SAF
15/10/2025

Duration: 2.5 hrs. **Marks: 75**

Note: 1. Question No. 1 is Compulsory.
2. Question No. 2,3,4 and 5 have internal options.
3. Each question carries 15 marks.

Q.1 A) Fill in the blanks with correct alternatives (Attempt any Eight) (8)

1) Profit on revaluation of investments is shown by a bank in schedule of _____ in banking company final accounts.
(a) Operating Expenses (b) Other Incomes
(c) Investments (d) Current Assets

2) ________ comes under Other Assets of Balance Sheet in Banking Final Accounts.
(a) Fixed Deposits (b) Loans
(c) Branch adjustment (Dr) (d) Cash Credit.

3) Which of the following is a key function of NBFCs?
(a) Issuing currency notes (b) Providing credit and loans
(c) Accepting savings deposits (d) Conducting monetary policy

4) ____________ has the power to cancel the registration of an NBFC
(a) Ministry of Finance (b) RBI
(c) SEBI (d) IRDAI

5) Claims on Direct Business – 1,20,000, Premium on Reinsurance Business Accepted – Rs. 20,000, Claims on Re-insurance Business Accepted – 20,000, Claims on Re-insurance Business Ceded – 30,000. Expenses related to claims - surveyors fees – 5,000, legal expenses – 6,000. Net Claims aid would be _________.
(a) Rs.1,70,000 (b) Rs. 1,10,000
(c) Rs.1,21,000 (d) Rs.1,41,000

6) Balance Sheet is prepared in Form________.
(a) A-BS (b) B-BA
(c) C-BS (d) B-BS

7) Valuation of goodwill is not mandatory in in case of
(a) Amalgamation of firm (b) Admission of new partner
(c) Retirement of new partner (d) Purchase of new asset

8) Goodwill is valued at Four years purchase of super profit, The value of Goodwill is Rs 8,00,000, the super profit is
(a) Rs. 8,00,000 (b) Rs. 32,00,000
(c) Rs. 2,00,000 (d) Rs. 24,00,000

9) The maximum number of partners LLP can have is _______
(a) 7 (b) 50
(c) 2 (d) No Limit

10) __________ is a hybrid business form combining features of a partnership and company
(a) LLP (b) Amalgamation
(c) Sole Trading Concern (d) Absorption

Q.1 B) State whether the following statements are True or False (Attempt any Seven) (7)

1. NBFC cannot carry any purchase or sale of goods.
2. Rate of Interest on Fixed Deposits is lowest in banks.
3. General Insurance Business includes Fire and Life Insurance Business.
4. Premiums outstanding at the end of the year is shown under Advances and Other Assets under final accounts of insurance companies.
5. NBFC is registered with RBI.
6. Asset Finance Company is a type of NBFC.
7. Housing Finance Company are regulated by NHB.
8. Audit is not compulsory for all LLP's.
9. Intrinsic Method is based on the earning of the company.
10. Foreign Nationals can be a partner in LLP.

Q.2.A. From the following balances, prepare Balance Sheet of Urban Bank Ltd. as on 31st March, 2025. (15)

Particulars	Dr. ₹	Cr. ₹
Share Capital		20,00,000
Statutory Reserve Fund		32,00,000
Fixed Deposits		80,00,000
Savings Deposits		1,20,00,000
Current Accounts		4,40,00,000
Money at Call and Short Notice	4,00,000	
Bills Discounted and Purchased	18,00,000	
Investments at Cost:		
Central and State Government	2,00,00,000	
Government Securities	8,00,000	
Bullion	48,00,000	
Reserves for Building		20,00,000
Premises at Cost	2,00,00,000	
Addition to Premises	40,00,000	
Depreciation Fund on Premises		1,60,00,000
Cash with RBI	68,00,000	
Cash with SBI	24,00,000	
Unclaimed Dividend		3,00,000
Unexpired Discount		1,00,000
Loans and Advances	2,00,00,000	
Branch Adjustment	1,14,00,000	
Silver	4,00,000	
Advance Payment of Tax	2,00,000	
Interest Accrued on Investment	5,00,000	
Non-Banking Assets	1,00,000	
Borrowed from Banks		4,00,000
Bills Payables		40,00,000
Profit and Loss Account (Profit for the year)		8,00,000
Dividend Fluctuation Fund		8,00,000
	9,36,00,000	**9,36,00,000**

The bank had bills for collection for its constituents 16,00,000 and acceptances ₹ 10,00,000. There was a claim of 4,00,000 against the bank but not acknowledged as a debt. The liabilities for bills discounted was 64,000. Liabilities for forward exchange contract was 20,00,000. The Directors decided to transfer Rs.84,000 to statutory reserves and reserves 4,000 for unexpired discounts.

OR (15)

Q.2.B : The following information, prepare Profit and Loss Account of KBC Bank Ltd. for the year ending 31st March, 2025: (15)

Particulars	₹	Particulars	₹
Interest on Loans	6,00,000	Interest on Savings Bank Deposits	1,74,000
Interest on Fixed Deposits	5,50,000	Postage, Telegram and Stamps	20,000
Commission	20,000	Printing and Stationery	40,000
Exchange and Brokerage	40,000	Sundry Expenses	20,000
Salaries and Allowances	3,00,000	Rent	30,000
Discount on Bills (Gross)	3,04,000	Taxes and Licenses	20,000
Interest on Cash Credits	4,80,000	Audit Fees	20,000
Interest on Temporary Overdrafts in Current Accounts	60,000		

Additional Information:

1. Rebate on bills discounted ₹ 60,000.
2. Salary of Managing Director 60,000,
3. Provision for Bad Debts 80,000.
4. Provision for Income Tax is to be made for ₹ 68,000 and
5. Interest of 8,000 on Doubtful Debts was wrongly credited to interest on loans account.

Q.3 A. From the following balances extracted from the books of MKG General Insurance Company Ltd. as on 31st March, 2024, prepare the Revenue Account for Fire and Marine Insurance Business for the year ended 31st March, 2024. (15)

Particulars	Fire (Rs)	Marine (Rs)
Re-insurance Premiums (Dr.)	15,000	10,000
Premium Received	6,00,000	3,00,000
Claims Paid	2,00,000	50,000
Expenses of Management	75,000	20,000
Travelling Expenses	25,000	5,000
Outstanding Claims as on 1st April, 2023	18,000	5,000
Reserve for Unexpired Risk as on 1st April, 2023	1,50,000	1,20,000
Outstanding Claims as on 1st April, 2024	15,000	20,000
Commission (Direct)	75,000	20,000

The following additional information is also available:

1. Expenses of Management due on 31st March, 2023, were Rs 15,000 for Fire Insurance and Rs 5,000 for Marine Insurance.
2. Reserve for Unexpired Risk
   a) 50% Fire
   b) 100% Marine
3. Premium outstanding as on 31st March, 2024, was for Fire Insurance Rs 20,000 and for Marine Insurance Rs 30,000.

OR (15)

Q.3 B. From the following Trial Balance of *Manu and Sonu LLP*, prepare:

1. Profit & Loss Account for the year ended 31st March, 2024
2. Balance Sheet as on 31st March, 2024

after considering the given additional information.

Additional Information:-

1. Outstanding Salary and Wages Rs 900
2. Closing Stock Cost Rs 45,000, Market Value Rs 60,000
3. Partners share profits and losses equally.
4. Provide Depreciation on Machinery @ 5%.

Trial Balance of Manu and Sonu LLP

Particulars	Dr. (Rs)	Cr. (Rs)
Capital Account:		
Manu	-	2,00,000
Sonu	-	2,00,000
Drawings:		
Manu	50,000	-
Sonu	45,000	-
Opening Stock	50,000	-
Salaries and Wages	5,500	-
Purchase	28,000	-
Sales	-	41,000
Bills Receivable	7,000	-
Bills Payable	-	5,000
Rent	800	-
Sundry Debtors	1,200	-
Sundry Creditors	-	1,500
Machinery	80,000	-
General Expenses	500	-
Building	75,000	-
Office Expenses	250	-
Dividend Received	-	8,000
Reserve Fund	-	75,750
Cash at Bank	9,500	-
Investment	1,50,000	-
Insurance	700	-
Advances	21,050	-
Cash in Hand	6,750	-
Total	**5,31,250**	**5,31,250**

Q.4.A. The Balance sheet of Munna Ltd. as on 31.12.2025 was under

Particular	Amount	Particular	Amount
8% Preference shares of ₹100 each fully paid	1,00,000	Building	3,08,000
Equity shares of ₹100 each fully paid	6,00,000	Machinery	1,33,000
General Reserve	1,00,000	Stock	4,90,000
Profit and loss account	44,200	Debtors	2,17,000
Bank Overdraft	28,000		
Creditors	1,07,800		
Provision for Income Tax	63,000		

Expenses Payable	1,05,000		
	11,48,000		**11,48,000**

The profit of a company after charging all expenses, depreciation, but before taxation were as under

Year	Profit
2021	₹ 2,38,000
2022	₹ 2,68,800
2023	₹ 2,52,000
2024	₹ 2,80,000
2025	₹ 2,66,000

Additional Information

1) On December 31, 2025, the following values were recorded:
   Building: ₹ 3,50,000
   Machinery: ₹ 2,10,000
2) Income-Tax to be taken at 50%
3) Reasonable Return on Capital Employed is 10%

Find the value of an equity share using the Net Asset Method, after:
a) Taking into account the revised values of Fixed assets.
b) Valuing Goodwill on the basis of Five years' purchase of annual super profits.

Note: For Goodwill valuation closing capital employed considered.

OR (15)

Q.4.B. The Balance sheet of Bunty Ltd. as on 31.3.2025 was under

Particular	Amount	Particular	Amount
10,000 Equity shares of ₹10 each fully paid up	1,00,000	Fixed Assets	2,20,000
10,000 Equity shares of ₹100 each ₹8 per shares paid up	80,000	Current Assets	1,10,000
10,000 Equity shares of ₹100 each ₹5 per shares paid up	50,000	Preliminary Expenses	10,000
General Reserve	50,000		
Profit and loss account	50,000		
Creditors	10,000		
	3,40,000		**3,40,000**

The normal average profit of the company (after tax) will be maintained at ₹46,000 and normal rate of return is 8%.

Calculate the value of each type of equity shares by Net Assets Method (excluding goodwill) and Yield Basis Method (Earning Capacity Method).

Q.5 A (i) Distinguish between NBFC and Bank ? (8)
(ii) Explain the factors affecting the value of Goodwill (7)

OR

Q.5 B. Write Short Notes (Attempt any Three) (15)

a) Write a note on Designated Partner.
b) Types of General Insurance
c) Functions of Bank
d) Short Note on Net Owned Fund in NBFC
e) Short Note on Capital Employed

BAF
15\10\2025

(Duration – 2.5 Hours) **Max. Marks: 75**

Please check whether you have got the right question paper.

N. B.: (1) All questions are compulsory.
(2) Answers to the same questions must be written together.
(3) Numbers to the right indicate full marks.

Q.I. A Choose the correct alternative and rewrite the statements (Any 08) **08M**

1. Buyback of shares is regulated by _______ of Indian Companies Act, 2013.
   a) Sec 55
   b) Sec 40
   c) Sec 68
   d) Sec 270

2. The main objective of internal reconstruction is to _______.
   a) Pay dividends
   b) Avoid tax payments
   c) Revive a financially weak company
   d) Increase the number of shareholders

3. On merger, vendor companies are _______.
   a) Liquidated
   b) Formed
   c) Dissolved
   d) None of the above

4. A company revalues machinery from Rs. 5,00,000 to Rs. 4,00,000 under internal reconstruction. The Rs.1,00,000 difference is debited to _______.
   a) General Reserve
   b) Revaluation Reserve
   c) Capital Reduction Account
   d) Profit & Loss Account

5. Under amalgamation Profit on Realisation is transferred to _______.
   a) Preference shareholders A/c
   b) Equity shareholders A/c
   c) Debentureholders A/c
   d) Creditors A/c

6. Any sum due to an employee out of provident fund is an example of _______.
   a) Unsecured creditor
   b) Preferential creditor
   c) Secured creditor
   d) Partly secured creditor

7. A company after the completion of a buyback of its shares
   a) cannot issue same kind of shares within one year
   b) cannot issue same kind of shares within 6 months
   c) can issue same kind of shares within 6 months
   d) cannot issue bonus shares

8. A contributory is a _______.
   a) Unsecured creditor
   b) Preferential creditor
   c) Shareholder
   d) Debentureholder

9. When the benefits of the firm underwriting are not given to the underwriters __________.
   a) Firm underwriting is treated as unmarked application
   b) Firm underwriting is treated as marked application
   c) Firm underwriting is ignored
   d) None of the above

10. The company shall extinguish and physical destroy the shares or securities with ____________ days of the last day of completion of buy back.
   a) Seven
   b) Fifteen
   c) Thirty
   d) Ten

Q.I. B State whether the following statements are True or False (Any 07) **07M**

1. Within 30 days of the completion of buy back company shall file the details with SEBI only.
2. Capital redemption reserve account can be utilised for issuing partly paid bonus shares.
3. Conversion of preference shares into equity shares is a form of internal reconstruction.
4. Reduction of share capital requires a special resolution and confirmation by the tribunal.
5. A company is free to reduce or extinguish the uncalled liability of its members.
6. In liquidator's final statement of A/c, payment to preferential creditors is shown after the payment to debentureholders.
7. On buy-back of shares by the company there is reduction in the share capital of the company.
8. Underwriting is mandatory for all companies as per Indian companies Act.
9. AS–14 does not make any distinction between amalgamation and absorption.
10. Absorption takes place when an existing company takes over two or more companies.

Q.II. A The following particulars relate to Minal Limited Company which has gone into liquidation: **15M**

Share capital issued:

10,000 Preference shares of Rs. 100 each fully paid up
1,00,000 Equity shares of Rs. 10 each fully paid-up
1,00,000 Equity shares of Rs. 10 each, Rs. 8 paid up
60,000 Equity shares of Rs. 10 each, Rs. 5 paid up

Assets realised Rs. 53,34,136 excluding the amount realised by sale of securities held by partly secured creditors.

Other details are as follows:

Particulars	Rs.
Preferential Creditors	1,45,600
Unsecured Creditors	31,00,000
Partly Secured Creditors (Assets realised Rs. 3,20,000)	5,50,000
Debentureholders having floating charge on all assets of the company	7,75,000
Expenses of Liquidation	19,400

You are required to prepare the Liquidator's Final Statement of Account, allowing for his remuneration @3% on all assets realised and 2% on the amount paid to unsecured creditors, including preferential creditors.

OR

Q.II. B Following is the Balance Sheet of A Ltd as on 31/03/2025 **08M**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital:			
- 10,000 Equity Shares of Rs.100 each, fully paid	10,00,000	Goodwill	2,00,000
5% Debentures	1,00,000	Machinery	4,00,000
Creditors	2,00,000	Stock	2,00,000
		Debtors	1,50,000
		Cash	1,50,000
		Preliminary Expenses	50,000
		Profit and Loss A/c (Dr)	1,50,000
Total	**13,00,000**	**Total**	**13,00,000**

The company undertook the following scheme of internal reconstruction:

1. Reduce the face value of equity shares from Rs.100 to Rs.40 each, fully paid-up.
2. Write off the entire amount of:
   - Goodwill
   - Preliminary Expenses
   - Profit and Loss Account (Dr)
3. Revalue:
   - Machinery written down by Rs.50,000
   - Stock reduced by Rs.20,000
   - Debtors written off by Rs.10,000

You are required to prepare the Capital Reduction Account.

Q.II.C Raja Company issued 4,00,000 shares of Rs. 10 each. The whole issue was fully underwritten by Riya, Siya, Tiya are as follows: **07M**

Riya: 2,40,000 shares, Siya: 1,00,000 shares and Tiya: 60,000 shares

In addition to the above underwriting, there was firm underwriting as follows:

Riya: 32,000 shares, Siya:12,000, Tiya: 40,000 shares.

The total subscription including marked applications were for 3,00,000 shares.

The marked applications were as follows:

Riya: 40,000 shares, Siya: 80,000 shares and Tiya: 20,000 shares.

Determine the liability of each individual underwriter when no credit is allowed for firm underwriting.

Q.III. A Aman ltd. agreed to take over the business of Rahul ltd. as on 31st March 2025. Following are the Balance sheet of Rahul and Aman as on 31st March 2025. **15M**

Liabilities	Rahul Ltd.	Aman Ltd.	Assets	Rahul Ltd.	Aman Ltd.
Equity shares of Rs.10 each	9,00,000	13,00,000	Fixed Assets	5,95,000	8,50,000
Profit and Loss A/c	32,000	1,75,000	Sundry Debtors	2,00,000	3,40,000
Export Profit Reserve	20,000	30,000	Stocks	2,40,000	4,90,000
8% Debentures	1,50,000	2,00,000	Bank Balance	1,57,000	1,50,000
Sundry Creditors	90,000	1,25,000			
	11,92,000	**18,30,000**		**11,92,000**	**18,30,000**

Following are the terms and conditions:

1. Aman Ltd. issues 1,00,000 equity shares of Rs. 10 each at a premium of 10% for the equity shareholders of Rahul Ltd. and also paid them cash of Rs. 5 for every 3 shares held.
2. All the assets and liabilities of Rahul Ltd. are taken over at book value except Fixed Assets revalued at Rs. 6,70,000 and Sundry Debtors subject to 5% provision for Bad Debts.
3. Cost of absorption amounting to Rs. 5,000/– was paid by Rahul Ltd.
4. The Debentures of Rahul Ltd. to be converted into equivalent number of 8% Debentures of Aman Ltd.

You are required to:

1. Calculate Purchase Consideration.
2. Prepare Ledger Accounts to close the books of Accounts of Rahul Ltd.
3. Calculation of Goodwill/ Capital Reserve

OR

Q.III. B The Balance Sheet of MD Ltd. (a non-listed company) as on 31st March, 2025 is as follows: **15M**

Particulars	Note	Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a. Share Capital	1	15,00,000
b. Reserves and Surplus	2	6,02,500
2. Non-Current Liabilities		
Long-term Borrowings	3	7,00,000
3. Current Liabilities		
Trade Payables		3,12,500
Total		**31,15,000**
II. ASSETS		
1. Non-Current Assets		
Property, Plant and Equipment	4	16,65,000
Non-Current Investments		1,85,000
2. Current Assets		
a. Inventories		6,00,000
b. Trade Receivables		2,95,000
c. Cash and Cash Equivalents		3,70,000
Total		**31,15,000**

Notes to Accounts:

Note	Particulars	Rs.
1	**Share Capital**	
	Issued, Subscribed, Called up and Paid-up Share Capital:	
	1,50,000 Shares of Rs. 10 each fully paid-up	15,00,000
	Total	**15,00,000**
2	**Reserves and Surplus**	
	Securities Premium	3,50,000
	General Reserve	2,52,500
	Total	**6,02,500**
3	**Long Term Borrowings**	
	14% Debentures	7,00,000
	Total	**7,00,000**
4	**Property, Plant and Equipment**	
	Building	3,15,000
	Machinery	11,75,000
	Furniture and Fitting	1,75,000
	Total	**16,65,000**

The company announced the buy back of 25% of its Equity Shares at Rs. 18 per share. General Reserve balance may be utilised for this purpose. Premium paid on buy-back of shares should be met from securities premium account. Investments would be sold for Rs.2,00,000.

Pass Journal Entries to record the above transactions and Prepare the balance sheet of the company immediately after the buy-back of shares.

Q.IV. A Following is the summary Balance Sheet of M/s Ashnoor Ltd. as on 31-03-2025. **15M**

Liabilities	Rs.	Assets	Rs.
1,20,000- 8% Cumulative Preference Shares of Rs. 10 each	12,00,000	Goodwill	2,50,000
1,00,000 Equity Shares of Rs. 10 each	10,00,000	Freehold Property	5,20,000
Securities Premium	60,000	Leasehold Property	8,88,000
8% Debentures	7,20,000	Plant & Machinery	12,80,000
Accrued Debentures Interest	43,200	Furniture	4,80,000
Sundry Creditors	10,20,000	Stock	3,60,000
Bank Overdraft	11,52,000	Debtors	7,20,000
		Share Issue Expense	40,000
		Profit & Loss A/c	6,57,200
	51,95,200		**51,95,200**

Note: (a) Preference dividend was in arrears for four years.
(b) There was a contingent liability of Rs. 1,20,000 for workmen compensation.

Following scheme of reconstruction was approved and implemented:

a. The Preference shares were reduced to Rs. 7 per share fully paid and Equity shares to Rs. 2 per share fully paid.
b. After reduction, both the classes of shares were consolidated into Rs. 10 shares.
c. One new Equity share of Rs. 10 each was issued for every Rs. 40 of gross preference dividend in arrears.
d. The balance of securities premium was utilized.
e. Plant & Machinery was written down to Rs. 12,00,000.
f. Furniture was sold for Rs. 4,16,000.
g. Goodwill, Share issue expense, debit balance in Profit & Loss A/c were written off.
h. Debts of Rs. 1,03,200 and obsolete stock of Rs. 1,20,000 were also to be written off.
i. Contingent liability for which no provision had been made was settled at Rs. 84,000; however the amount of Rs. 74,400 was recovered from Insurance Company.
j. Debenture holders agreed to forgo principal amount by Rs. 1,80,000 and accrued debentures interest in full.

Pass Journal Entries for Internal Reconstruction and prepare Capital Reduction A/c.

OR

Q.IV. B Rocky Ltd. came up with an issue of 20,00,000 equity shares of Rs. 10 at par. 5,00,000 shares were issued to be promoters and the balance offered to the public was underwritten by three underwriters – Sonu, Monu and Ranu - Equally, with the firm underwriting of 50,000 shares each. Subscription totalled 12,97,000 shares (excluding firm underwriting) but including the marked form which were: Sonu - 4,25,000 shares, Monu-4,50,000 shares and Ranu 3,50,000 shares. The underwriters had applied for a number of shares covered by firm underwriting. The amounts payable on applications and allotment were Rs. 2.50 and Rs. 2 respectively. The agreed commission was 2.5%. **15M**

1) You are required to prepare each underwriter's liability in statement form.
2) Pass Journal Entry to record the above events and transaction.

Assume that the benefit of firm underwriting is not given to individual underwriters.

Q.V.A Explain the various methods of Purchase consideration **08M**

Q.V. B What are the factors that influence the decision to buyback the securities? **07M**

OR

Q.V. C Write Short notes on (Any 03) **15M**

a) Types of Underwriting
b) Conditions of buy back
c) Amalgamation Adjustment Reserves
d) Alteration of Share Capital
e) Liquidator's Final Statement of Accounts

****

BAF 18/10/2025

Time: 2 ½ Hours **Maximum Marks: 75 Marks**

All questions are compulsory with internal choice

- **Use of Calculator is permitted**
- **Working notes should form part of your answer**
- **Figures to the right in indicate marks.**

Q.1. A. Multiple Choice Question: **[Answer any eight]** **[0**

1. A registered person supplying exempted goods or services or paying composition tax under section 10 shall issue ________
   a. GST Bill
   b. Bill of supply
   c. Receipt voucher
   d. Debit note

2. The activities to be treated as supply of goods or supply of services as referred to in ________ of CGST Act,2017
   a. Schedule I
   b. Schedule II
   c. Schedule III
   d. Schedule IV

3. A new laptop is supplied for Rs 80,000 along with the exchange of an old laptop worth Rs 20,000. Price of the new laptop without exchange is Rs 90,000. The value of supply will be ________
   a. ₹ 80,000
   b. ₹ 1,00,000
   c. ₹ 90,000
   d. ₹ 1,10,000

4. All decisions of GST Council must have ___ majority in order to implement the same.
   a. One-Half
   b. Three-Fourth
   c. One-Third
   d. Two-Third

5. GST registration is not compulsory in the case of ____.
   a. Casual taxable persons making taxable supply
   b. Non-resident making taxable supply
   c. Electronic commerce operator
   d. Person dealing in exempt goods only

6. Harish purchased goods for which the tax invoice was ₹ 1,00,800 including IGST of @ 12%. The input tax credit under IGST shall be:
   a. ₹ 10,800
   b. ₹ 12,096
   c. ₹ 90,000
   d. ₹ 12,000

7. The proper officer can cancel the registration of a person who has taken voluntary registration, if such person has not commenced the business within ______ from the date of registration.
   a. 30 day
   b. 90 days
   c. 6 months
   d. 12 months

8. When a GST-registered dealer in Kolkata, West Bengal sells a product to a GST-registered dealer or customer in Andhra Pradesh, the tax collected is ___.
   a. IGST
   b. SGST
   c. CGST
   d. CGST And SGST

9. There was increase in tax rate from 12% to 18% w.e.f. 1.10.2024. Which of the following rate is applicable when services are provided after change in rate of tax in October 2024, but invoice issued and payment received, both in September, 2024
   a. 12% as it is lower of the two
   b. 18% as it is higher of the two
   c. 12% as invoice and payment were received prior to change in rate of tax
   d. 18% as the supply was completed after rate change

10. A registered person need not issue a tax invoice if the value of supply less than ₹ _____
   a. 100
   b. 200
   c. 500
   d. 1000

Q.1. B. State whether the following statements are true or false: **[Answer any Seven]** [0

1. Cross utilisation of ITC is not allowed between SGST & IGST
2. A tax invoice should be issued within 20 days from the date of supply of service.
3. In case of goods, the invoice for the triplicate copy will be marked original for the transporter
4. In Reverse Charge Mechanism(RCM), GST is payable by the recipient
5. Services provided by SEZ unit are treated as inter-state supplies
6. Time of supply of vouchers in respect of services when the supply with respect to the voucher is identifiable will be the date of issue of voucher
7. GST was introduced in India on 01st April, 2017
8. The place of supply of goods imported into India shall be the State in which imported goods reaches first
9. Aggregate turnover does not include inward supplies on which tax is payable on reverse charge basis
10. Certificate of registration shall be granted in GST REG-06

Q.2. A. M/s. Saksham & Sons; registered in the state of Rajasthan, provides the following details for month of June 2025 [1

Determine Net Tax Liability for the month of June, 2025

Opening Balance in Electronic Credit Ledger as on 1st June, 2025 is :

IGST	₹1,00,000
CGST	₹2,00,000
SGST	₹20,000

Transactions during the month	₹
Sold Goods @ 28% GST to Rajneesh in Jaipur, Rajasthan	7,00,000
Sold Goods @ 18% GST to Jadhav in Maharashtra	10,00,000
Provided Services @ 12% GST to Kurup in Karnataka	2,00,000
Provides Services @ 5% GST to Kiran in Jodhpur, Rajasthan	8,00,000
Inward Supplies @ 12% GST from Haryana	4,00,000
Inward Supplies @ 28% GST from Kerala	5,00,000
Inward Supplies @ 18% GST from Jaisalmer, Rajasthan	9,00.000

Determine the Net GST payable by M/s. Saksham & Sons

OR

Q.2. B. Mr. Karandeep Singhania is a registered person in Himachal Pradesh. He provides following details for the month of July 2025. [1

Calculate his net tax liability for the month of July 2025.

Closing balance in Electronic Credit Ledger as on 30th June, 2025

IGST – ₹ 2,50,000

CGST – ₹ 4,00,000

SGST – ₹ 50,000

Transactions during the month of July 2025 (All amounts are inclusive of GST):

a) Sold goods @ 12% GST in Dharamshala, Himachal Pradesh – ₹ 8,96,000
b) Sold goods @ 28% GST in Delhi – ₹ 16,64,000
c) Purchased goods @ 5% GST from Mumbai, Maharashtra – ₹ 10,50,000
d) Provided Services @ 5% GST in Sikkim – ₹ 6,30,000
e) Provided Services @ 28% GST in Kullu, Himachal Pradesh – ₹ 11,52,000
f) Availed Services @ 12% GST from Kasol, Himachal Pradesh – ₹ 7,84,000
g) Availed Services @ 28% GST from Dalhousie, Himachal Pradesh – ₹ 5,12,000

Q.3. A. Determine the place of supply in the following cases: [0

1. Unilateral Ltd of Mumbai gives an order to Kamal Electricals & Supplies of Delhi for supply and installing electric panels for metro at Thane, Maharashtra.
2. Ms. Janhvi of Mumbai, Maharashtra orders food on her journey to Rajasthan in Jan Express Train. The food was loaded in Gujarat.
3. Mr. Manoj of Rajasthan purchases a ticket to watch a Cricket Match at Eden Gardens, Kolkata
4. Mr. Jignesh of Kerala, purchased a "Branded Wrist Watch" from a shop in Mumbai, Maharashtra
5. M/s Wedding Hackers of Tamil Nadu is hired by Mr. D'Souza of Goa (Unregistered Person) to plan and organize his wedding at Mangalore.
6. Mr. Haldipur of Delhi goes to Citi Bank in Uttar Pradesh, not having an account with Citi Bank to take a demand draft. Citi Bank is having registered office in Uttar Pradesh and corporate office in Delhi
7. Mr. Nagalkar of Pune, Maharashtra Sells 50 washing machines to Mr. Dashrath of Thivim, Goa for delivery at Mr. Dashrath's place of business in Goa.
8. Mr. Aamir Shaikh, Rock Band Vocalist, based in Mumbai, travels to Delhi for a performance at Delhi's Rock Band Concert.

Q.3. B. Determine the Time of Supply of Services in each of the following cases: [0

Date of Provision of Service	Date of Invoice	Date of Payment
22-07-2025	25-08-2025	28-08-2025
08-10-2025	14-11-2025	12-11-2025
28-12-2025	20-01-2025	18-01-2025
25-05-2025	20-06-2025	30-06-2025
01-10-2025	01-11-2025	25-11-2025
13-09-2025	20-09-2025	30-09-2025
15-02-2025	14-03-2025	15-03-2025

OR

Q.3. C. From the following information given to you by Ms. Sushmila Shekhar, registered in the state of Tamil Nadu. Compute the value of taxable service and the GST payable @ 18% for the month of May 2025. All amounts are excluding Goods and Services Tax. [1

Particulars	₹
Amount charged for service provided to recognised sports body as a selector of national team	70,000
Amount received for performing as a non-classical dancer in TV Show	2,00,000
Received commission from acting as commission agent of consumer goods	5,00,000
Renting of rooms for devotees (charges per day per room ₹ 1,100)	2,50,000
Receipts for permanent transfer of rights of music to Temple Series Records	10,00,000
Mortuary service	2,70,000
Sale of pre-packaged software which is out on electronic storage media	4,50,000
Charges for the manufacture of alcoholic drinks	2,00,000
Renting of vacant land for fun and fair	3,50,000
Hotel rooms are let out at declared tariff of ₹900 per room day.	7,50,000
Services by way of providing mid-day meals to various schools	3,00,000
Interest received on Term Loans.	2,00,000
Services by way of conduct of religious ceremony as pandit	2,20,000

Q.4. A. M/s Cambay & Co. is carrying on a business of supply of goods in Jharkhand and they having PAN Number BFRTU2528N. The company started business on 06-04-2025. Their turnover of goods is as follows. (Taxable supply is within Jharkhand state) [0

Date	Outward Supply			Inward Supply
	Taxable (₹)	Nil rated (₹)	Exempt (₹)	Taxable (Rs)
28-04-2025	4,28,000	8,20,000	42,000	2,06,000
06-05-2025	4,08,000	-	64,000	90,000
07-05-2025	5,70,000	-	36,000	3,08,000
08-05-2025	5,44,000	-	32,000	1,12,000
09-05-2025	3,84,000	9,20,000	24,000	-
10-05-2025	4,24,000	2,00,000	-	28,000
11-05-2025	3,60,000	-	30,000	2,04,000

Determine if M/s Cambay & Co are liable for registration under GST? If YES then from when?

Q.4. B. M/s Sampoorna Solutions supplied certain goods worth ₹ 15,36,000 (inclusive of GST @ 28%) to M/s TechNova Digital. [0

Following expenses were incurred by M/s Sampoorna Solutions

- Commission Charges ₹ 10,500
- Designing Charges ₹ 70,000
- Freight ₹ 7,500

- Taxes other than GST charged separately by M/s Sampoorna Solutions ₹ 18,000 on goods.
- Subsidy received from Central Government - ₹ 1,00,000
- Customised painting charges of ₹ 50,000 paid by M/s TechNova Digital to Mr. Santosh Karnik, on behalf of M/s Sampoorna Solutions.

Compute the value of supply.

OR

Q.4. C. M/s Kotheshwar & Sons , having a place of business in the state of Mizoram entered into certain transactions which are as follows: [0

Date	Particulars	Amount
12.10.2025	Inter – state supply of taxable goods to Sikkim	3,25,000
17.10.2025	Taxable Goods supplied to Ramesh in Mizoram	1,25,000
19.10.2025	Tax-free Services provided to Shimla	3,55,000
23.10.2025	Intra – state supply of taxable goods	1,50,000
24.10.2025	Inward supplies on which tax is payable under reverse charge	2,10,000
29.10.2025	Taxable Goods Supplied to Imphal, Manipur	2,50,000

Advice M/s Kotheshwar & Sons whether it is required to get registered under GST? If YES, then which date?

Q.4. D. Calculate Input Tax Credit admissible to M/s. Annapurna Craftworks in respect of the following goods procured by it in the month, of October 2025. [0

Particulars	₹
Accounting services availed	1,00,000
Hotel accommodation and travel facility to employees on vacation	2,50,000
Repairing charges paid to Mr. Ajay towards up-keep of machinery	1,50,000
Purchase of trucks for transportation of goods	10,00,000
Goods given as gifts	40,000
Goods purchased without tax invoice	1,00,000
Packaging material used in factory.	90,000

Q.5. A. Discuss the functions of Goods and Services Tax Network in India [0

Q.5. B. Explain the procedure of registration under the Goods and Services Tax Act. [0

OR

Q.5. C. Short Notes: **[Any Three]** [1

1 E-Commerce Operator
2 Composite and Mixed Supply
3 Persons liable for compulsory registration under GST
4 Electronic Cash Ledger
5 Credit Note

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TY BCAF 29/10/2025
Sem V

Duration: 2 ½ hours **Marks: 75**

Instructions:
- **All questions are compulsory.**
- **Figures to the right indicate full marks.**
- **Working notes should form part of your answer.**
- **Use of simple calculator is allowed.**

Q.1A) Rewrite the sentence with correct alternative. (Any eight out of ten) **(8)**

1. Cash received on issues of preference share capital is an example of cash flow from ________ activities.
- Financing
- Investing
- Operating
- None of these

2. Growth analysis follows _____ approach towards evaluating the progress of the company.
- Narrow
- One sided
- Multi- dimensional
- Wide

3. If Vikas Ltd has a P/E Ratio of 12 and EPS of Rs 15, then the market price per share is _____.
- Rs 180
- Rs 3
- Rs 1.25
- Rs. 5

4. _____ technique does not uses full cash inflows for evaluating the project
- Net Present Value
- Payback Period
- Profitability Index
- All of these

5. ______ is an example of intangible asset in business valuation.
- Inventory
- Real Estate
- Brand Value
- Stock

6. Terminal Value in a discounted cash flow(DCF) analysis refers to _______.
- Market value of company
- Value of company at a future date
- Operating profit of the company
- Replacement value

7. Price to Book ratio works better for industries with __________.
- High capital investment
- Low capital investment
- Negligible capital investment
- Zero capital investment

8. Analysis of profitability indicates _________.
- Efficiency of debtors
- Efficiency of business
- Efficiency of loans
- Efficiency of creditors

9. If average profit of the company is Rs 1050,000 and normal profit is Rs 800,000 then super profit will be _______.
- Rs 250,000
- Rs 925,000
- Rs 1850,000
- Rs nil

10. Investment in property generates income in the form of _________.
- Interest
- Dividend
- Rental income
- Debenture

Q. 1B) State whether True or False (Any 7 out of 10) **(7)**

1. Real estate is least liquid investments compared to equity shares of a listed company.
2. Goodwill is a fictitious asset.
3. Value is a management concept.
4. Bank overdraft is a liquid liability.
5. Payment to creditors will improve current ratio.
6. Operating ratio = Operating Profit / Net Sales.
7. Refund of income tax is a cash flow from financing activities.
8. The objective of business is shareholders wealth maximisation.
9. Business Valuation considers only past performance of the company.
10. There is no difference between Equity Value and Enterprise Value.

Q.2 A Urbania company proposes to purchase a machine. There are two models available in the market namely "STAR" and "NOVA". Following are its details: **(15)**

Particulars	**Star (Rs.)**	**Nova (Rs.)**
Initial Capital Outlay	2,500,000	3,200,000
Salvage Value	100,000	120,000
Estimated Life (years)	5	5
Annual Profits Before Tax		
Year 1	400,000	600,000
Year 2	700,000	850,000
Year 3	850,000	1,000,000
Year 4	950,000	1,100,000
Year 5	800,000	950,000

Depreciation is as per straight line method. Income Tax rate is 30%.
Cost of capital is 12%.

Evaluate the projects using Net Present Value.
Advise the company which machine they should purchase.

Year	1	2	3	4	5
Present Value Factor at 12%	0.893	0.797	0.712	0.636	0.567

OR

Q.2 B From the following income statement of Q ltd, prepare Trend income Statement in vertical form suitable for analysis. **(15)**

Particulars	2021-22(₹)	2022-23 (₹)	2023-24 (₹)	2024-25 (₹)
Sales	600,000	720,000	840,000	960,000
Cost of Goods Sold	360,000	432,000	492,000	564,000
Gross Profit	240,000	288,000	348,000	396,000
Office Expenses	60,000	66,000	72,000	78,000
Selling Expenses	30,000	36,000	42,000	45,000
Distribution Expenses	24,000	30,000	30,000	36,000
Interest on Loan	18,000	18,000	21,000	21,000
Depreciation	36,000	33,000	39,000	42,000
Profit Before Tax	72,000	105,000	144,000	174,000
Less: Provision for Tax	21,600	31,500	43,200	52,200
Profit After Tax	50,400	73,500	100,800	121,800

Q.3 A The summarized balance sheet of Bhadresh Ltd. as on 31.12.2023 and 31.12.2024 are as follows: **(15)**

Liabilities	2023 (₹)	2024 (₹)	Assets	2023 (₹)	2024 (₹)
Share Capital	500,000	500,000	Fixed Assets	450,000	400,000
General Reserve	200,000	230,000	Investments	60,000	40,000
Profit & Loss A/c	70,000	85,000	Stock	180,000	220,000
Creditors	150,000	190,000	Debtors	200,000	260,000
Provision for Tax	60,000	35,000	Bank	90,000	230,000
Bank Loan	–	110,000			
Total	**980,000**	**1,150,000**	**Total**	**980,000**	**1,150,000**

Additional Information:

1. Investments costing ₹20,000 were sold during the year for ₹22,000.
2. Fixed assets costing ₹30,000 were sold during the year for ₹35,000. The profit is included in P&L A/c.
3. Depreciation charged on fixed assets was ₹50,000 during the year.
4. Provision for tax made during the year 2024 was ₹40,000.

You are required to prepare cash flow statement for 2024.

OR

Q.3 B : The following data is given to you regarding a company having a share in branded portion as well as unbranded portion: **(8)**

Branded revenue	₹ 500 per unit
Unbranded revenue	₹ 120 per unit
Branded cost	₹ 350 per unit
Unbranded cost	₹ 100 per unit
Research & Development	₹ 20 per unit
Branded products	1 lakh units
Unbranded Products	40,000 units
Tax rate	35%
Capitalization factor	20%

Calculate Value of Brand.

Q.3 C) Mr Richard provides you the following information of his property at Andheri, Mumbai: **(7)**

Rental Income of Property	₹ 2000,000
Maintenance expenses	₹ 40,000
Caretaker's Salary	₹ 75,000
Property Tax (25% share of other property)	₹ 40,000
Painting of outer walls	₹ 25,000
Capitalization rate	12%

Calculate value of property as per capitalization method.

Q.4 A) Following is the Balance Sheet of JBL Ltd. as on 31st March,2025. **(15)**

Liabilities	Amount (₹)	Assets	Amount (₹)
Equity Share Capital	300,000	Goodwill	50,000
10% Preference Share Capital	100,000	Land and Building	300,000
12% Debentures	150,000	Plant and Machinery	250,000
Bank Loan	50,000	Furniture	80,000
General Reserve	160,000	Investments	60,000
Creditors	100,000	Debtors	120,000
Bills Payable	30,000	Stock	90,000
Outstanding Wages	20,000	Cash in Hand	10,000
Provision for Tax	40,000	Cash at Bank	40,000
Proposed Dividend	30,000	Prepaid Insurance	10,000
Profit & Loss A/c	54,000	Preliminary Expenses	24,000
Total	**1,034,000**	**Total**	**1,034,000**

You are required to calculate the following ratios:
(a) Proprietary Ratio
(b) Stock Working Capital Ratio
(c) Current Ratio
(d) Liquid Ratio
(e) Debt equity ratio.

OR

Q.4 B) Following records have been extracted from Beta Company: **(8)**

Year	2023-24	2024-25
Sales(₹)	500,000	840,000
Units Sold	10,000	14,000

Account for changes in sales value due to changes in sales quantity, selling price and both.

Q.4 C) M/s Albert & Co wants to increase its sales and intends to purchase an established brand of M/s Pinto & Co. It is estimated that M/s Albert & Co will be able to generate additional sales and expenses for next five years as follows if it acquires the brand: **(7)**

Year	Additional Sales (₹)	Additional Expenses(₹)
1	800,000	400,000
2	950,000	420,000
3	1000,000	450,000
4	1150,000	475,000
5	1200,000	500,000

It is estimated that the brand will be sold after 5 years and estimated value will be ₹ 3000,000. Calculate value of brand to be purchased by using Net Present Value model. Discounting factor of ₹ 1 at 10% is as follows:(Year 1 0.9091, Year 20.8264, Year 30.7513, Year 40.6830, Year5 0.6209)

Q.5 A Explain various methos of valuation of goodwill. **(8)**

Q.5 B Explain various factors responsible for changes in income. **(7)**

OR

Q.5 C Write short notes on : (Any 3) **(15)**

1. Efficient Market Hypothesis
2. Internal Rate of Return
3. Price to Book Value Ratio with an example
4. Need for Business Valuation
5. Brand Valuation

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17/10/2025
BAF

Duration: 2.5 hours **Marks: 75**

General Instructions:
1. **Q.1 is compulsory.**
2. **Q.2 to Q.5 are compulsory with internal choice.**
3. **All questions carry equal marks.**
4. **Working notes should form part of your answer.**
5. **Use of simple calculator is allowed .**

Q. 1. A Fill in the Blanks (Any 8 out of 10) **(8)**

a. What does a positive Net Present Value (NPV) indicate?
   a) No impact on shareholders' wealth
   b) Project generates value
   c) Project loses money
   d) Project breaks even

b. Strategic financial management mainly aims to:
   a) maximise shareholder wealth
   b) manage employee benefits
   c) reduce operational costs
   d) handle short-term cash flow

c. Receivables Management aims to:
   a) Increase fixed assets
   b) Minimize bad debts and optimize cash flow
   c) Maximize dividend payout
   d) Reduce equity financing

d. Which mutual fund invests mainly in stocks?
   a) Bond fund
   b) Money market fund
   c) Balanced fund
   d) Equity fund

e. Capital Rationing is:
   a) Unlimited funding for all projects
   b) Restricting investment due to budget limits
   c) Reducing working capital
   d) Increasing dividend payout

f. Trade-off theory balances:
   a) Receivables and payables
   b) Debt and equity to minimize taxes and bankruptcy costs
   c) Dividends and retained earnings
   d)Assets and liabilities

g. What does NAV stand for in mutual funds?
   a) Net Annual Value
   b) National Average Value
   c) Net Asset Value
   d) Nominal Asset Value

h. Which receivables strategy improves liquidity by selling outstanding invoices?
   a) Credit scoring
   b) Factoring
   c) Aging schedule
   d) Pledging
i. Sensitivity analysis helps determine:
   a) Historical trends
   b) Impact of changes in key variables
   c) Employee productivity
   d) Tax liabilities
j. Financial leverage refers to:
   a) Using equity to finance operations
   b) Reducing fixed costs
   c) Using debt to increase potential returns
   d) Increasing liquidity through asset sales

Q. 1 B. State whether the following statements are True or False (Any 7 out of 10) **(7)**

a. Internal Rate of Return (IRR) is the discount rate that makes NPV zero.
b. Bond prices move inversely to interest rates.
c. Dividend irrelevance theory was proposed by Modigliani and Miller.
d. A liberal credit policy may increase sales but also bad debts.
e. The CFO is responsible for managing the company's financial strategy.
f. Strategic financial management focuses only on short-term profitability
g. Capital rationing occurs when a firm has unlimited funds for investment.
h. .Index funds aim to outperform the market.
i. Pecking order theory prefers equity over debt.
j. Strategic decisions about mergers and acquisitions are made at the functional level.

Q. 2 A. A company is required to select one of the following projects: **(15)**

Particulars	Project X Rs.	Project Y Rs.
Initial cost(Investment)	11,00,000	11,00,000
Cash inflows:		
1st Year	5,65,000	2,20,000
2nd Year	4,25,000	3,50,000
3rd Year	3,20,000	4,00,000
4th Year	1,10,000	6,00,000

Using IRR Method and NPV method, suggest which project should be chosen by the company. The rate of return expected by the shareholders of the company is 11% p.a. (Use this rate for NPV calculation).
IRR is to be computed using 10% and 15% discount rates as L1 and L2. Use interpolation formula to compute IRR.

Year	Discounting factor @10%	Discounting factor @11%	Discounting factor @15%
1	0.9091	0.9009	0.8696
2	0.8264	0.8116	0.7561
3	0.7513	0.7312	0.6575
4	0.6830	0.6587	0.5718

OR

Q. 2 B. A company has ₹10,00,000 available for investment. It is considering five projects with the following details: (8)

Project	Investment (Rs)	Net Present Value (NPV Rs)	Profitability Index (PI)
A	3,00,000	2,00,000	1.67
B	5,00,000	2,50,000	1.5
C	2,00,000	60,000	1.3
D	2,50,000	80,000	1.32
E	4,00,000	60,000	1.15

Using the **Profitability Index (PI)** method, which combination of projects should the company select to maximize returns within the Rs 10,00,000 budget?

Q. 2 C. A company is evaluating a project with the following assumptions: (7)

- Initial Investment: Rs 6,00,000
- Annual Cash Inflows: Rs 2,00,000
- Project Life: 5 years
- Discount Rate: 13%

a) Calculate the Net Present Value (NPV) of the project.

b) Perform sensitivity analysis by evaluating how NPV changes with changes in total present value of cash inflows and Initial investment. Determine which variable is more sensitive.

Q.3 A. The Following data relates to four firms: (15)

Firm	A	B	C	D
EBIT (Rs.)	4,00,000	6,00,000	10,00,000	12,00,000
Interest on Debt (Rs.)	40,000	1,20,000	4,00,000	4,80,000
Equity Capitalization Rate	12%	16%	15%	18%

Assuming that there are no taxes and rate of debt is 10%. Determine the value of each firm using the Net Income approach. Also determine the overall Cost of Capital of each firm.

OR

Q. 3 B. Following are the details of Gamma Ltd. and Delta Ltd. (8)

Particulars	Gamma Ltd.	Delta Ltd.
Internal Rate of Return	20%	8%
Cost of Equity Capital	12%	12%
Earnings Per Share	Rs. 10	Rs. 10

Calculate the value of an equity share of each of these companies as per Walter's Model when the Dividend Pay-out Ratio is (i) 40% (ii) 60% (iii) 90%

Q. 3 C. Moon Ltd. has a Rate of Return of 18% and its earning per share is Rs.90. Calculate the market price per share using Gordon's Model in each of the following cases: (7)

Sr. No	Dividend Payout (%)	Cost of Capital (%)
1	50	15
2	70	17
3	65	18

Q. 4 A. M Ltd. currently has an annual sales level of 12,000 units at Rs.350 per unit. The variable cost is 70% of sales. Fixed costs include administration overheads of Rs.3,00,000 p.a. and depreciation of Rs.75,000 p.a. The current credit period allowed is 45 days. (15)

The company is considering a proposal to liberalize its credit policy and has the following estimates:

Particulars	Existing	Proposal A	Proposal B
Credit Period	45 days	75 days	105 days
Increase in Sales	-	10%	25%
% of Bad Debts	1.50%	4%	6%

Additional Information:

If sales exceed 20% of current sales, administrative overheads increase by Rs.75,000.

The expected rate of return on investments before tax is 25% p.a.

Assume 360 days in a year for calculation purpose

Advise the company on which credit policy is best suited.

OR

Q. 4 B. Tata mutual fund has the following assets in diversified equity scheme at the close of business on 31st March 2025 (8)

Company	No of Shares	Market Price Per Share Rs.
PNB	30000	350
SBI	30000	1500
Infosys Ltd	21000	700
H and H Ltd	43000	600

Total number of units of the equity fund is Rs 1,00,000

The scheme has accrued expenses of Rs 2,00,000 and other liabilities of Rs 1,00,000

Calculate NAV per unit of Diversified equity scheme

Q. 4 C. Arti, an investor wishes to invest in either of the bonds. You as financial planner are asked to advise her which bond should be purchased ? Support your answer with calculation based on YTM method. (7)

Bonds	Coupon rate(%)	Maturity (Years)	Price Per Bond Rs.
EARTH	12	8	950
PARTH	13	10	850

The bonds are expected to be redeemed at 20% Premium (Face value= Rs.1,000)

Q. 5 A. What are the factors affecting capital structure of a company? (8)

B. Explain various types of risks in bond valuation. (7)

OR

Q. 5 C. **Write short notes on the following: (Any three)** (15)

1. Capital Budgeting Process
2. Types of Dividend policy
3. Payback period and IRR
4. Explain Credit Evaluation
5 Characteristics of Mutual Fund

BAF 16/10/2025

(Time: 2 ½ Hours) **(Total Marks: 75)**

Note: 1) All questions are compulsory.
2) All workings should form part of the answer.

Q1. (a) Fill in the blanks (any 8) **08**

1. The objective of ______ is to maximize profit.
2. Under Non-integrated accounting system, the account made to complete double entry is ____
3. When the production is below standard specification or quality and cannot be rectified by incurring additional cost is called as _________.
4. In an Integrated system, Sales Ledger shows account of _______.
5. __________ costing is used to ascertain the cost of providing a service.
6. The activity that generates cost is a _____.
7. ____ cost does not need cost drivers.
8. Cost of normal loss is charged to ____.
9. Under Non-integrated accounts, if materials worth ₹ 1,500 are purchased for a special job, then which account will be debited ______
10. The normal loss is 10% of the input, there is no opening or closing stock. Output in the process was 11,850 units and Abnormal gain is 150 units, how many units where introduced in the process_______.

(b) Match the following and rewrite (Any 7) **07**

Column A	Column B
1. Activity-based costing	a. comparison of two or more similar business units
2. In Process costing each producing department is	b. Changes with production level.
3. Uniform costing	c. Number of orders
4. Non-integrated	d. Cost control and cost reduction
5. Inter-firm comparison	e. Unavoidable loss
6. Hospital	f. Uses multiple activity rates
7. Variable cost	g. Avoidable
8. Normal Loss	h. Cost ledger Control Account
9. Ordering costs	i. Per patient -Day
10. Abnormal loss	j. Cost Centre

Q2 (a) From the following information extracted from the books of Glacier Ltd for the month of July 2025. **15**

Opening stock as on 1st July 2025 3000 units @ Rs. 4 per unit.
Degree of completion: Material 100% Labour and Overheads 40%.
Inputs introduced during July 12,000 units.
Outputs transferred to the next process 11,000 units.
Closing Stock as on 31st July 4000 units
Degree of completion: Material 100%, Labour and Overheads 70%.
Cost of Material Rs. 96,000, Labour Rs. 37,800, Overheads Rs.25,200.
Prepare the following under FIFO Method
1. Statement of Equivalent Production.

2. Statement of Equivalent Cost per unit.
3. Process Account.

OR

Q2. (b) Pass Journal entries for the following transaction of KT Ltd for the month of May 2025 under Integrated system of Accounting. **15**

	Rs.
Material purchased from S & Co. (credit 75%)	3,00,000
Material issued to production	1,00,000
Wages paid to worker	50,000
Wages applied to factory	10,000
Factory overhead incurred	20,000
Office overheads applied to cost of sales	30,000
Salesmen salaries paid	5,000
Salary paid to Hari	25,000
Cost of goods produced	4,00,000
Office expenses payable	15,000
Sales to Gang Ltd (20% on cash)	8,00,000

Q3. (a) Pass Journal entries for the following transaction of Ganga Ltd for the month of July 2025 under Non- Integrated system of Accounting. **15**

	Rs.
Material purchased from Apar & Co.	3,00,000
Material issued to production	2,20,000
Wages paid to worker	1,20,000
Wages applied to production	70,000
Factory overhead incurred	55,000
Material damage having no scrap value	10,000
Selling expenses incurred	30,000
Salary paid to Shimba	45,000
Cost of goods produced	5,40,000
Wages applied to Factory	50,000
Sales to Cat Ltd (80% on credit)	7,50,000

OR

Q3.(b) JJT Ltd operates separate cost accounting and financial accounting system. The following is the opening balance as on 1st August 2025 in the cost ledger. **15**

Particulars	**Dr (Rs)**	**Cr (Rs)**
Stores ledger control A/c	2,10,000	
WIP Control A/c	80,000	
Finished Goods Control A/c	1,00,000	
Cost Ledger Control A/c		3,90,000
	3,90,000	3,90,000

Transactions for the month of August 2025 were as under:
Material purchased Rs. 1,00,000.
Wages paid – Direct 70,000 & Indirect Rs.30,000.
Factory Overheads incurred Rs.60,000.
Material issued to Factory Rs.55,000.
Selling overheads incurred Rs. 25000
Finished goods at cost Rs.3,00,000.

Cost of goods sold Rs.2,60,000.
Material issued to Production Rs.2,00,000
Sales Rs.3,50,000.
Material damaged and written off to costing Profit & Loss A/c Rs.20,000.
You are required to prepare
1. Stores Ledger Control A/c.
2. WIP Control A/c.
3. Finished Goods Control A/c.
4. Costing Profit & loss A/c.
5. Cost ledger Control A/c.
6. Trial Balance as on 31st August 2025.

Q4. (a) From the following information extracted from the books of Hero Ltd for the month of June 2025 Prepare the following under FIFO Method. **15**

1. Statement of Equivalent Production.
2. Statement of Equivalent Cost per unit.
3. Statement of cost apportioned
4. Process A Account.

During a month 50000 units were introduced into Process A. The Process costs were:-

Direct Materials	₹ 381000
Direct Wages	₹ 264000
Factory Overhead	50% of Direct Wages

The normal loss was estimated at 10% on input. At the end of the month 42000 units have been produced and transferred to Process B. Scrapped units had been completely processed and realised ₹ 5 per unit and 2000 units were incomplete and the stage of completion in respect of these units was estimated to be Materials 75%, Labour 50%, Overhead 50%.

OR

Q4. (b) SRK Transport Co. owns a bus which runs between Mumbai to Nagpur and back, for 25 days in a month. The distance between Mumbai to Pune is 250 kms. The bus completes the trip from Mumbai to Nagpur and back on the same day. **15**

The following information is available:

Cost of bus	Rs.20,00,000
Depreciation Rate	5% p.a.
Salary of Driver	Rs.25,000 p.m.
Insurance premium	3% p.a.
Salary of Cleaner	Rs.5,000 p.m
Salary of Conductor	Rs.12,000 p.m.
Diesel consumption is 10 kms per litre of diesel and cost of diesel per litre is Rs.60.	
Tax	Rs.96,000 p.a.
Lubricants is Rs 500 per 500 kms.	
Repairs and maintenance	Rs.10,000 p.m.
Permit fees	Rs.8,500 p.m
Normal capacity of bus is 50 person.	

The bus generally has 80% of its capacity occupied when it goes to Nagpur.
Calculate the Charges to be made if a profit at 20% is to be earned on takings.

Q5. (a) What is Inter-firm comparison and benefits of inter-firm comparison? **08**

(b) Explain Non-integrated accounting system? **07**

OR

Q5. (c)Write short notes on (Any 3) **15**

(a) Uniform Costing.
(b) Integrated Cost accounting system.
(c) Normal wastage and Abnormal wastage.
(d) Activity based costing.
(e) WIP Control A/c.

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