

MACROECONOMICS AND PUBLIC FINANCE

Time Allowed — 3 Hours

Full Marks — 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be written either in English or in Bengali but all answers must be in one and the same language.

Answer any five questions

1. Using the basic national income accounting relationships,
 - (i) Show that
 - (a) any change in net tax collected must lead to a change in net exports, given the levels of government final expenditure, private saving and investment
 - (b) final demand must be equal to total value-added. (5+5)
 - (ii) If GDP, disposable income, government budget deficit, private final consumption expenditure and net exports are given, then one can calculate
 - (a) private saving
 - (b) investment
 - (c) government final expenditure. (4+3+3)

2. For each of the simple macroeconomic models, analyse the stability condition and the effect of a decrease in autonomous saving on total saving
 - (i) $Y = + c_1 Y + ; 0 < c_1 < 1$
 - (ii) $Y = + c_1 Y + + I_1 Y ; 0 < c_1 + I_1 < 1$ (5+5) + (5+5)

3. Given the macroeconomic models
 - (i) $Y = + c_1 (Y -) + + ; 0 < c_1 < 1$
 - (ii) $Y = + c_1 (Y - t.Y) + + ; 0 < c_1 < 1$

Find the balanced budget multiplier and explain your result intuitively. (5+5) + (5+5)

4. Show analytically that for a closed economy,
 - (i) the effectiveness of fiscal policy increases when the interest sensitivity of demand for money is more
 - (ii) the effectiveness of monetary policy increases when the interest sensitivity of demand for money is less. (10 + 10)

5. Using an appropriate model, show that
 - (i) the supply of money in an economy is determined jointly through the interaction of the central bank, the public and the commercial banks.
 - (ii) there is an inverse relation between the demand for money as an asset and the nominal rate of interest. (6 + 14)

6. Examine the role of deficit financing in India's fiscal policy in the post-liberalization era. (20)

7. Write short notes on any four of the following:
 - (i) principle of maximum social advantage
 - (ii) excess burden of excise tax
 - (iii) elasticity of supply and incidence of per-unit tax
 - (iv) transactions demand for money
 - (v) liquidity trap. (4 x 5)

INDIAN FINANCIAL SYSTEM

Time Allowed : 3 Hours

Full Marks : 100

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Answers may be given either in English or in Bengali but all answers must be in one and the same language.

Answer Question No. 1 and any four from the rest.

8 x 5 = 40

1. Answer any five from the following :-

- (a) Distinguish between money market and capital market.
- (b) State the objectives of Credit Rating.
- (c) Outline the basic structure of financial system.
- (d) 'The registration of Merchant Banking follows SEBI regulations' - Justify your answer.
- (e) What is Repo Rate ? How does it differ from SLR ?
- (f) Give an account of Indirect finance.
- (g) Who are the main participants of Indian call money market ?
- (h) Distinguish between nominal interest rate and real interest rate.
- (i) Explain any two functions of RBI.

2. Discuss the various methods of credit control as it is followed by the RBI. 15

3. 'The IRDA of India performs functions, execute powers within the specified objectives' - Discuss the statement. 15

4. (a) Distinguish between commercial bank and central bank. 7

(b) Explain the concept of money multiplier. 8

5. (a) Give an account of LIC of India. 10

(b) 'Life Insurance and general insurance differs in certain aspects' - Justify the Statement. 5

6. What role do brokers play in stock market ? In this respect, explain the concept of sub Brokers ? 10 + 5 = 15

7. (a) Discuss on the role of finance in an economy. 8

(b) Give an account of recent changes in interest rate structure in India. 7

ECONOMIC PRINCIPLES AND INDIAN ECONOMIC PROBLEMS

Time Allowed : 3 Hours

Full Marks : 100

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Answers may be given either in **English** or in **Bengali** but all answers Must be in one and same language

Answer any five questions

1. (a) Define production possibility frontier. Name the causes that can shift the production possibility frontier outwards.
(b) What do you mean by the demand function? Name any three determinants of demand and explain.
(c) Define own price elasticity of demand. Show how it changes throughout a negatively sloped demand curve. (2+2)+(2+6)+(3+5)
 2. (a) Define indifference curve. Write and explain the properties of indifference curves.
(b) What is the condition for consumers' equilibrium in the indifference curve analysis? Explain how the condition gives the equilibrium. (2+8)+(2+8)
 3. (a) Define average cost and marginal cost.
(b) Highlight and explain the relationship between short run average cost and long run average cost.
(c) Is the same relationship prevailing for short run marginal cost curve and long run marginal cost curve? Give reasons for your answer. (2+2)+(8)+(1+7)
 4. (a) Write and explain the characteristics of perfectly competitive market.
(b) Explain how the equilibrium is arrived at the short run in a monopoly market. (12)+(8)
 5. (a) Give reasons for low productivity in agriculture in India and explain.
(b) Analyse the features of new industrial policy taken in India during 1991. (10)+(10)
 6. (a) Analyse the methods of measurement of National Income in India.
(b) What do you think to be the causes of poverty in India. (10)+(10)
 7. Write short notes:
(a) Green revolution in India.
(b) The objectives five-year plan for India. (10)+(10)
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2021

COST & MANAGEMENT ACCOUNTING

Time Allowed — 3 Hours

Full Marks — 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be given either in English or in Bengali but all answers must be in one and same language.

Answer Question No. 8 and any five from the rest.

1. (a) From the following information calculate re-order level, maximum level and minimum level of stock:

Re-order quantity	60,000 units
Minimum stock level to allow for emergencies	5 weeks
Average lead time	4 weeks
Average consumption rate per week	5000 units
Minimum consumption in 4 weeks	16000 units

- (b) A company buys its annual requirement of 3,60,000 units in six installments. Each unit costs Rs. 10 and the ordering cost is Rs. 250. The inventory carrying cost is estimated at 2% of unit value. Find the total annual cost of the existing inventory policy. How much money can be saved by using E.O.Q?
- (c) The stock of material held on 01.04.23 was 400 units @5 per unit. The following receipts and issues were recorded. You are required to prepare the Stores Ledger Account, showing the values of issues would be calculated under FIFO.

Date	Particulars
02.04.23	Purchased 100 units @ Rs. 5.5 p.u.
06.04.23	Issued 400 units
09.04.23	Purchased 600 units @ Rs. 6.5 p.u.
12.04.23	Issued 400 units

- (d) Differentiate between cost control and cost reduction, mentioning any 4 points.

4+4+4+4=16

2. (a) A workman takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His hourly rate is Rs.20. The Material cost of the product is Rs. 40 and factory overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under following methods: (a) Time Rate system, (b) Halsey plan, (c) Rowan plan
- (b) Two plumbers, a man and a woman undertake a job (on piece rate basis) for Rs. 3,225. The time spent by each of them is 220 ordinary working hours. The rates of pay on time rate basis are Rs. 3.75 per hour for each of the two fitters, Rs. 2.5 per hour for the man and Rs. 1.25 per hour for the woman. The amount of piece-work premium and the share of each worker, when the piece-work premium is divided proportionately to the wages paid. Compute the selling price of the above job on the basis of the following additional data:
- Cost of the direct material Rs. 5,025; works overhead at 20% of prime cost; selling overhead at 10% of works cost and profit at 25% on cost of sales.
- (c) Gross pay Rs. 30,90,000 (including cost of idle time hours paid to employee Rs. 75,000); Accommodation provided to employee free of cost [this accommodation is owned by employer, depreciation of accommodation Rs. 3,00,000, maintenance charges of the accommodation Rs. 2,70,000, municipal tax paid for this accommodation Rs. 9,000], Employer's Contribution to P.F. Rs. 3,00,000 (including a penalty of Rs. 6,000 for violation of PF rules), Employee's Contribution to P.F. Rs. 2,25,000. Compute the employee cost. 6+6+4=16
3. (a) In a factory, the expenses of a factory are charged on a fixed percentage basis on wages and office overhead expenses are calculated on the basis of percentage of works cost. You are required to find the rate of factory and office overheads.

Particulars	I Order	II Order
Material	31,250	45,000
Wages	25,000	35,000
Selling Price	1,12,125	1,54,700
Percentage of profit on cost	15%	12%

(b)

Cost of machine	50,000
Estimated life	10 years
Scrap Value (Rs.)	5,000
Working time (50 weeks of 44 hours each)	2,200
Machine maintenance p.a. (in hours)	200
Setting up time estimated at 5% of productive time	
Electricity is 16 units per hour @ 10 paise per unit	
Chemicals required weekly (Rs.)	100
Maintenance cost per year (Rs.)	6,000

Two workers control the operations of the machine together with 6 other machines, their combined weekly wages are Rs. 700. Departmental overhead allocated to this machine annually is Rs. 10,000. Calculate the machine hour rate. 8+8=16

- 4 (a) The data pertaining to Heavy Engineering Ltd. using are as follows at the end of 31.03.2022. Direct material Rs. 90,000; direct wages Rs. 75,000; Selling and distribution overhead Rs. 52,500; Administrative overhead Rs. 42,000, Factory overhead Rs. 45,000 and Profit Rs. 60,900.
- Prepare a cost sheet showing all details.
 - For 2022-23, the factory has received a work order. It is estimated that the direct materials would be Rs. 1,20,000 and direct labour cost is Rs. 75,000. What would be the price of a work order if the factory intends to earn the same rate of gross profit on sales, assuming selling and distribution overheads has gone up by 15%? The factory overhead is recovered as a percentage of direct wages and administrative and selling and distribution overheads as a percentage of works cost, based on cost rates prevalent in the previous year.

- (b) Prepare a Statement Reconciling the figures shown by the cost and financial accounts based on the figures given below:

Profits as per financial accounts	27,825
Profits as per cost accounts	42,990
Director's fee not charged in cost accounts	975
Provision for bad and doubtful debts	855
Bank interest credited	45
Income tax	12,450
Overheads as per cost accounts	12,750
Overheads as per financial accounts	12,480
Depreciation on building charged in financial accounts	1,200

10+6=16

5. (a) A product passes through three processes— A, B and C. 10,000 units at a cost of Rs. 3.30 were issued to Process A. The other direct expenses were as follows:

	Process-A	Process-B	Process-C
Sundry materials	4,500	4,500	4,500
Direct labour	13,500	24,000	19,500
Direct expenses	3,000	3,000	4,509

The wastage of process A was 5% and in process B 4%. The wastage from process A was sold at Rs. 0.75 per unit, and that of B at Rs. 1.5 per unit and that of C at Rs. 3. The overhead charges were 160% of direct labour. The final product was sold at Rs. 30 p.u. fetching a profit of 20% on sales. Find out the percentage of wastage in process C. Show the necessary process accounts.

- (b) X, Y Ltd. manufactures product A which yields two by-products B and C. The actual joint expenses of manufacturing for a period were Rs. 8,200. The profits on each product as a percentage of sales are $33\frac{1}{3}\%$, 25% and 15% respectively. Subsequent expenses are as follows:

Particulars	A	B	C
Material	500	225	125
Labour	1000	625	250
Overhead	750	625	225
	2250	1475	600
Sales	30,000	20,000	12,500

Apportion the joint expenses.

10+6=16

6. (a) There are two warehouses for storing finished goods produced in a factory. Warehouse 'A' is at a distance of 10 kms. and Warehouse 'B' is at a distance of 15 kms. from the factory. A fleet of 5 tonne lorries is engaged in transporting the finished goods from the factory. The records show that the lorries average a speed of 30 kms. per hour when running and regularly take 40 minutes to load at the factory. At warehouse 'A' unloading takes 30 minutes per load while at warehouse 'B' it takes 20 minutes per load. Drivers' Wages, depreciation, insurance and taxes amount to Rs. 180 per hour operated. Fuel oil, tyres, repairs and maintenance cost Rs. 24 per kilometer. You are required to draw up a statement showing the cost per tonne kilometer of carrying the finished goods to the two warehouses.
- (b) The following figures are supplied to you by a contractor for the year ending 31st December, 2022.

Particulars	Amt. (Rs.)
Work in progress on 31.12.2021	42,500
Less: Cash received from contractee	27,500
	15,000
During the year:	
Wages	4250
Material Bought	3000
Working Expenses	750
Mat issued from stores	5250
Administrative expenses (Rs. 125 chargeable to Profit & Loss A/c)	625
Plant	1250
Material returned to supplier	225
Material returned to stores	275
Works certified	7500
Contract finished	11250
Profits taken upon contracts	5750
Advances from contractee	20000

Prepare a Contract Ledger A/c, total contractee's and show work in progress as it would appear in the balance sheet.

6+10=16

7. (a) A company is at present working at 90 per cent of its capacity and producing 13,500 units per annum. It operated a flexible budgetary system. The following figures are obtained from its budget.

<i>Particulars</i>	<i>90%</i>	<i>100%</i>
Sales	18,75,000	20,00,000
Fixed expenses	3,75,625	3,75,750
Semi-fixed expenses	1,21,875	1,25,625
Variable expenses	1,81,250	1,86,875
Units made	13,500	15,000

Labour and material costs per unit are constant under present conditions. Profit margin is 10%.

- (i) You are required to determine the differential cost of producing 1,500 units by increasing capacity to 100%.
 - (ii) What would you recommend for an export price for these 1,500 units taking into account that overseas prices are much lower than indigenous prices?
- (b) The standard set for material consumption was 10 kg. @ Rs. 22.5 per kg.

In a cost period:

Opening stock was 10 kg. @ Rs. 22.5 per kg

Purchases made 50 kg. @ Rs. 21.5 per kg.

Consumption 11 kg.

Calculate the Material Usage and Price variance in the following situations:

- (i) When variance is calculated at point of purchase
- (ii) When variance is calculated at point of issue on FIFO basis
- (iii) When variance is calculated at point if issue on LIFO basis

8+8=16

8. (a) X Ltd. supplied clothing items of Y Ltd. The production capacity of X Ltd. facilitates production of any one item for a particular period of time. The following are the cost and other information for the production of the two different items, shirt and dress:

<i>Particulars</i>	<i>Shirt</i>	<i>Dress</i>
Per unit		
Cloth used	1.6 mtrs	1.6 mtrs
Machine Time: Cutting	0.6 hrs	0.25 hrs
Machine Time: Dyeing	0.5 hrs	0.55 hrs
Target Price	1450	1150
Target hours available: Machine A 4,000 hours Machine B 4,500 hours		
Cloth Available is 13,000 kgs @ 125 mtr.		
Variable overheads per machine hour: Machine A: Rs. 800, Machine B: Rs. 1000		

- (i) Identify the item—shirt or dress that will maximise the contribution at the offered price.
- (ii) If Y Ltd. reduces target price by 10% and offers Rs. 600 per hour of unutilized machine hour, calculate the total contribution from the clothing item identified above?
- (b) The following is the statement of a Radical Co. for the month of June:

	<i>Products</i>		
<i>Particulars</i>	<i>L</i>	<i>M</i>	<i>Total</i>
Sales	1,50,000	1,50,000	3,00,000
Variable cost	1,05,000	75,000	1,80,000
Contribution	45,000	75,000	1,20,000
Fixed cost			90,000
Profit			30,000

You are required to compute the P/V ratio for each product and then compute the P/V Ratio, Break-even Point and Net profit for the following assumption.

- (i) Sales revenue divided 60% to Product L & 40% to Product M.
- (ii) Sales revenue divided 40% to product L & 60% to Product M.

10+10=20

2021

ADVANCED ACCOUNTANCY

Time Allowed — 3 Hours

Full Marks — 100

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Group-A

Answer Question No. 1 and any two from the rest.

1. (a) Discuss the 'Going Concern' as a fundamental accounting assumption.
 (b) What are the qualitative characteristics of financial statements?
 (c) Differentiate between cash and accrual basis of accounting. 8+8+4=20
2. (a) A company was incorporated on 1st April, 2022 for acquiring A Ltd., B Ltd. and C Ltd. The Balance Sheet of these companies as on 31st March, 2023 are as follows:

Particulars	A Ltd.	B Ltd.	C Ltd.
Assets:			
Tangible Fixed Assets	40,00,000	32,00,000	24,00,000
Goodwill		4,80,000	
Other Assets	16,00,000	22,40,000	6,80,000
Total	44,80,000	47,36,000	24,64,000
Liabilities			
Issued equity share capital	32,00,000	40,00,000	20,00,000
Profit and Loss A/C	12,00,000	8,80,000	4,80,000
10% Debentures	5,60,000		3,20,000
Sundry Creditors	6,40,000	10,40,000	2,80,000
Total	44,80,000	47,36,000	24,64,000
Average annual profits before debenture interest (incl. of April 2022 and March 2023)	7,20,000	9,60,000	4,00,000
Professional Valuation of tangible assets on 31.03.23	49,60,000	38,40,000	28,80,000

- (A) The directors in their negotiations agreed to— (i) the reduced goodwill of B Ltd. is valueless; (ii) the other assets of A Ltd. are worth Rs. 2,40,000; (iii) the valuation of 31st March, 2023 in respect of tangible Fixed Assets should be accepted; (iv) These adjustments are to be made by the individual company before the completion of acquisition.
- (B) The acquisition agreement provided for the issue of 12% unsecured debentures to the value of the net assets of Companies A Ltd., B Ltd., C Ltd. For the issuance of Rs. 100 nominal value equity shares for the capitalized average profit of each acquired company in excess of net assets of companies' average profit of each acquired company in excess of net assets contributed. The capitalization rate is at 10%.

You are required to compute purchase consideration and show how it is to be discharged. 12

- (b) Write a note on contingent liabilities. 4

3. (a) Prepare a cash flow for Heer Ltd. for the year ending 31.03.2023 from the following information:

1. Sales for the year amounted to Rs. 270 crores out of which 40% were on credit.
2. Purchases for the year amounted to Rs. 110 crores out of which credit purchase was 80%.
3. Administrative and selling expenses amounted to Rs. 36 crores and salary paid amounted to Rs. 44 crores.
4. The company redeemed debentures of Rs. 40 crores at a premium of 10%. Debenture holders were issued equity shares of Rs. 30 crores towards redemption and the balance was paid in cash. Debenture interest paid during the year was Rs. 3 crores.
5. Dividend paid during the year amounted to Rs. 23.4 crores.
6. Investment costing Rs. 24 crores were sold at a profit of Rs. 4.8 crores.
7. Rs. 16 crores were paid as Income tax dues.
8. A new plant costing Rs. 42 crores was purchased in part exchange of an old plant. The book value of the old plant was Rs. 24 crores but the vendor took over the old plant at a value of Rs. 20 crores only. The balance was paid in cash to the vendor.
9. The following balances are also provided.

	In Crores (01.04.2022)	In Crores (31.03.2023)
Debtors	90	100
Creditors	42	46
Bank	12	36.4

- (b) Capital Cables Ltd., has a normal wastage of 4% in the production process. During the year 2021-2022 the Company used 12,000 MT of raw material costing Rs. 450 per MT. At the end of the year 630 MT of wastage was in stock. The accountant wants to know how this wastage is to be treated in the books. Explain in the context of AS 2 (Revised) the treatment of normal loss and abnormal loss and also find out the amount of abnormal loss, if any. 4

4. (a) Linten Ltd., Delhi has a branch in Ahmedabad to which office goods are invoiced at cost plus 25%. The branch sells for both cash and on credit. Branch expenses are paid directly from the head office. The branch has to remit all cash received into the Head Office Bank Account. From the following details related to year 2022, prepare the accounts in Head Office Ledger and ascertain the Branch Profit. Branch does not maintain any books of account, but sends weekly returns to the Head Office:

Goods received from Head Office at Invoice Price	4,00,000
Returns to Head Office at invoice price	8,000
Stock at Ahmedabad as on 01.01.2022	40,000
Sales in the year – cash	1,33,333.3
Credit sales	2,40,000
Sundry debtors at Ahmedabad on 01.01.2022	48,000
Cash received from Debtors	2,13,333.3
Discount allowed to Debtors	4,000
Bad debts in the year	2,666.667
Sales returns at Ahmedabad	5,333.333
Rent, rates, taxes at branch	12,000
Salaries, wages at branch	40,000
Office expenses	4,000
Stock at branch on 31.12.2022 at invoice price	80,000

Prepare branch accounts in books of head office by stock and debtors method. 12

- (b) A firm earns profits of Rs. 1,60,000, Rs. 2,00,000, Rs. 2,40,000 and Rs. 3,60,000 during 2017-18, 2018-19, 2019-20 and 2020-21 respectively. The firm has capital investment Rs. 10,00,000. A fair rate of return on investment 15% p.a. Calculate goodwill of the firm based on 3 years' purchase of average super profits of last four years. 4

Group-B

Answer any three questions.

5. (a) Partners X, Y and Z share profits in the ratio of 2:2:1 in Firm A and Co. B is a company doing similar business. The summarized balance sheet of a firm and that of the company is provided below as at 31.03.2023:

Equity and Liabilities	Firm A	Co. B	Assets	Firm A	Co. B
Equity share capital:			Plant and machinery	5,00,000	16,00,000
Equity shares of Rs. 10 each		20,00,000	Furniture and fixtures	50,000	2,25,000
Partner's capital:			Inventory	2,00,000	8,50,000
X	2,00,000		Trade receivable	2,00,000	8,25,000
Y	3,00,000		Cash at bank	10,000	4,00,000
Z	1,00,000		Cash in hand	40,000	1,00,000
General reserve	1,00,000	7,00,000			
Trade payables	3,00,000	13,00,000			
	10,00,000	40,00,000		10,00,000	40,00,000

On the balance sheet date, it was decided that the Firm A will be dissolved and all the assets (except cash in hand and bank) and all the liabilities of the firm to be taken over by Co. B, by issuing 75,000 shares of Rs. 5 each, at a premium of Rs. 3 per share. Partners of Firm A agreed to divide the shares issued by Co. B in profit sharing ratio and bring necessary cash settlement of their capital. Partners of Firm A agreed to divide the shares issued by Co. B in the profit-sharing ratio and bring necessary cash for settlement of their capital. The trade payables of Firm A include Rs. 1,00,000 payable to Co. B, an unrecorded liability of Rs. 25,000 of Firm A must also be taken over by Co. B. Assume that cash at bank has been withdrawn to pay to Partner Y.

Prepare—

Realisation A/c, Partner's Capital A/c and Cash in hand/bank A/c in the books of Firm A.

8

- (b) A company gives the following information as on 31.03.2022:

Property, Plant and Equipment:	Amt (Rs.)
Gross Block	6,00,000
Less: Depreciation	(2,00,000)
	4,00,000
Investments	200000
Inventory	90,000
Trade receivable	50,000
Cash and Bank balances	1,00,000

Share capital:	
10,000 10% redeemable preference shares of Rs. 10 each	2,00,000
90,000 equity shares of Rs. 10 each	18,00,000
Issued, Subscribed and paid-up capital:	
10,000 10% redeemable preference shares of Rs. 10 each	2,00,000
10,000 Equity shares of Rs. 10 each	2,00,000
Reserves and surplus:	
General reserve	2,40,000
Securities premium	1,40,000
Profit and Loss A/c	37,000
Current Liabilities and provisions	23,000

For the year ended 31.03.2022, the company made a net profit of Rs. 70,000 after providing Rs. 40,000 depreciation.

The following additional information is available with regard to Company's operation:

1. The preference dividend for the year ended 31.03.2023 was paid.
2. Except the cash and bank balances, other current assets and current liabilities as on 31.03.2023 was the same as on 31.03.2022.
3. The company redeemed the preference shares at a premium of 10%.
4. The company issued bonus shares in the ratio of one share for every equity share held on 31.03.2023.
5. The company sold investments at 90% of cost as on 31.03.2022, to meet the cash requirements of redemption.

You are required to prepare necessary journal entries to record redemption and issue of bonus shares.

8

6. (a) The premises of Job Ltd. were destroyed by a fire on 31.03.2022 and as a result, the business could not maintain proper records till 31.08.2022. The company has a loss of profits policy for Rs. 3,30,000 with an indemnity period of 6 months.

From the following information, prepare a claim under the policy:

Actual turnover during the period of dislocation (01.03.2022 – 31.08.2022)	1,60,000
Turnover for 01.03.2021 – 31.08.2021	4,80,000
Turnover for 12 months immediately preceding the fire (01.03.2021 – 28.02.2022)	12,00,000
Net profit for the last financial year	1,80,000
Insured standing charges for the last financial year	1,20,000
Uninsured standing charges	10,000
Turnover for the last financial year	10,00,000

Due to increase in turnover in the year preceding the year of the fire, it was agreed that an adjustment for 10% should be made in respect of the upward trend in turnover. The company incurred additional expenses amounting to Rs. 18,600 immediately after the fire and after this expenditure, the turnover during the period of dislocation would have been only Rs. 1,10,000. There was also a saving during the indemnity period of Rs. 5,400 in insured standing charges.

10

(b) The following notes pertain to the Balance Sheet of a Daft Co. as at 31.03.2022:

Authorised Capital:	
50,000 12% preference shares of Rs. 100 each	50,00,000
5,00,000 equity shares of Rs. 100 each	5,00,00,000
	55,00,00,000
Issued and subscribed capital:	
50,000 12% preference shares of Rs. 100 each	50,00,000
4,00,000 equity shares of Rs. 100 each, Rs. 80 paid up	3,20,00,000
Reserves and surplus:	
General reserve	16,00,000
Capital Redemption Reserve	24,00,000
Securities premium reserve (Collected in cash)	27,50,000
Revaluation reserve	10,00,000
Profit and loss A/c	1,60,00,000

On 1st April, 2022, the Company has made the final call @ Rs. 20 each on 4,00,000 equity shares. The call money was received on 25th April, 2022. Thereafter, on 1st May, 2022 the company decided to capitalize its reserves by way of bonus at the rate of one share for every four shares held, it decided that there should be minimum reduction in free reserves.

On 1st June, 2022, the Company issued Rights Shares at the rate of two shares for every five shares held on that date at issue price of Rs. 120 per share. All the rights shares were accepted by the existing shareholders and the money was duly received by 20th June, 2022. Show necessary journal entries in the books of the company for bonus issue and rights issue.

6

7. (a) A, B, C and D share profits in the ratio of 4:3:2:1. They decided to dissolve their partnership on 31.03.2022 when their balance sheet was as under:

Liabilities	Amt (Rs.)	Assets	Amt (Rs.)
Creditors	47,100	Bank	1,605
Employee Provident Fund	18,900	Debtors	47,550
Capital Accounts:	0	Stock	75,600
A	1,20,000	Prepaid expenses	2,400
B	60,000	Plant and Machinery A/c	60,000
		Patents	24,000
		C's Capital A/c	9,600
		D's Capital A/c	25,245
	2,46,000		2,46,000

Following information is given to you:

- One of the creditors took some of the patents with a book value of Rs. 15,000 at a valuation of Rs. 9,600. Balance of the creditors were paid at a discount of Rs. 1,200.
- There was a joint life policy of Rs. 60,000 (not included in Balance Sheet) which was surrendered for Rs. 13,500.
- The remaining assets were realized at the following values – Debtors Rs. 32,400, Stock Rs. 46,800, Plant and Machinery Rs. 36,000 and Patents at 60% of the book value. Expenses of realization amounted to Rs. 4,500.

Partner D was declared insolvent and a dividend of 25 paise in a rupee was received in respect of a firm's claim against the estate. Prepare necessary ledger accounts. 12

- (b) Write a note on Sweat Equity Shares and the category of employees to whom they may be issued. 4

8. (a) Following is the summarised Balance Sheet of Mona Ltd. as on 31.03.2022:

Particulars	Amt.	Particulars	Amt.
Equity shares of Rs. 10 each	15,00,000	Fixed Asset	30,00,000
10% Preference shares of Rs. 100 each	6,00,000	Investment	3,00,000
Reserves and surplus	10,50,000	Closing Stock	3,00,000
15% debentures	7,50,000	Sundry debtors	6,90,000
Sundry creditors	3,60,000	Bills receivable	90,000
Bank overdraft	2,40,000	Cash at Bank	90,000
		Preliminary expenses	30,000
	45,00,000		45,00,000

Summarized Profit and Loss Account is as under for the year ending on 31.03.2022:

Sales (25% cash sales)	1,20,00,000
Less: Cost of Goods sold	– 84,00,000
Gross Profit	36,00,000
Net Profit (Before Interest and tax 50%)	13,50,000

Calculate the following ratios:

1. Rate on Return on Capital Employed
2. Proprietary Ratio
3. Debt-Equity
4. Capital Gearing Ratio
5. Debtors Ratio (365 days of the year)
6. Rate of Return on Shareholder's Funds
7. Rate of Return on Equity shareholders fund.

10

- (b) Red Ltd. acquires 70% of equity shares of Yellow Ltd. as on 31st March, 2022 at a cost of 35 lakhs. The following information is available from the balance sheet of Yellow Ltd. as on 31st March, 2022:

Property, plant and equipment	60
Investments	27.5
Current assets	35
Loans and advances	7.5
15% Debentures	45
Current Liabilities	25

The following revaluations have been agreed upon (not included in above figures):

Property, plant and equipment Increase by 20%

Investments Reduce by 10%

Yellow Ltd. declared and paid dividend @ 20% on its equity shares as on 31.03.2022 (Face value – Rs. 10 per share). Red Ltd. purchased the shares of Yellow Ltd. @ Rs. 20 per share. Calculate the amount of goodwill/capital reserve on acquisition of shares of Yellow Ltd. 6

BUSINESS MANAGEMENT

Time Allowed : 3 Hours

Full Marks : 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answer may be given either in English or in Bengali but all answers must be in one and the same language.

Answer Question No. 1 which is compulsory and four from the rest :-

1. Write short note of the following questions :-
 - (a) Responsibilities of top level management.
 - (b) Break-even analysis.
 - (c) Mc gregor's theory X.
 - (d) Departmentation by customer. 5 x 4 = 20
 2. (a) Explain the elements of staffing. 10
 - (b) Discuss the importance of staffing. 10
 3. (a) Explain the factors affecting Span of management. 10
 - (b) What are the barriers to effective delegation of authority ? 10
 4. (a) Critically analyse the nature of management. 10
 - (b) Why social responsibility of management is so important ? 10
 5. (a) Analyse the importance of strategic planning. 10
 - (b) Elaborate the types of planning premises. 10
 6. (a) Define autocratic leadership. Analyse types of autocratic leadership. 4 + 6 = 10
 - (b) Explain the importance of manpower planning. 10
 7. (a) What are the sources of recruitment ? 10
 - (b) What are the traditional tools of control ? 10
-

2021

DIRECT AND INDIRECT TAXATION

Time Allowed — 3 Hours

Full Marks — 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answer may be given either in English or in Bengali but all answers must be in one and the same language.

Answer any five questions.

1. (a) Determine the legal status of the following assessee:
 - (i) Mr. Banerjee, a partner of a firm
 - (ii) Mohan Bagan Club
 - (iii) Kolkata Municipal Corporation
 - (iv) A joint family of X, Mrs. X and their two children
 - (v) Mr. A, a managing director of A. Ltd.
- (b) Are the following income taxable? If they are taxable what should be the head of Income under which each will be taxed? Explain.
 - (i) 1st prize won in a lottery of ₹ 2,00,000.
 - (ii) Remuneration received for valuation of answer scripts from different universities ₹ 5,000
 - (iii) Interest from Post Office Savings Bank Account (held in the name of the individual) ₹ 4,000
 - (iv) Rent of a warehouse attached to his farmhouse in a remote village ₹ 40,000
 - (v) A person bought a piece of land with trees. He sold the timber of those for ₹ 10,000.
- (c) Mr. X (aged 45 years) submits the following particulars for the assessment year 2023-24.

	(₹)
Income from house property	42000
Income from business	60500
Long term capital gains	18200
Interest from fixed deposit with a bank	15700
Donation made to :	
Prime Minister's Drought Relief Fund	4000
Prime Minister's National Relief Fund	3000
Approved charitable institution	
(Paid by cheque)	13500
Payment of Medical Insurance premium	
on his own health to GICI by cheque	18000

Compute his total Income for the relevant assessment year assuming that he has not exercised option under section 115 BAC.

- (d) Mr. Roy, a citizen of India, is employed with XYZ Ltd. at Kolkata. He left India for the first time on June 30, 2021 for the purpose of working on a project of his employer company in USA. After completion of the project he came back to Kolkata on January 01, 2023. Determine his residential status for the assessment year 2022-23 and 2023-24. 5×4=20

2. (a) Mr. Tapas Ghosh (aged 58 years), an employee of a private company, retires on September 30, 2022 after completing 25 years and 7 months of service with the company. He furnishes the following particulars of his income for the year 2022-23.

- (i) Basic salary on April 01, 2022 ₹ 54,500 per month (Increment of ₹ 2,500 per month falls due on 1st January each year).
- (ii) Dearness allowance 50% of basic salary.
- (iii) Commission ₹ 5,000 per month.
- (iv) Gratuity ₹ 23,30,000
- (v) Pension is fixed at ₹ 32,500 per month. He has commuted 75% of his monthly pension and received ₹ 6,30,000 for the same.
- (vi) Leave salary received ₹ 4,35,000. He has availed 8 months leave during the tenure of his service.
- (vii) He received interest of ₹ 82,700 from fixed deposits with SBI and ₹ 18,500 from savings account in that bank, interest from NSC (VIII issue) ₹ 33,735 and dividend from a foreign company ₹ 16,300.
- (viii) He received interest of ₹ 9,500 from P. O. S. B held in the joint name of Mr. Tapas Ghosh and Mrs. Ghosh.
- (ix) He made investment in NSC (VIII issue) ₹ 3,00,000. Compute total income of Mr. Tapas Ghosh for the Assessment year 2023-24 assuming that he has not exercised option under section 115 BAC.

- (b) Mr. Saspo Chakraborty furnishes the following particulars for the previous year 2022-23:

Basic Salary — ₹ 45,000 per month; Dearness allowance (not forming a part of salary) ₹ 18,500 per month, House rent allowance ₹ 8,200 per month. He has stayed in his own house while he was in Kolkata up to June 30, 2022 and thereafter he is posted at Nagpur from July 01, 2022 on the similar scale of pay and allowances where he has arranged a rental accommodation

Other particulars available are as follows:

- (i) Depreciation allowable as per I.T. Rules—Building ₹ 34,800 and Furniture ₹ 16,200.
 - (ii) Advertisement expenses include ₹ 3,000 spent for advertising a new product of the business introduced in the market.
 - (iii) Salary includes ₹ 20,000 per month toward drawing of Dilip Shah.
 - (iv) Dilip Shah purchased a new machine for business for ₹ 1,20,000 on March 20, 2023 and put to use on March 31, 2023. Depreciation on such Machine, if available under the Income Tax Act should be considered. Allowable rate of depreciation as per I.T. Rules is 15%.
- (b) From the following information, compute the taxable income of Shri Chandan Jha for the assessment year 2023-24, assuming that Shri Jha is a (i) Resident but not ordinarily resident and (ii) Non-Resident.
- (a) Remuneration for consultancy services rendered in Italy ₹ 30,000 but received in India.
 - (b) Income from business in Ireland and received in Ireland ₹ 65,000. The business is, however, controlled from India.
 - (c) Pension for services rendered in India but received in Israel ₹ 25,000.
 - (d) Interest on deposit in a local bank in Indonesia and received in Indonesia ₹ 20,000.

$$15+5=20$$

5. (a) Ibrahim furnishes the following information for the previous year 2022-23:

	Gold	Residential house property in Kolkata
Date of Purchase	05-10-2021	15-10-2014
Date of Sale	15-03-2023	10-12-2022
Cost of acquisition (₹)	1,00,000	10,00,000
Sale proceeds (₹)	1,50,000	55,10,000
Expenses in connection with sales	--	5,00,000

Ibrahim purchased a new flat in New Town on January 15, 2023 for ₹ 15,00,000. Compute his taxable capital gain/loss for the assessment year 2023-24.

[Cost of Inflation Index (CII): 2014-15;240; 2021-22;317; 2022-23;331]

(b) From the following information, state the availability of rebate under section 87A

(i) Total Taxable Income ₹ 4,75,000

(ii) Total Taxable Income ₹ 6,00,000

assuming that the assessee is resident in India and the assessee is non-resident in India.

(c) Mr. Archiman Lahiri has received the following gifts during the financial year 2022-23. Discuss the taxability of such gifts:

(i) Cash gifts of ₹ 44,500 received from his friend on July 12, 2022.

(ii) Gifts of ₹ 51,000 received in cash on the occasion of marriage of Archiman from his grandfather on August 20, 2022.

(iii) Cash gifts of ₹ 1,02,000 received from his elder brother on June 16, 2022.

(iv) Cash gifts of ₹ 72,000 received from elder brother of his grandfather on July 12, 2022.

(v) Cash gift of ₹ 35,000 from his employer (B.ES.Ltd) for the successful completion of a job.

(vi) Gift of a residential house without consideration from a friend on September 17, 2022 (Stamp duty value ₹ 8,50,000)

Show also the reason for treatment.

8+2+10=20

6. (a) Explain the concept of Service Tax.

(b) Give the procedure for e-payment of Service Tax.

(c) What are the objectives of Central Sales Tax Act 1956?

(d) Give the salient features of Central Sales Tax, 1956.

6+4+4+6=20

7. (a) Mr. Suvasish Dasgupta aged 42 years, furnishes the following particulars for the year ended March 31, 2023:

(i) Taxable income from salaries (computed) ₹ 5,40,000.

(ii) He sold equity shares (not listed in the recognised stock exchange in India) on August 22, 2022 for ₹ 3,20,000 (Purchased on July 15, 2007 for ₹ 60,000)

(iii) He has invested ₹ 30,000 in NSC. Compute his tax liability for the Assessment year 2023-24. Assume that he has not exercised option under section 115 BAC.

for him at a monthly rent of ₹ 15,600. Calculate the amount of house rent allowance taxable in his hands for the relevant assessment year assuming that he has not exercised option under section 115 BAC. 15+5=20

3. (a) From the following information compute income from House Property of Shri Soumay Chakraborty for the assessment year 2023-24 assuming that he has not exercised option under section 115 BAC.

	Kolkata House on <u>Freehold land</u>	Mumbai House on <u>Leasehold land</u>	Chandigarh House on <u>Freehold land</u>
1. Date of Completion	31.08.2014	01.09.2019	01.01.2022
2. How used	Let out for residential Purpose	Let out to employees not necessary for business	Self Occupied
	₹	₹	₹
3. Rent Received	60,000	75,000	--
4. Municipal Value	63,000	72,000	55,000
5. Lease rent	--	150 PM	--
6. Repairs	8,000 (borne by tenant)	--	3,000
7. Interest on Loan	7,000	8,000	15,000 (Including arrear of ₹ 2,000)
8. Vacant for	--	2 months	3 months

Additional Information:

- (i) Municipal tax is levied @ 10% on municipal value and is to be paid quarterly. During the previous year 2022-23, Mr. Chakraborty paid municipal tax in respect of the kolkata house for two years including tax for the previous year 2022-23. However, in respect of Mumbai house, the municipal tax for the last quarter remains unpaid.
- (ii) Mr. Chakraborty could not occupy the chandigarh house due to transfer to some other place by his employer.

(iii) During the previous year 2022-23, Mr. Chakraborty recovered ₹ 8,000 in respect of arrear rent, the benefit of which has already been taken. Will there be any difference in computation of Income from House property if Mr. Chakraborty transfers his Kolkata house to his wife without consideration?

(b) Vivek furnished the following information for the previous year 2022-23:

	₹
Income from Business A (Speculative)	5,21,200
Loss from Business B (Speculative)	7,75,600
Income from Business C (Not Speculative)	11,20,320
Income from House property	2,67,800
Short term capital gain	1,35,600
Long term capital loss	96,737
Brought forward loss from Business C	2,13,700
Brought forward loss from House property	2,85,300

Compute total income of vivek and the losses to be carried forward assuming that he has not exercised option under section 115 BAC. 15+5=20

4. (a) Following is the Profit and Loss account of Mr. Dilip Shah (a trader) for the year ended 31st March, 2023. You are required to ascertain his income from business for the assessment year 2023-24:

	₹		₹
To Salaries	3,84,700	By Gross Profit	19,35,672
„ Sundry Expenses	12,300	„ Discount	7,510
„ Advertising	11,700	„ Commission	12,500
„ Income tax	21,500	„ Sundry receipts	7,300
„ Interest on Capital	1,30,000		
„ Life Insurance Premium (Self)	5,700		
„ Loss on fire of building (uninsured)	13,200		
„ Depreciation on Building	35,700		
„ Furniture	15,300		
„ Difference in Trial Balance	2,700		
„ Net profit	13,30,182		
	19,62,982		19,62,982

INFORMATION TECHNOLOGY AND ITS APPLICATION IN BUSINESS

Time Allowed : 3 Hours

Full Marks - 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be given either in English or in Bengali but all answers must be in one and the same language.

Group A*(Answer any ten questions)*

2x10

1.

- (a) Define DSS.
- (b) What do you mean by Primary Key?
- (c) Name two Antivirus software.
- (d) What do you mean by WAP?
- (e) What is Firewall?
- (f) What do you mean by Management Information System?
- (g) What is Extranet?
- (h) Distinguish between Assembler and Compiler.
- (i) What is Digital Envelop?
- (j) Distinguish between LAN and WAN.
- (k) What is Referential Integrity?
- (l) What do you mean by Data Mining?
- (m) What do you mean by ERP?

Group B*(Answer any eight questions)*

5x8

- 2. What are the benefits and limitations of ERP?
- 3. Write a short note on Information System Audit.
- 4. Explain briefly: a. FTP b. TELNET
- 5. What are the basic types of Databases?
- 6. Write a short note on Online Banking.
- 7. State the advantages of E-Commerce as compared with traditional system of Commerce.
- 8. Write Short notes on : a. Digital Signature b. Mobile Commerce
- 9. Discuss the advantages of data communication.
- 10. Discuss the functions of Operating System.
- 11. Discuss the concepts of Data Encryption and Data Decryption.
- 12. Explain the different recent trends in Information Technology.

Group C*(Answer any four questions)*

4x10

- 13. Explain with example B2B and B2C Model.
- 14. Explain different topologies with respective diagram.
- 15. Write short notes on: DHTML and XML
- 16. State the characteristics and Functions of GUI based Operating System.
- 17. What do you mean by Information System? Discuss the deployment of various Information systems at different managerial levels.

BUSINESS REGULATORY FRAMEWORK

Time Allowed : 3 Hours

Full Marks : 100

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be given either in English or in Bengali but all answers must be in one and the same language.

Answer any five questions :-

1. (a) State the procedures to be followed in converting a private company into a public company. 10
 (b) Explain the doctrine of 'Ultra Vires' and state its consequences. 5
 © What do you mean by 'Lifting the corporate veil' ? 5
2. (a) Distinguish between Share Certificates and Share Warrants. 5
 (b) Who are considered to be Key Managerial Personnel (KMP) ? 5
 © What is Mis-statement in Prospectus ? Who are liable for such Untrue Statement ?
 Explain the extent of Civil and Criminal liability for such mis-statements. 10
3. (a) Who is an Unpaid Seller of goods ? Discuss the rights of an Unpaid Seller of goods. 10
 (b) Explain the doctrine of 'Caveat Emptor' with its exceptions. 5
 © Distinguish between Condition and Warranty under the Sale of Goods Act, 1930. 5
4. (a) How would you determine whether a group of persons constitute a partnership or not ? 10
 (b) State the different types of partnership. 5
 © Can a minor be admitted to partnership business ? If yes, what are the rights of minors ? 5
5. (a) Define Consideration and state the exception to the rule 'No Consideration no contract'. 10
 (b) Distinguish between 'Coercion' and 'Undue-influence'. 5
 © What is meant by 'Bailment' ? Make a distinction between 'Bailment' and 'Pledge'. 5
6. (a) State the features of 'Negotiable Instruments'. 5
 (b) Make a distinction between 'Promissory Note' and 'Bills of exchange'. 5
 © Who is 'Holder-in-due-Course' ? What are the rights of 'Holder-in-due Course' ? 10
7. (a) What are the objectives of the Central Consumer Protection Council ? 10
 (b) Discuss the composition and jurisdiction of the State Commission. 10