Seat No. : _____

NE-125

November-2018

B.Com., Sem.-III

203 : Taxation-I



[Max. Marks : 70

Time : 2:30 Hours]

1. (A) Write short note on :

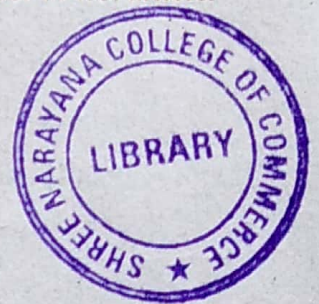
- (1) Direct taxes & indirect tax
- (2) Income

OR

- (1) Define 'Person'. Explain Association of Person and Body of Individual with illustration. 7
- (2) Write a note on Income Tax Officer. 7

(B) Select the correct alternative : (any **four**) 4

- (1) On which date present income tax act came into force ?
 - (a) 1st April, 1961
 - (b) 1st April, 1962
 - (c) 1st January, 1961
 - (d) None of this
- (2) From the following, which is association of person ?
 - (a) Federation of Indian Chamber of Commerce & Industry. [FICCI]
 - (b) Veer Narmad South Gujarat University.
 - (c) Ramesh Vyas.
 - (d) Shah & Sons.
- (3) From the following which income does not attract any tax ?
 - (a) Illegal income
 - (b) Bonus
 - (c) Commission
 - (d) Reward given to a finder of lost article.
- (4) From the following, which is a non-agricultural income ?
 - (a) Income from sale of seeds.
 - (b) Income from sale of replanted trees.
 - (c) Income from growing of flowers.
 - (d) Remuneration of a manager of an agricultural farm.
- (5) What does tax evasion mean ?
 - (a) Methods by which assessee avoids paying tax illegally.
 - (b) Methods by which assessee reduces tax liability by using various sections of income tax act.
 - (c) (a) and (b) both
 - (d) None of the above
- (6) How much fees is to be paid at the time of application to the settlement commission ?
 - (a) ₹ 5,000
 - (b) ₹ 1,000
 - (c) ₹ 500
 - (d) ₹ 100



2. (A) Write a note on :

14

- (1) Best Judgement Assessment
- (2) Payment of advance tax.

OR

- (1) Mr. J is an Indian citizen, who provides following information about his stay in India during last six years.

Year	Days
2012-13	350
2013-14	NIL
2014-15	80
2015-16	180
2016-17	120
2017-18	190

What will be his residential status for the A.Y. 2018-19 ?

- (2) Write a note on: Permanent Account Number.

(B) Select the correct alternative : (any **four**)

- (1) Who is non-resident ?

- (a) a person fulfilling condition of resident.
- (b) a person fulfilling condition of ordinary resident.
- (c) a person not fulfilling condition of resident.
- (d) a person not fulfilling condition of ordinary resident.

- (2) Which of the following is exempted income ?

- (a) Salary
- (b) Capital gains from sale of gold.
- (c) Profit from a business.
- (d) Agricultural income.

- (3) Which of the following transactions does not require compulsory quoting of the 'Permanent account number' ?

- (a) Sale or Purchase of any immovable property more than ₹ 10 lacs.
- (b) Opening of a demat account with depository.
- (c) While depositing cash in bank of ₹ 50,000 or more on any day.
- (d) Payment to hotels and restaurants bills for an amount exceeding ₹ 10,000 at any one time.

- (4) Which 'Income tax return' is filled by an assessee in case of individuals having income from salary/one house property/income from other sources ?

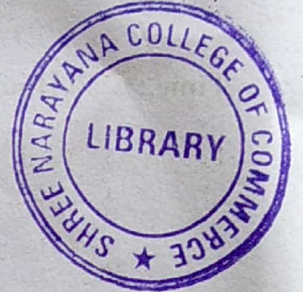
- (a) ITR 4
- (b) ITR 3
- (c) ITR 1
- (d) None of this

- (5) Which amount of debenture interest does not attract tax deducted at source ?

- (a) ₹ 8,000
- (b) ₹ 4,500
- (c) ₹ 5,500
- (d) None of this

- (6) What is the quantum of advance tax which needs to be paid on or before 15th December of the relevant previous year ?

- (a) 100%
- (b) Not less than 30%
- (c) Not less than 15%
- (d) Not less than 75%



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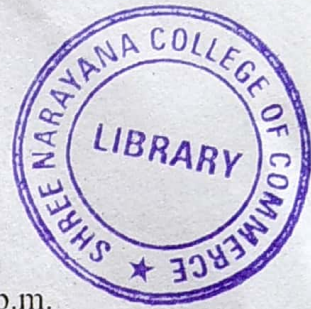
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3. (A) Mr. D is working in a company at Ahmedabad as a manager (a specified employee). From the following details of financial year 2017-18, compute his taxable salary for Assessment Year 2018- 19.

14

	₹
(1) Basic Salary	6,00,000
(2) Dearness Allowance is 25% of basic (considered for P.F.)	
(3) Education Allowance [for three children]	7,400
(4) House Rent Allowance (actual rent paid ₹ 8,000 p.m.)	8,000 p.m.
(5) Entertainment Allowance	20,000
(6) Free lunch facility provided during office hours (for 200 days @ ₹ 75 per dish cost is born by company)	
(7) Company has provided a car of 1200 CC engine with driver for both purpose. All expenses are paid by company.	
(8) Commission	2,000 p.m.
(9) Company's contribution to Recognised Provident Fund	1,04,000
(10) Interest credited to R.P.F. account @ 14%	42,000
(11) Professional tax paid by him	200 p.m.



OR

- (1) Mr. K was retired on 01/12/2017 from AB Ltd. after working for 28 years and 10 months. He received ₹ 12,00,000 as gratuity at that time. His last monthly basic salary was ₹ 80,000. D.A. 10% of basic salary, commission ₹ 5,000. He gets increment in May every year. His last increment was ₹ 8,000. Find out taxable gratuity of Mr. K.
- (2) Mr. B is working in R Ltd. as executive. Company has provided him a house in Ahmedabad (population 60 lacs). His monthly basic salary is ₹ 65,000, D.A. ₹ 10,000 (considered for P.F.), Entertainment allowance ₹ 500, Education allowance (2 children) ₹ 2,000 p.a., Bonus ₹ 4,000 p.a. Company has also provided furniture costing ₹ 1,35,000 with the house. Company has deducted ₹ 500 p.m. from his salary for providing this facility. Find out the value of this house.

7

7

(B) Select the correct alternative : (any three)

3

- (1) Mr. A joined a company on 01/04/2015 with the grade 15,000-500-22,000. What would be his basic salary for the Previous Year 2017-18 ?
- (a) ₹ 2,00,000
(b) ₹ 1,92,000
(c) ₹ 2,92,000
(d) None of this
- (2) What is the maximum amount of exemption in case of gratuity received under The Payment of Gratuity Act, 1972 ?
- (a) ₹ 1,00,000
(b) ₹ 5,00,000
(c) ₹ 10,00,000
(d) None of this
- (3) What is the amount of exemption for education allowance ?
- (a) ₹ 100 p.m. per child (max. 2 children)
(b) ₹ 200 p.m. per child (max. 2 children)
(c) ₹ 300 p.m. per child (max. 2 children)
(d) None of this
- (4) What would be the value of laptop/computer given to employee for official use by employer ?
- (a) Fully exempt
(b) ₹ 200 p.m.
(c) Actual value of computer
(d) None of this
- (5) If an employer is giving, 2000 CC engine car with a driver to its employee for both purpose. Employer is paying all its expenses. What would be monthly value of this perquisite ?
- (a) ₹ 2,700
(b) ₹ 3,300
(c) ₹ 600
(d) None of this



9

4. (A) Mr. V is owner of three houses. Find out his taxable income of house property for the assessment year 2018-19 from the following information.

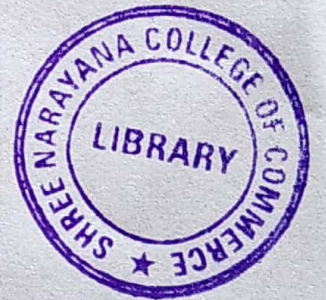
14

Particulars	House A	House B	House C
	₹	₹	₹
(1) Standard rent	40,000	35,000	30,000
(2) Municipal valuation	48,000	36,000	36,000
(3) Fair rent	45,000	32,000	38,000
(4) Rent receivable	54,000	-	-
(5) Municipal tax paid	2,500	2,000	2,000
(6) Repairs	5,000	4,000	8,000
(7) Interest on construction loan			
(i) Current year	6,000	8,000	8,000
(ii) Capitalised (total)	50,000	50,000	50,000
(8) Vacancy period	1 month	-	-
(9) Year of completion of construction	2011-12	2010-11	2010-11
(10) Use of the house	Let out	Self-occupied	Self-occupied

OR

- (1) Write a note on: Interest allowed on borrowed capital under section 24. 7
- (2) Find out gross annual value of Mr. C's following houses. 7

Particulars	House X	House Y
	₹	₹
(1) Municipal valuation	80,000	90,000
(2) Standard rent	78,000	92,000
(3) Fair rent	85,000	88,000
(4) Rent receivable	96,000	84,000
(5) Vacancy period	1 month	-
(6) Unrealised rent	1 month	1 month



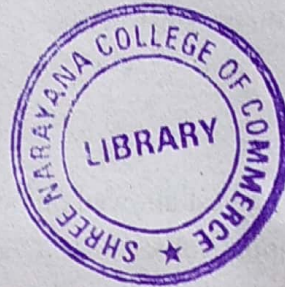
(B) Select the correct alternative : (any three)

3

- (1) If a loan is taken for repairs/renewals of a self-occupied house after 01/04/1999. What would be the maximum interest deductible ?
- (a) ₹ 2,00,000 (b) ₹ 1,00,000
- (c) ₹ 50,000 (d) ₹ 30,000
- (2) Which of the following statement is correct ?
- (a) More than one property can be taken as self-occupied.
- (b) 30% Standard deduction is calculated on gross annual value.
- (c) Ground rent is deductible expense.
- (d) Municipal tax is deductible only if it is paid by owner of the house.

10

- (3) What will be the gross annual value of Mr. B's house if its Municipal value is ₹ 80,000, Standard rent is ₹ 75,000 and Rent receivable is ₹ 72,000 with vacancy period and unrealised rent of 1 month each ?
- (a) ₹ 75,000 (b) ₹ 60,000
(c) ₹ 69,000 (d) None of this
- (4) Which expense is deducted under Section 24 in calculation of taxable 'income from house property' ?
- (a) Ground rent (b) Land revenue
(c) Fire insurance (d) 30% standard deduction
- (5) Capitalised interest is deducted upto how many years after the completion of construction ?
- (a) 2 years (b) 4 years
(c) 5 years (d) 10 years



11

Seat No. : _____

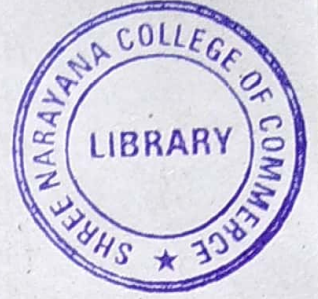
NF-124

November -2018

B.Com., Sem.-III

204 : Commercial Communication – III

**Text : Colours of Life
(New)**

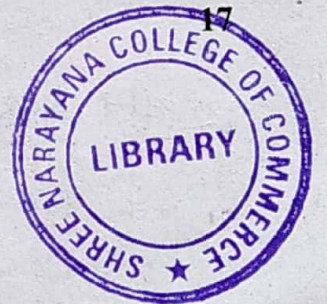


[Max. Marks : 70

Time : 2:30 Hours]

Instruction : Figures in the right side indicate marks.

1. (A) Answer any **three** questions in brief : 9
- (1) Why was the statue of Happy Prince weeping ?
 - (2) How did the mother describe the boat ?
 - (3) What did Abraham Lincoln promise his step-brother ?
 - (4) What made Jesse Owens an angry athlete ?
 - (5) Why did the author live with his grandmother ?
- (B) Write a short note on any **one** of the following : 8
- (1) The Statue of the Happy Prince.
 - (2) The Significance of the boat journey..
 - (3) Friendship between Jesse and Luz Long.
2. Write short notes on any **two** of the following : 17
- (1) Netiquettes
 - (2) Leadership Qualities
 - (3) Negotiation Skills
3. Draft a letter on behalf of the head of an NGO, requesting the bank manager to lend the support for social welfare. 17



OR

Draft a letter to your branch manager intimating him the loss of a Credit card.

4. Do as directed :

(A) Match the following :

A	B
(1) Martyr	The science of study of birds
(2) Ornithology	Something which spreads by contact
(3) Contagious	Something that is fit to eat
(4) Edible	A person who dies for noble cause
(5) Glutton	Something that cannot be read
(6) Illegible	Who eats too much food

(B) Give meaning of the following:

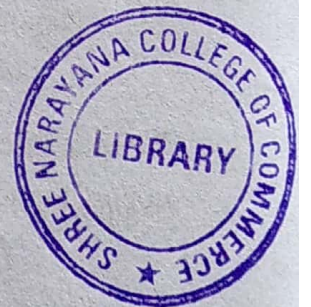
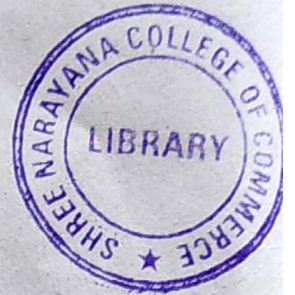
Inevitable, Fable, Pessimist

(C) Choose the appropriate option :

- (1) The Swallows went to ____ for the winter.
 - (a) Jordan
 - (b) Egypt
 - (c) Asia
- (2) The boat was ____ in colour.
 - (a) white
 - (b) red
 - (c) green
- (3) Lincoln called his brother _____.
 - (a) a lazy
 - (b) a selfish
 - (c) an idler
- (4) The grandmother went to the school with the author because the school was attached to the _____.
 - (a) office
 - (b) temple
 - (c) hospital
- (5) Jesse Owens participated in ____ events.
 - (a) long jump
 - (b) swimming
 - (c) track and field

(D) State whether the following statements are **true** or **false** :

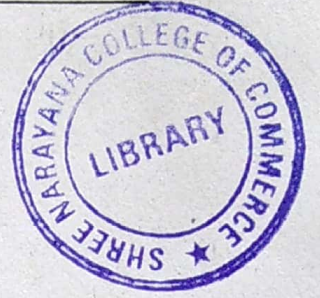
- (1) The statue of the Happy Prince was made of marble.
- (2) The boy's father left the family.
- (3) Lincoln cared for his step-brother.
- (4) The grandmother fed the stale bread to the village dogs.
- (5) Luz Long was the epitome of Olympic games.



13

Seat No. : _____

NG-104
November-2018
B. Com., Sem.-III
CC-205 : Statistics – III
(New Course)



Time : 2:30 Hours]

[Max. Marks : 70

- Instructions :** (1) Figures to the right indicate marks of the questions.
(2) Simple calculator is allowed.

1. (a) (i) Explain meaning of limit of a function and state its working rules. 7
(ii) Find the limits for the following (any two) : 7

(1) $\lim_{x \rightarrow 0} 1 + \frac{2}{3 + \frac{4}{x}}$

(2) $\lim_{n \rightarrow \infty} \frac{5n^3 + 2n^2 - 7n + 10}{3n^3 - 5n^2 + 6n - 13}$

(3) $\lim_{x \rightarrow 2} \frac{x^2 - 5x + 6}{x^2 - x - 2}$

OR



- (a) (i) Define the term function. State types of function. Also, define continuity of a function. 7
(ii) Answer the following : 7
(1) A manufacturer earns ₹ 90,000 in the fourth month and ₹ 75,000 in the third month. Find linear relationship between time and earning.
(2) Discuss the continuity of $f(x)$ at $x = 2$.

$$f(x) = \frac{x^2 + 2x - 8}{x - 2} \quad x \neq 2$$

$$= 5 \quad x = 2$$

14

4

(b) Answer the following : (any two)

(1) If $f(x) = 2x^2 + 5x - 1$, find $f(0)$ and $f(1)$.

(2) If $\lim_{x \rightarrow 4} (5x + 2k) = 22$, find k .

(3) For which value of x , $f(x)$ is discontinuous $f(x) = \frac{x^3 - 2x^2 + 7x - 11}{x^2 - 9}$?

2. (a) (i) Explain the following terms :

- (1) Sample space
- (2) Union of two events
- (3) Conditional probability
- (4) Independent event

(ii) Three machines x , y and z produce 35%, 45% and 20% of the items daily in a factory. The percentage of defective items of these machines are respectively 3%, 4% and 5%. An item is taken at random from the production and is found to be defective. Find the probability that it is produced by machine z .

OR

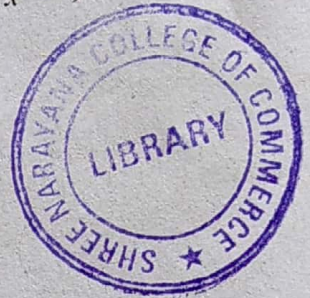
(a) Answer the following :

(i) If $3P(A) = 2P(B) = 4P(A \cap B) = \frac{1}{3}$ then find the value of $P(A \cup B)$, $P(A' \cap B')$, $P(A/B)$ and $P(A'/B)$.

(ii) Answer the following :

(1) An example of statistics is given to three students X , Y and Z . Their probabilities of solving the example correctly are respectively $\frac{1}{3}$, $\frac{3}{4}$ and $\frac{4}{5}$. Find the probability that the example will be solved.

(2) An urn contains 4 white, 5 red and 6 black balls. Three balls are drawn at random from it. Find the probabilities that two balls are of the same colour and one ball has different colour.



(b) Answer the following : (Any two)

- (1) If $P(A) = \frac{2}{3}$ and $P(A \cap B) = \frac{4}{15}$, find $P(B|A)$.
- (2) For two events A and B if $P(A) = 0.4$, $P(B) = x$ and $P(A \cup B) = 0.8$, find the value of x when (a) A and B are mutually exclusive (b) A and B are independent events.
- (3) Find the probability of 53 Monday in the year 2018.

3. (a) (i) Define Mathematical expectation and variance of a discrete random variable. State the characteristics of mathematical expectation. 7

(ii) The probability distribution of a random variable x is as follow : 7

$X = x_i$	-2	-1	0	1	2	3
$P(x_i)$	k	2k	$\frac{2}{15}$	$\frac{4}{15}$	3k	$\frac{3}{15}$

Find K, $E(3x + 5)$ and $V(2x - 1)$.

OR

(a) (i) Answer the following : 7

- (1) There are 9 screws in a packet of which 3 screws are defective. If 3 screws are taken at random, find the expected number of defective screws.
- (2) Two random variables X and Y are independent and $E(x) = 3$, $E(y) = 5$, $V(x) = 6$; $v(y) = 4$, then find the value of $E(x - 1)^2$ and $V(3x - 2y + 7)$

(ii) The first four moments about 5 of a frequency distribution are 2, 20, 40 and 50 find γ_1 and γ_2 . 7

(b) Answer the following : (Any three) 3

- (1) Define probability distribution.
- (2) If $E(x) = 8.5$ and $E(x^2 + y) = 14.5$, find $E(y)$.
- (3) If S.D. of x is 10, then find $v(3 + 5x)$.
- (4) Define central moments.
- (5) What is skewness for symmetrical distribution ?

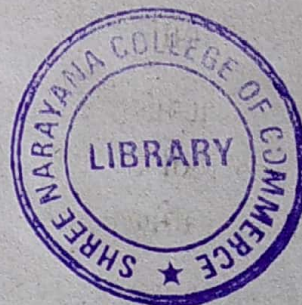


26

4. (a) (i) Give the probability mass function of negative binomial distribution. State its properties and uses. 7
- (ii) The probability that a person can hit a target is $\frac{2}{3}$. Find the probability that he will hit the target 5th time at the ninth trial. Also, find the mean and variance of numbers of failures before 5th trial. 7

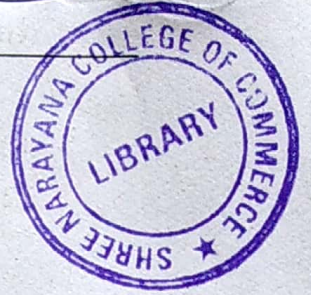
OR

- (a) (i) Under which condition negative binomial distribution tends to geometric distribution? Give the probability mass function of geometric distribution. State its properties and uses. 7
- (ii) A die is thrown and getting '3' is regarded as success. Find the probability that more than 4 trials will be required before getting first success. 7
- (b) Answer the following : (Any **three**) 3
- (1) For a negative binomial distribution mean is 6 and variance is 12. Find probability of success.
 - (2) When negative binomial distribution follows Poisson distribution?
 - (3) What is the difference between binomial distribution and negative binomial distribution?
 - (4) For Geometric distribution mean is 3 and variance is 12, find probability of success.
 - (5) Negative binomial distribution is a distribution of which type of random variable?



17

Seat No. : _____



NI-103

November-2018

B.Com., Sem.-III

CC-202 : Indian Financial System

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Explain the main components of Financial System. 14

OR

- (1) Discuss the functions of 'IRDA'. 7
- (2) Explain the functions of Reserve Bank of India. 7

(B) Answer the following questions in brief : (any **four**) 4

- (1) When was RBI established and Nationalized ?
- (2) Give two objectives of 'SEBI'.
- (3) What is Public Issue ?
- (4) What is REPO Rate ?
- (5) What is unorganized financial systems ?
- (6) What is right issue ?

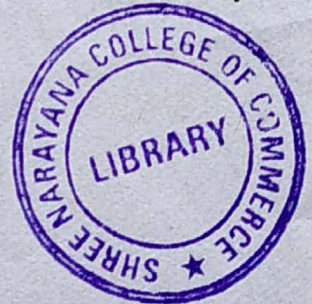
2. (A) What is Bonus Share ? Discuss the procedure of issue of Bonus Share. 14

OR

- (1) Explain difference between Capital Market and Money Market. 7
- (2) Discuss the functions of Money Market. 7

(B) Answer the following questions in brief : (any **four**) 4

- (1) What is Right Share ?
- (2) What is private placement of Share ?
- (3) Give full forms (i) OTCET (ii) NSE
- (4) What is Auction system ?
- (5) Give the names of main Stock Exchange of India.
- (6) Give meaning of Book Building.



18

3. (A) Give the meaning of Mutual funds and explain importance of Mutual funds. 14

OR

- (1) Describe the functions of Commercial Bank. 7
(2) Clarify the difference between Life Insurance and General Insurance. 7

(B) Answer the following question in brief : (any **three**) 3

- (1) What is Insurance ?
(2) Describe two objectives of Nationalized Bank.
(3) Describe the types of General Insurance.
(4) What is Re-Insurance ?
(5) How many types of 'NPA' ?

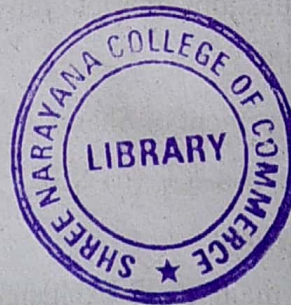
4. (A) What is Debenture ? Discuss different types of Debentures. 14

OR

- (1) Explain the advantages of Preference Shares. 7
(2) Write short note : 'Commercial Bill'. 7

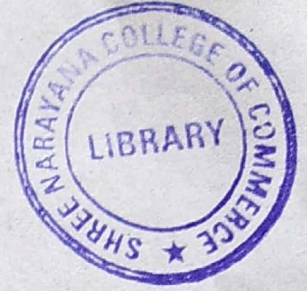
(B) Answer the following in brief : (any **three**) 3

- (1) What is Commercial Paper ?
(2) What is 'SWEAT' Equity Share ?
(3) Describe two advantages of Equity Share.
(4) What is Redeemable Preference Share ?
(5) What is Zero interest bond ?



NH-103

November-2018

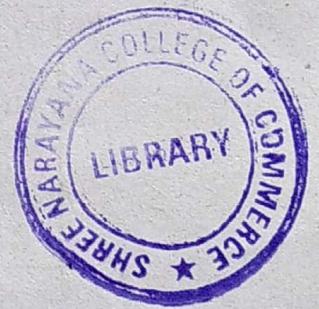
B.Com., Sem.-III**CE-201 (A) : Adv. A/c. & Auditing
(Cost Accounting-I)****Time : 2:30 Hours]****[Max. Marks : 70**

1. (A) Explain meaning of Cost Accounting, Discuss the advantages and limitations of Cost Accounting. 14

OR

Write short notes : (Any **Two**) 14

- (1) Fixed Overheads and Variable Overheads.
 - (2) Uniform Costing System.
 - (3) Cost Centre
- (B) In the following sub-questions, more than one answer is given, of which only one answer is correct. Select the correct answer (Any **Four**) 4
- (1) In chemical industry which method is used ?
 - (A) Process Costing
 - (B) Operating Costing
 - (C) Job Costing
 - (D) Unit Costing
 - (2) Telephone bill is included in which of the following expenses ?
 - (A) Semi-Variable Expenses
 - (B) Fixed expenses
 - (C) Variable expenses
 - (D) None of the above
 - (3) Which cost accounting method is used in Pharma-medicine industry ?
 - (A) Batch costing
 - (B) Unit costing
 - (C) Contract costing
 - (D) Job costing



20

- (4) In paper industry following cost method is applied -
- (A) Unit cost
 - (B) Job Cost
 - (C) Process Cost
 - (D) Operating Cost
- (5) From the following which item is relevant to operating costing ?
- (A) Vehicle service
 - (B) Book publication
 - (C) Brick industry
 - (D) Motor garage
- (6) Advertisement is expenses.
- (A) Selling and distribution indirect
 - (B) Factory indirect
 - (C) Administrative indirect
 - (D) None of the above



2. (A) The following is a summary of receipts and issues of Material "A" in a factory during March, 2018 :

14

Date	Particulars	Quantity Kgs.	Total Amount ₹
1.3.2018	Opening Balance	500	10,000
4.3.2018	Purchase	3,500	63,000
9.3.2018	Purchase	2,000	44,000
14.3.2018	Issued	2,400	-
16.3.2018	Purchase	400	10,000
20.3.2018	Issued	2,000	-
22.3.2018	Purchase	2,000	30,400
28.3.2018	Issued	3,000	-

The material issued on 14.3.2018 and 20.3.2018 were priced on "FIFO" and "LIFO" basis respectively. It was decided to price the issues by "Weighted Average Method" from 22.3.2018.

Prepare Stock Register for material.

OR

NH-103

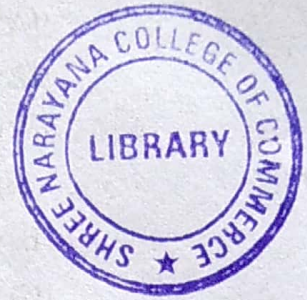
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NH

Give the answer of following : (Any Two)

(1) Bhaskar Co. Ltd. manufactures special product "Zeel". The following particulars were collected for the year 2017 :

- (A) Monthly demand of Zeel 6,500 units.
- (B) Cost of placing an order ₹1,500
- (C) Annual carrying cost per unit ₹ 234
- (D) Normal usage 1,500 units per week.
- (E) Minimum usage 1,000 units per week.
- (F) Re-order period 1 to 5 weeks.



Compute from the above :

- (1) Economic order quantity
 - (2) Number of orders to be placed in a year
 - (3) Re-order level
 - (4) Maximum level
 - (5) Minimum level
 - (6) Average stock level (on the basis of EOQ)
 - (7) Safety stock level.
- (2) The following figures have been extracted from the record of Karmali Co. Ltd. Ahmedabad for the year 2016 and 2017 :

Particulars	2016	2017
Average stock ₹	(?)	80,000
Opening stock ₹	80,000	(?)
Purchase ₹	4,14,000	(?)
Adjusted purchases ₹	4,10,000	(?)
Turnover Rate	(?)	9 times

From the above data find out :

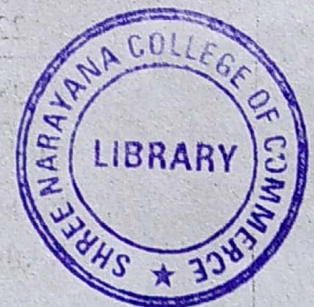
For the year 2016 :

- (1) Material turnover rate
- (2) Material turnover period

For the year 2017 :

- (1) Purchase
- (2) Adjusted purchase.

(3) Explain the difference between FIFO Method and LIFO Method.

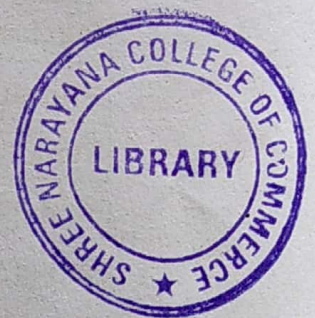
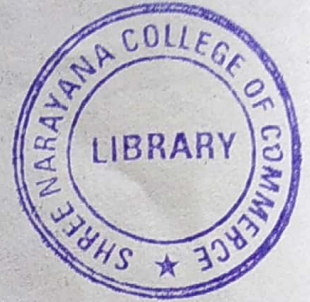


22

(B) In the following sub-questions, more than one answer is given, of which only one answer is correct. Select the correct answer (Any **Four**)

4

- (1) In which method goods remain in the stock of last purchase ?
- (A) LIFO method
 - (B) FIFO method
 - (C) Weighted Average method
 - (D) Fixed Price method
- (2) In which method stock consists of first purchase ?
- (A) FIFO method
 - (B) LIFO method
 - (C) Weighted Average method
 - (D) Standard Price method
- (3) In which method final stock is valued at a price which is almost nearer to current market price ?
- (A) LIFO
 - (B) FIFO
 - (C) Weighted Average method
 - (D) Fixed Price method
- (4) Which of the following methods of stock control aims at concentrating efforts on selected items of materials ?
- (A) Materials turnover rate
 - (B) ABC analysis
 - (C) Perpetual inventory system
 - (D) Periodic inventory system
- (5) Which one of the following is a 'Product Cost' ?
- (A) Office Staff Salary
 - (B) Indirect Materials
 - (C) Advertising expenses
 - (D) Interest on Loan
- (6) Most Profitable Quantity to purchase is called -
- (A) Maximum Quantity
 - (B) Economical Ordering Quantity
 - (C) Minimum Quantity
 - (D) Average Quantity



3. (A) A worker has been allowed to complete a work in 120 hours, but he completes the work in 90 hours. Labour rate per hour is ₹ 20 if cost of material is ₹ 80 and factory overheads are 100% of direct labour, find out factory cost as per following methods :

14

- (i) Piece Rate System
- (ii) Time wage Plan
- (iii) Halsey premium plan
- (iv) Rowan plan

OR

Give the answer of following (Any two)

14

- (1) Taylor's Differential Piece wage system.
- (2) Atharv has taken 720 hours to complete a job. The wage rate per hour is ₹ 10. If he has received ₹ 8640 as total wages according to Rowan Plan, what would be the amount of wages earned by him according to Halsey Plan ?
- (3) From the following details, Calculate Labour Turnover Rate under-
 - (i) Separation Method
 - (ii) Replacement Method
 - (iii) Flux Method

No. of employees at the beginning of the year	1,200
No. of employees at the end of the year	1,800
No. of employees resigned	100
No. of employees discharged	50
No. of employees replaced	75

- (B) In the following sub-questions, more than one answer is given, of which only one answer is correct. Select the correct answer : (Any Three)

3

- (1) Bonus as per Halsey method is calculated at -
 - (A) 20 % of time wages
 - (B) 33 % of time saved
 - (C) 50 % of time saved
 - (D) None of these

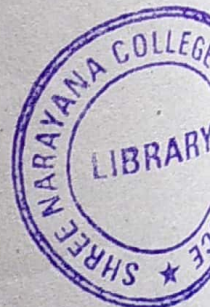
29



- (2) Recess time to worker during the day is -
(A) Not considered as unproductive
(B) Abnormal unproductive time
(C) Normal unproductive time
(D) None of the above
- (3) Which one of the following is not considered an Incentive Wage System ?
(A) Rowan wage plan
(B) Halsey wage plan
(C) Time wage plan
(D) Bonus wage plan
- (4) Which of the following items is not taken into consideration while calculating labour turnover rate as per Flux method ?
(A) No. of employees retired
(B) No. of employees dismissed
(C) No. of employees appointed under expansion plan
(D) No. of employees appointed on existing posts
- (5) From which of the following wages system, worker also gets share in the profit and management ?
(A) Profit sharing wages system
(B) Halsey wages system
(C) Co-Partnership wages system
(D) Rowen wages system

4. (A) In one company there are three production departments and two service departments. The following figures are available from its books :

(1) Rent and Rates	₹ 10,000
(2) General lighting	₹ 1,200
(3) Indirect Labour	₹ 3,000
(4) Power	₹ 3,000
(5) Depreciation on Machine	₹ 20,000
(6) Misc. expenses	₹ 20,000

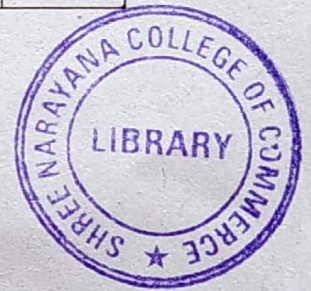


The following was additional information :

No.	Particulars	Production Depts.			Service Depts.	
		A	B	C	D	E
1	Area occupied (Sq. Mtrs.)	2,000	2,500	3,000	2,000	500
2	Light Points	10	15	20	10	5
3	Direct Labour (₹)	6,000	4,000	6,000	3,000	1,000
4	Horse Power of Machines	60	30	50	10	-
5	Cost of Machines (₹)	60,000	80,000	1,00,000	5,000	5,000

The expenses of Service Departments are allocated as under :

	A	B	C	D	E
D	20%	30%	40%	-	10%
E	40%	20%	30%	10%	-



Prepare :

- (1) Statement of distribution of overheads to various departments.
- (2) Statement of distribution of expenses of service departments to production departments.

OR

Give the answer of the following (Any Two) :

14

- (1) Explain the advantages of Activity Based costing.
- (2) Find out machine hour rate from the following details :

	₹
Cost of machine	14,30,000
Useful life-27 years. During which repairing expenses	3,24,000
Scrap value at the end	80,000
Other fixed expenses yearly	1,28,000
Expenses of power consumption for a machine yearly (including surcharge)	3,30,000

The machine uses 15 units of power per hour and the rate per unit being ₹ 2. surcharge is to be calculated at 10 % on expenses of power consumption.

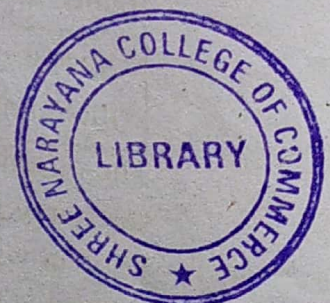
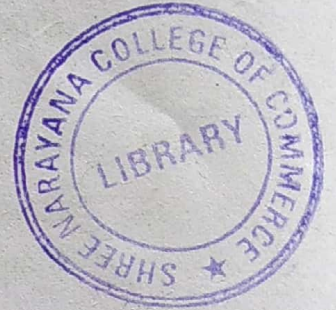
- (3) Explain with example of High and Low points Method of analysis of semi-Variable Overheads.

26

(B) In the following sub-questions, more than one answer is given, of which only one answer is correct. Select the correct answer : (Any **Three**)

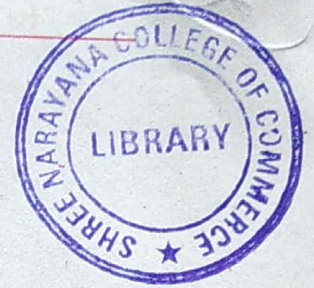
3

- (1) Which methods are used for apportioning service department expense over production departments ?
 - (A) Least Square Method
 - (B) Comparison Method
 - (C) Graphic Presentation Method
 - (D) Direct Method
- (2) Which method is also a repeated distribution method ?
 - (A) Average Method
 - (B) Graphic Presentation Method
 - (C) Indirect Method
 - (D) Trial and Error Method
- (3) In the Cost Accounts, delivery van expenses are included in -
 - (A) Factory Cost
 - (B) Administrative cost
 - (C) Office Cost
 - (D) Selling Cost
- (4) In the Cost Accounts, cost of oil, grease are included in
 - (A) Direct Materials
 - (B) Direct Labour
 - (C) Indirect Labour
 - (D) Indirect Materials
- (5) If a separate meter is not allocated, electricity cost will be apportioned according to -
 - (A) Horse Power
 - (B) Direct Cost
 - (C) Direct material
 - (D) Area occupied



NJ-104

November -2018

B.Com., Sem.-III**CE-202 (A) : Adv. A/c. & Auditing
(Corporate Accounting)**

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) The following is the Balance Sheet of Neel Ltd. as on 31-3-2018.

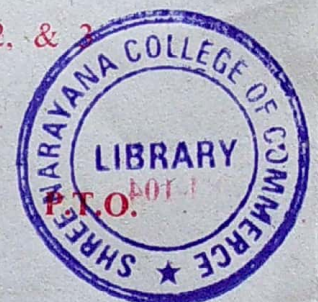
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Liabilities	₹	Assets	₹
5,000 10% Preference Share of ₹ 100 each.	5,00,000	Building at cost	6,50,000
2,00,000 Equity shares of ₹ 10 each	20,00,000	Furniture at cost	50,000
General Reserve	7,50,000	Stock at market value	22,50,000
Profit and Loss A/c. :		5% Govt. Securities (Face value ₹ 20,00,000)	19,00,000
2016-17 4,00,000		Debtors 12,50,000	
2017-18 <u>21,50,000</u>	25,50,000	Less: B.D.R. <u>1,00,000</u>	11,50,000
Depreciation Fund :		Bills Receivable	50,000
Building 1,00,000		Cash-Bank Balance	1,75,000
Investment <u>1,75,000</u>	2,75,000	Preliminary Expenses	25,000
Creditors	1,75,000		
	62,50,000		62,50,000

You are required to compute the value of goodwill of the company at three year's purchase of its super profit taking into account the following particulars :

- (1) The Building is now worth ₹ 11,25,000, while remaining assets are to be taken at their book values.
- (2) The expected rate of return on capital employed in this type of business is considered to be 20%.
- (3) The profit for the last three years have shown an increase of ₹ 1,50,000 annually.
- (4) Profit for the year 2017-18 shown above is before tax, assume tax at 50%.
- (5) For computation of average profit, weights to be used are 1, 2, & 3 respectively.

OR



28

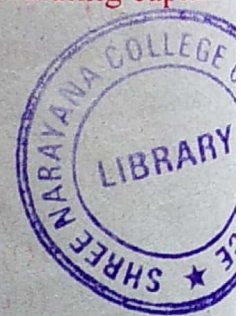
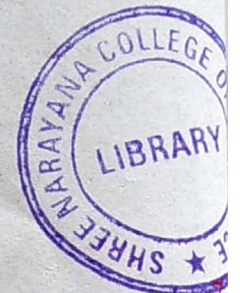
(i) Find out the value of goodwill by capitalization of average profit method :

	₹
(1) Assets	6,30,000
(2) Liabilities	1,53,000
(3) Average annual profit	72,000
(4) 10% Preference Share Capital	1,80,000
(5) The market value of assets is 10% more	
(6) Expected rate of return is 10%.	

(ii) Write short notes on : Factors affecting Goodwill.

(B) In the following sub-questions more than one answers are given. You have to select correct answer. (any **four**)

- What is the capitalized value of average profit on the basis of expected rate of return ?
(A) Super Profit (B) Goodwill
(C) Capitalization of profit (D) None of these
- When risk is more in business then goodwill is
(A) less (B) more
(C) zero (D) None of these
- When there is any increase or decrease in profit, then which profit is taken into account for calculating goodwill ?
(A) Weighted average profit (B) Simple average profit
(C) Super profit (D) None of these
- Which of the following type of investment is not included while deciding capital employed or Average capital employed to calculate valuation of goodwill ?
(A) Permanent investment (B) Trading investment
(C) Non-trading investment (D) None of the above
- Which of the following detail is taken into account while calculating capital employed for valuation of goodwill ?
(A) Workmen's compensation fund
(B) Preliminary expenses
(C) Worker's profit sharing fund
(D) None of these
- Which of the following institutions will have no goodwill ?
(A) B.S. Shah Prakashan (B) Rapid Transport Co.
(C) A Public Library (D) Dr. Shah's Private Nursing Home



2. (A) The following is the Balance Sheet of Ishan Ltd. as on 31-3-2018 :

14

Liabilities	₹	Assets	₹
Equity Share Capital 90,000 shares of ₹ 10 each	9,00,000	Goodwill	36,000
90,000 10% Preference Shares of ₹ 10 each.	9,00,000	Building	10,08,000
Reserves	2,88,000	- Dep.	54,000
Profit & Loss Account	72,000	Machinery	7,20,000
12% Debentures	3,60,000	- Dep.	36,000
Provident Fund	1,08,000	Factory	5,40,000
Creditors	54,000	- Dep.	36,000
Bills Payable	9,000	Investment against P.F.	1,08,000
Expenses Outstanding	9,000	Stock	2,70,000
		Debtors	72,000
		- Bad debts	3,600
		Cash/Bank	75,600
	27,00,000		27,00,000

Additional Information :

- (1) The present market value of building is ₹ 10,80,000.
- (2) The company's average annual profit (before deducting tax at 50%) is ₹ 5,40,000.
- (3) The value of the remaining assets is to be taken at book value.
- (4) The expected rate of return on capital employed in this type of business is considered to be 10%.
- (5) The value of goodwill of the company has been ascertained at ₹ 90,000.

From the above information, ascertain the Fair Value of Equity Shares of the Company.

OR

- (i) The intrinsic value of an equity share of ₹ 100 is ₹ 140. Find out the market value of equity share :

Net Assets ₹ 2,80,000

Average profit before 50% taxation ₹ 1,50,000

(including interest on investment ₹ 10,000)

Expected rate of return 10%

Equity share capital is double than 10% Preference Share capital.

- (ii) What is meant by valuation of shares ? Discuss factors affecting value of share.

(B) Choose right answer from given options : (any four)

- (1) On which value of the share, company gives dividend ?

- | | |
|---------------------|----------------|
| (A) Market value | (B) Fair value |
| (C) Intrinsic value | (D) Face value |

- (2) If the fair value of an equity share of a company is ₹ 405 and its market value is ₹ 378, then the intrinsic value of share is

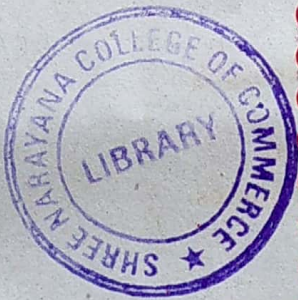
- | | |
|--------------|-----------|
| (A) ₹ 391.50 | (B) ₹ 432 |
| (C) ₹ 351 | (D) ₹ 522 |



30

- (3) On the basis of net asset, _____ price of share is decided.
(A) Market (B) Intrinsic
(C) Fair (D) Face
- (4) Normally, the intrinsic value of a share _____ after issue of bonus shares.
(A) increases
(B) decreases
(C) remain unchanged
(D) sometimes increases, sometimes decreases
- (5) Out of the following, which company's share is not quoted in stock market ?
(A) Foreign Company (B) Public Sector Company
(C) Holding Company (D) Private Company
- (6) Price of shares of a Public Limited Company is quoted in stock market if
(A) Valuation is done (B) Take over
(C) There is no speculation (D) Listing is made

3. (A) Some Balances are taken from the Trial-Balance of Prince Bank Ltd. as on 31-3-2018, Prepare Profit and Loss A/c. in Form B. Also prepare schedules 13 to 16.



Particulars	₹
(1) Share capital	48,00,000
(2) Loan interest	6,00,000
(3) Legal expenses	30,000
(4) Administrative exp.	48,000
(5) Audit fees	18,000
(6) Director fees	30,000
(7) Overdraft interest	1,80,000
(8) Cash-credit interest	1,50,000
(9) Repairs of assets	18,000
(10) Interest on Fixed deposit	1,32,000
(11) Interest on Savings deposit	66,000
(12) Interest on Current deposit	4,800
(13) Discount received in bills	25,200
(14) Rebate on bills discounted (1-4-2017)	4,800
(15) Cr. Balance of Profit and Loss A/c. (1-4-2017)	1,80,000
(16) Sundry incomes	6,000
(17) Sundry expenses	10,800
(18) Rent and taxes paid	7,200
(19) Rent of safe deposit vault	31,200
(20) Salaries and allowances	78,000
(21) Bank charges and commission recovered from customers	33,000
(22) Revenue stamps	2,500
(23) Printing and Stationery	20,000
(24) Interest received on investments	82,000
(25) Profit on sale of investments	30,000

Other Particulars :

- (1) The balance of rebate on bills discounted as on 31-3-2018 is ₹ 7,500.
- (2) Provide ₹ 15,000 for bad debts and ₹ 37,500 for taxes.
- (3) Proposed dividend is 10%.
- (4) Maintain statutory reserve as per law.

OR

- (i) Mr. Milin is a customer of Bank of India on 31-3-2018 his Loan Account shows a balance of ₹ 4,32,000 and Overdraft Account ₹ 2,16,000 sanctioned against securities of stocks and shares respectively. The financial position of Mr. Milin is doubtful. The interest is charged at 12% p.a. for the year ended 31st March, 2018. 7

On 2-4-2018, bank recovered ₹ 1,45,152 from stocks and shares and accepted 50 paise in a rupee for the balance amount and settled the account. Pass necessary journal entries in the books of the bank.

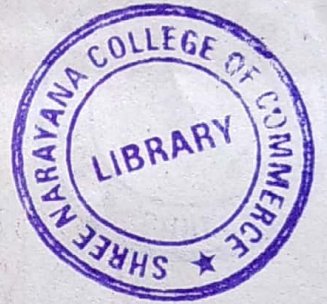
- (ii) Following are some balances appearing in the Trial Balance of the Raghuram Bank Ltd. as on 31-12-2017 : 7

	₹
Bills discounted	17,64,000
Rebated on Bills Discounted (31-12-2016)	25,200
Interest and Discount Received	1,35,000
Bad Debts	18,000

Due date of discounted bills are as under :

	Due Dates	Rate of Rebate	Amount of Bills
(1)	06-3-2018	5%	6,57,000
(2)	14-3-2018	4.5%	4,50,000
(3)	26-3-2018	6%	2,62,800
(4)	10-4-2018	7%	3,94,200

Write necessary Journal Entries.



- (B) Choose right answer from given options : (any **three**) 3

- (1) As per Banking Regulation Act, every bank has to transfer _____ of profit to Statutory Reserve Fund Account.

(A) 10%

(B) 20%

(C) 25%

(D) 5%

- (2) The Opening Balance of Rebate on bills discounted account is

(A) Credit Balance

(B) Debit Balance

(C) Either Debit or Credit

(D) None of these

- (3) Which of the following asset is not included in the classification of bank advance as per Banking Act ?
- (A) Standard Assets (B) Sub-Standard Assets
(C) Mortgage Assets (D) Loss Assets
- (4) The expenses of special audit suggested by Reserve Bank in public interest will be borne by _____
- (A) Reserve Bank of India (B) Banking Company itself
(C) Government of India (D) Central Bank of India
- (5) In which account is the interest accrued on non-performing assets deposited of the date of maturity ?
- (A) Interest Account (B) Interest Suspense Account
(C) Profit and Loss Account (D) None of the above

4. (A) Jagat Ltd. went into voluntary liquidation on 31-12-2017. The Balance Sheet as on that date was as under :

Liabilities	₹	Assets	₹
2,280 8% Pref. shares of ₹ 100 each fully paid up	2,28,000	Goodwill	45,600
5,472 Equity shares of ₹ 100 each, ₹ 75 paid up	4,10,400	Building	2,73,600
3,648 Equity shares of ₹ 100 each, ₹ 50 paid up	1,82,400	Machinery	1,82,400
10% Debentures	2,28,000	Investments	1,36,800
Outstanding interest on debentures	11,400	Stock	2,28,000
Sundry Creditors	2,16,600	Debtors	1,59,600
Loan Secured by charge (Against investment)	91,200	Bank Balance	22,800
		Preliminary expenses	21,600
		Profit and Loss A/c.	2,97,600
	13,68,000		13,68,000

Considering the following information, prepare Liquidator's Final Statement of Receipts and Payment :

(1) Assets realized :	₹
Building	2,28,000
Machinery	1,59,600
Stock	1,82,400
Debtors	1,48,200

Creditors of the loan have sold the investments for ₹1,25,400 and the additional amount was returned to the liquidator.

- (2) Sundry Creditors include Preferential Creditors of ₹ 57,000.
- (3) The liquidator's remuneration was fixed at 2% on assets realized (except cash balance) excluding surplus from secured creditors and 3% on amount distributed to the unsecured creditors (excluding preferential creditors).
- (4) Dissolution expenses were ₹ 15,048.
- (5) The debenture holders were paid on 30-6-2018.

OR

(i) When AROHI Ltd. went into voluntary liquidation, the total liabilities were ₹ 9,60,000, which included the following unpaid amounts :

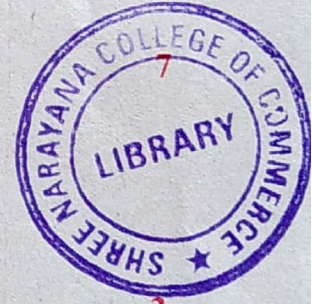
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Particulars	₹
(1) Director's fees	30,000
(2) Salary of 2 clerks for 3 months	1,44,000
(3) Salary of the Accountant for 4 months	1,44,000
(4) Wages of 5 workers for 2 months	1,50,000
(5) Municipal tax of the last year	18,000
(6) Income tax of 3 years ago	48,000
(7) Compensation payable to workers under Industrial Dispute Act.	60,000
(8) Provident Fund of employees	2,40,000
(9) Other Sundry Creditors	(?)

Classify the Liabilities into secured, preferential and unsecured creditors.

(ii) - Write short note (any two).

- (1) Secured Creditors.
- (2) Preferential Creditors under the Companies Act.
- (3) Liquidator's Remuneration.



(B) Choose right answer from given options : (any three)

- (1) In how many days notice is to be given when a company has passed resolution for voluntary winding up ?
 - (A) 5 days
 - (B) 10 days
 - (C) 14 days
 - (D) 30 days
- (2) From the following, who cannot file the application for winding up the company ?
 - (A) Company itself
 - (B) Creditors
 - (C) Stockholders
 - (D) Debtors

34

- (3) The liquidator has cash on hand ₹ 84,000 to pay the creditors. The liquidator is entitled to a remuneration at 5% on the amount distributed to unsecured creditors, what will be the remuneration of the liquidator?
- (A) ₹ 4,200 (B) ₹ 2,400
(C) ₹ 4,000 (D) ₹ 5,000
- (4) A Liquidator cannot keep the sum received on behalf of the company more than ₹ 5,000 for more than
- (A) 100 days (B) 10 days
(C) 5 days (D) 30 days
- (5) Which of the following amount is not included in preferential creditors?
- (A) Provident Fund (B) Taxes of Government
(C) Bills payable (D) None of the above

