

2013

COMMERCE

( Honours )

Paper : BC-3 : 7 (ii)

( Cost and Management Accounting )

Full Marks : 100Pass Marks : 35

Time : 3 hours

The figures in the margin indicate full marks  
for the questions

Answer any **five** questions

1. (a) Distinguish between Cost Accounting  
and Management Accounting. 10
- (b) Prepare a reconciliation statement from  
the following particulars : 10

Particulars	Amount ₹
Profit as per Cost Accounts	2,91,000
Works overhead under-recovered	19,000
Administration overheads under-recovered	45,500
Selling overheads over-recovered	39,000

<i>Particulars</i>	<i>Amount</i> ₹
Overvaluation of opening stock in Cost Accounts	30,000
Overvaluation of closing stock in Cost Accounts	15,000
Interest earned during the year	7,500
Rent received during the year	54,000
Bad debts written off during the year	18,000
Preliminary expenses written off during the year	36,000
Profits as per financial accounts	2,88,000

2. (a) What are different methods of materials issues? Explain the advantages and limitations of LIFO method. 10

(b) The following is the summary of the Receipts and Issues of material in a factory during December 2010 :

<i>2010</i>	<i>Particulars</i>
December 1	Opening balance—500 units @ ₹ 25 per unit
" 3	Issue—70 units
" 4	Issue—100 units
" 8	Issue—80 units
" 13	Received from supplier—200 units @ ₹ 24.50 per unit
" 14	Returned by Dept. X—15 units @ ₹ 25 per unit of stock belonging 1st December
" 16	Issue—180 units
" 20	Received from supplier—240 units @ ₹ 24.75 per unit

8. Define the concept of zero-based budgeting. State the advantages of zero-based budget over traditional or incremental budget. 20

9. Write short notes on any four of the following : 5×4=20

(a) Out of pocket cost

(b) Distinction between Bin card and Short ledger card

(c) Escalation clause

(d) Integrated accounting

(e) By- and joint-product

(f) Labour turnover

(g) Responsibility centre

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7. Product *Jadu* is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the week ending on 31st March, 2010 :

Particulars	Total Amount	Processes		
		I	II	III
	₹	₹	₹	₹
Direct material	7,542	2,600	1,980	2,962
Direct wages	9,000	2,000	3,000	4,000
Production overheads	9,000			

1000 units @ ₹ 3 each were introduced in Process—*I*. There was no stock of materials or work-in-progress at the beginning or at the end of the period. The output of each process passes direct to next process and finally to finished store. Production overheads are recovered on 100% of direct wages. The following additional data are obtained :

Particulars	Output during the week (in units)	% of output loss to input (in %)	Value of scrap per unit (in ₹)
Process <i>I</i>	950	5	2
Process <i>II</i>	840	10	4
Process <i>III</i>	750	15	5

Prepare Process Cost A/cs and Abnormal Loss/Gain A/c. 20

2010	Particulars
December 24	Issue—304 units
" 25	Received from supplier—320 units @ ₹ 25.25 per unit
" 26	Issue—112 units
" 27	Returned by Dept. <i>Y</i> —12 units @ ₹ 24.75 per unit of stock belonging 20th December
" 28	Received from supplier—100 units @ ₹ 25 per unit

It was revealed that on 15th there was shortage of 5 units.

Prepare Store Ledger A/c according to LIFO (Last-in First-out) Method. 10

3. *X* Construction Ltd. is engaged in two contracts *A* and *B* during the year. Following information is available at the year end :

Particulars	Contract <i>A</i> 1st April ₹	Contract <i>B</i> 1st September ₹
Contract price	6,00,000	5,00,000
Materials delivery direct to site	1,20,000	50,000
Materials issued from store	40,000	10,000
Materials returned to store	4,000	2,000
Materials on site on 31st December	22,000	8,000
Direct labour payments	1,40,000	35,000

Particulars	Contract A	Contract B
	1st April	1st September
	₹	₹
Direct expenses	60,000	30,000
Architect's fees	2,000	1,000
Establishment charges	25,000	7,000
Plant installed at cost	80,000	70,000
Value of plant on 31st December	65,000	64,000
Accrued wages 31st December	10,000	7,000
Accrued expenses 31st December	6,000	5,000
Cost of contract not certified	23,000	10,000
Value of contract certified		
by architect	4,20,000	1,35,000
Cash received	3,78,000	1,25,000

During the period, materials amounting to ₹ 9,000 have been transferred from contract A to contract B. You are required to show—

- (a) Contract A/c;  
 (b) Contractee A/c;  
 (c) Extract from the Balance Sheet

as on 31st December showing the calculation of WIP. 20

6. (a) Define the concept 'operating costing'. Mention at least ten activities where operating cost is applicable. 2+4=6
- (b) A transport service company is running five buses between Kohima and Dimapur which are 50 kilometers apart. Seating capacity of each bus is of 50 passengers. The following particulars are obtained from the books for April, 2010 :

Particulars	Amount
	₹
Wage of drivers, conductors and cleaners	2,40,000
Salaries of office staff	1,00,000
Diesel oil and others	3,50,000
Repairs and maintenance	80,000
Taxation and insurance	1,60,000
Depreciation	2,60,000
Interest and other expenses	2,00,000
Total	<u>13,90,000</u>

Actually, passengers carried are 75% of seating capacity. All buses ran on all day of the month. Each bus made one round trip per day.

Show all calculations as footnotes. 14

( 5 )

4. A company has three production departments A, B and C and two service departments X and Y. The following data are extracted from the records of the company for a particular period :

Sl. No.	Particulars	Amount ₹
1.	Rent and taxes	25,000
2.	General lighting	3,000
3.	Indirect wages	7,500
4.	Power	7,500
5.	Depreciation of machinery	50,000
6.	Sundries	50,000

*Additional Data :*

Particulars	Total	Departments				
		A	B	C	X	Y
Direct wages (in ₹)	50,000	15,000	10,000	15,000	7,500	2,500
HP of machines	150	60	30	50	10	—
Cost of machines (in ₹)	12,50,000	3,00,000	4,00,000	5,00,000	25,000	25,000
Production worked (in hour)	—	6226	4028	4066	—	—
Floor space (in sq. mtrs)	10000	2000	2500	3000	2000	500
Light points (in No.)	60	10	15	20	10	5

( 6 )

Service Departments expenses allocation :

<i>Departments</i>	:	<i>A</i>	<i>B</i>	<i>C</i>	<i>X</i>	<i>Y</i>
<i>X (in %)</i>	:	20	30	40	—	10
<i>Y (in %)</i>	:	40	30	20	10	—

You are required to—

- (a) prepare primary distribution summary;
- (b) reallocate total of service departments by secondary distribution according to repeated distribution system. 20

5. (a) What do you mean by variance? What are different variance analyses done for material and labour in standard costing? 2+5+5=12

- (b) A company produces a single product and sells it at ₹ 12 per unit. The marginal cost per unit is ₹ 6. The fixed cost per annum is ₹ 600.

Calculate the following : 2+3+3=8

- (i) P/V ratio
- (ii) The break-even sales
- (iii) The sales to earn a profit of ₹ 400

( Continued )

9. Write short notes on any *four* of the following : 5×4=20

- (a) Three Principal Headings of Hotel Accounting
- (b) Modes of Liquidation
- (c) Insolvency Account
- (d) Minority Interest
- (e) Departmental Accounting

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2013

COMMERCE

( Honours )

Paper : BC-3 : 7 (i)

( **Advanced Financial Accounting** )

*Full Marks* : 100

*Pass Marks* : 35

*Time* : 3 hours

*The figures in the margin indicate full marks for the questions*

Answer *any five* questions

1. (a) Explain the types of Amalgamation according to AS-14. 6
- (b) What is purchase consideration? Explain the different methods to calculate the purchase consideration. 4+10=14
2. (a) What is reconstruction? Explain internal reconstruction. 2+4=6

(b) The Balance Sheet of ABC Ltd. as on 31st March, 2012 appears as below :

<i>Balance Sheet</i>			
<i>Liabilities</i>	<i>Amount</i>	<i>Assets</i>	<i>Amount</i>
	₹		₹
Share Capital :		Fixed Assets	20,00,000
150000 Equity Shares of ₹ 10 each fully paid	15,00,000	Less : Depreciation	
5000, 11% Preference Shares of ₹ 100 each fully paid	5,00,000	Reserve	15,00,000
Secured Loan :		Stock and Stores	6,00,000
11% Debentures	5,00,000	Receivables	14,50,000
Interest accrued and due on debentures	1,10,000	Other Current Assets	2,00,000
Bank Overdraft	6,30,000	Miscellaneous Expenditure :	
Unsecured Loans	5,00,000	Profit & Loss A/c	16,40,000
Add : Accrued Interest	1,50,000		
Current Liabilities	5,00,000		
	<u>43,90,000</u>		<u>43,90,000</u>

A scheme of reconstruction has been agreed with the following features :

- (i) Interest due on unsecured loans is waived
- (ii) 50% of the interest due on the debentures is waived

Charges :

	₹
Meals	23,829
Rooms	9,375
Fire in Bedrooms	582
Washing Charges	219

Repairs, Renewals and Depreciations :

	₹
Premises	348
Furniture and Fixtures	660
Glass and China	609
Linen	390
Cutlery and Plates	207

Cash Book debit balances :

	₹
Bank	8,148
Cash in Hand	219

Stock as on 31.03.2012 :

	₹
Cold Drinks	1,197
Fruit Juice	333
Wines	174
Minerals	357
Cigars	69
Sundry Provisions and Stores	141
Coal	99

Prepare Final A/cs for the year ended 31st March, 2012.

Stock as on 01.04.2011 :

	₹
Cold Drinks	1,239
Fruit Juice	378
Wines	165
Minerals	147
Cigars and Cigarettes	114
Sundry Provision and Stores	183
Coal	150

Purchases :

	₹
Meat	3,627
Fish and Poultry	3,960
Cold Drinks	1,881
Fruit Juice	2,190
Wines	1,152
Minerals	1,050
Cigars and Cigarettes	240
Sundry Provisions and Stores	5,220

Sales :

	₹
Cold Drinks	3,870
Fruit Juice	4,335
Wines	1,863
Minerals	2,160
Cigars and Cigarettes	390

(iii) The 11% preference shareholders' rights are to be reduced to 50% and converted into 15% Debentures of ₹ 100 each

(iv) Current Liabilities would be reduced by ₹ 5,00,000 on account of provision no longer required

(v) The bank agrees to the arrangement and to increase the cash credit/ overdraft limits by ₹ 1,00,000 upon the shareholders agreeing to bring like amount by way of new equity

(vi) Beside additional subscription as above, the equity shareholders agree to convert the existing equity shares into new ₹ 10 shares of total value of ₹ 5,00,000

(vii) The debit balance in the Profit & Loss A/c is to be written off, ₹ 2,60,000 provided for doubtful debts and the value of fixed assets increased by ₹ 4,00,000

Redraft the Balance Sheet of the company based on the scheme of reconstruction. 14

3. (a) Write down the transaction that will bring changes in the working capital. 6

- (b) The following is the summarized Balance Sheets of X Ltd. as on 31st March, 2011 and 2012 :

*Balance Sheets*

Liabilities	31.03.11	31.03.12	Assets	31.03.11	31.03.12
	₹	₹		₹	₹
Equity Share Capital	10,00,000	12,50,000	Land and Building	5,00,000	4,80,000
Capital Reserve	—	10,000	Machinery	7,50,000	9,20,000
General Reserve	2,50,000	3,00,000	Investment	1,00,000	50,000
Profit & Loss A/c	1,50,000	1,80,000	Stock	3,00,000	2,80,000
Long-term Loan	5,00,000	4,00,000	Sundry Debtors	4,00,000	4,20,000
Sundry Creditors	5,00,000	4,00,000	Cash in Hand	2,00,000	1,65,000
Provision for Taxation	50,000	60,000	Cash at Bank	3,00,000	4,10,000
Proposed Dividends	1,00,000	1,25,000			
	<u>25,50,000</u>	<u>27,25,000</u>		<u>25,50,000</u>	<u>27,25,000</u>

*Additional Information :*

- (i) Dividend of ₹ 1,00,000 was paid during the year ended 31st March, 2012
- (ii) Machinery during the year purchased for ₹ 1,25,000
- (iii) Income tax provided during the year ₹ 55,000

Prepare—

- (i) Capital A/c;  
 (ii) Revenue A/c;  
 (iii) Net Revenue A/c;  
 (iv) General Balance Sheet. 3+3+3+5=14

8. The following are the balances from the Ledger of Dimapur Hotel on 31st March, 2012 :

	₹
Share Capital	56,865
Freehold Premises	46,800
Glass and China	1,101
Furniture and Fixtures	8,934
Linen	840
Cutlery and Plates	390
Rates, Taxes and Insurance	1,713
Salaries	2,400
Wages	4,305
Laundry	951
Coal and Gas	2,160
Electric Light	1,128
General Expenses	1,710
Visitors' Account	1,354
Sundry Creditors	2,575

7. (a) Distinguish between Single Account System and Double Account System. 6

(b) The following balances are extracted from the books of City Light Supply Corporation as on 31st March, 2012 :

Particulars	Dr. ₹	Cr. ₹
Equity Shares		1,64,700
Debentures		60,000
Sundry Creditors on Open A/c		300
Depreciation Fund		75,000
Capital Expenditure on 31.03.2011	2,85,000	
Capital Expenditure during 2011-12	18,300	
Sundry Debtors for current supplied	12,000	
Other Debtors	150	
Stores in Hand	1,500	
Cash in Hand	1,500	
Cost of generation of electricity	9,000	
Cost of distribution of electricity	1,500	
Rent, Rates and Taxes	1,500	
Management Expenses	3,600	
Depreciation	6,000	
Interest on Debentures	3,000	
Interim Dividend	6,000	
Sale of Current		39,000
Meter Rent		1,500
Balance of Net Revenue A/c as on 01.04.2011		8,550
	<u>3,49,050</u>	<u>3,49,050</u>

(iv) There was no sale of machinery during the year

(v) Depreciation written off on Land and Building ₹ 20,000

From the above particulars, prepare Cash Flow Statement for the year ended 31st March, 2012 as per AS-3 (Revised) indirect method. Show all your workings. 14

4. What is Inflation Accounting? Explain accounting for the price level changes with special reference to Current Cost Accounting. 4+16=20

5. XYZ Processors Ltd. went into voluntary liquidation on 31st December, 2011 when the Balance Sheet read as follows :

Balance Sheet			
Liabilities	Amount ₹	Assets	Amount ₹
Authorised & Subscribed Capital :		Land and Building	2,00,000
4000, 6% Preference Shares of ₹ 100 each fully paid	4,00,000	Plant and Machinery	5,00,000
2000 Equity Shares of ₹ 100 each, ₹ 75 paid	1,50,000	Patents	80,000
		Stock and Cost	1,10,000
		Sundry Debtors	2,20,000
		Cash at Bank	60,000

( 6 )

Liabilities	Amount ₹	Assets	Amount ₹
6000 Equity Shares of ₹ 100 each, ₹ 60 paid	3,60,000	Profit & Loss A/c	2,40,000
5% Debentures (having a floating charge on all assets)	2,00,000		
Interest Outstanding on Debentures (also secured as above)	10,000		
Creditors	2,90,000		
	<u>14,10,000</u>		<u>14,10,000</u>

Preference Dividends were in arrears for 2 years. The arrears are payable on liquidation as per the Articles of the Company. Creditors include a loan of ₹ 1,00,000 on Mortgage on Land and Building

The assets realized as follows :

	₹
Land and Building	2,40,000
Plant and Machinery	4,00,000
Patents	60,000
Stock	1,20,000
Sundry Debtors	1,60,000

The expenses of liquidation amounted to ₹ 21,800. The liquidator is entitled to a commission of 3% on all assets realised (except cash at bank) and a commission on 2% on amount distributed among unsecured creditors. Preferential creditors amount to ₹ 30,000. All payments were made on 30th June, 2012

Prepare the Liquidator's Final Statement of Account.

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L13—1000/336

( Continued )

( 7 )

6. Study the Balance Sheets and information given below :

*Balance Sheets  
as at 31st March, 2012*

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share Capital :			Fixed		
Shares of ₹ 10 each fully paid	5,00,000	1,00,000	Assets	4,00,000	60,000
Profit & Loss A/c	2,00,000	60,000	Stock	3,00,000	1,20,000
Reserves	60,000	40,000	Debtors	75,000	85,000
Bills Payable	—	15,000	Bills		
Creditors	1,10,000	60,000	Receivables	20,000	—
			Shares in S Ltd. 7500 at cost	75,000	—
			Preliminary Expenses	—	10,000
	<u>8,70,000</u>	<u>2,75,000</u>		<u>8,70,000</u>	<u>2,75,000</u>

*Additional Information :*

- (i) The bills accepted by S Ltd. are all in favour of H Ltd.
- (ii) The stock of H Ltd. includes ₹ 25,000 bought from S Ltd. at a profit to the latter of 20% of sales
- (iii) All the profits of S Ltd. has been earned since the shares were acquired by H Ltd., but there was already the reserve of ₹ 40,000 at that date

Prepare Consolidated Balance Sheet and show all your workings.

20

L13—1000/336

( Turn Over )

2 0 1 3

COMMERCE

( Honours )

Paper : BC-3 : 6 (ii)

( Sales Management )

*Full Marks : 100*

*Pass Marks : 35*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer *any five* questions

1. What is meant by sales planning? Explain its process and objectives. 4+(8+8)=20
2. What is meant by sales policies? Explain the need and importance of sales policies. 4+16=20
3. (a) Explain the different channels of distribution of goods. 10
- (b) What are the services rendered by the wholesalers to retailers and manufacturers? 10

( 2 )

4. (a) What is mail-order business? Explain its advantages. 3+7=10
- (b) Discuss the functions and responsibilities of a sales manager. 10
5. How are sales force selected? What are the various factors which must be kept in mind while selecting the right man? Explain. 10+10=20
6. (a) What do you mean by sales incentives? State and explain the methods of providing sales incentives. 4+6=10
- (b) What is a sales budget? Discuss its importance. 4+6=10
7. (a) Distinguish between sales promotion and salesmanship. 8
- (b) Discuss the various factors which affect promotional activities. 12
8. (a) How are sales efforts of sales force evaluated? Explain. 10
- (b) "Good salesmen are not born but made by properly organised and directed sales training programme." In the light of this statement, discuss the importance of salesmen's training. 10

( 3 )

9. Write short notes on any four of the following : 5×4=20
- (a) Sales audit
- (b) Invoice
- (c) Quotation
- (d) Expenses report
- (e) Sales analysis
- (f) Brand promotion

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**Bc/Am-3 : 6 (i)**

**2 0 1 3**

COMMERCE

( Honours )

Paper : BC-3 : 6 (i)

**( Advertisement Management )**

*Full Marks : 100*

*Pass Marks : 35*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer any **five** questions

1. Discuss the role and functions of advertising in the modern business world. What are advertising objectives? 15+5=20
2. Explain the social and ethical aspects of advertising. State how to control wasteful advertising expenditure. 12+8=20
3. What is advertising strategy planning? Discuss the methods of determining advertising budget. 7+13=20

( 2 )

4. Explain the importance of copy writing and layout in advertising. State display as an important appeal to buyers. 14+6=20
5. How to plan and organize advertising campaign? Discuss. What are the types of advertising campaign? 12+8=20
6. Discuss the different types of media. Which media will be more appropriate to advertise 'All Clear Shampoo'? 12+8=20
7. Explain the functions of advertising agency. How is agency compensated? 14+6=20
8. (a) Discuss the methods of measuring advertising effectiveness. 10  
(b) Explain the role of consumer organisation in making effectiveness of advertising. 10
9. Write short notes on any *four* of the following : 5×4=20
  - (a) TV advertising
  - (b) Media objectives
  - (c) Advertisement
  - (d) Window display
  - (e) Cost-benefit analysis
  - (f) Waste in advertising

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**Bc/FM-2 : 6**

**2 0 1 3**

COMMERCE

( Honours )

Paper : BC-2 : 6

**( Financial Management )**

*Full Marks : 100*

*Pass Marks : 35*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer any **five** questions

1. Define financial management. Explain profit vs. wealth maximization. 20
2. Explain the different methods of capital budgeting. 20
3. (a) Explain the determinance of cost of capital.  
(b) Discuss how cost of equity share capital can be computed. 10+10=20

( 2 )

4. (a) Explain the limitations of financial leverage.

(b) Calculate the operating and financial leverage under situation 1 and 2, financial plan A and B respectively from the following information relative to the operating structure of the company. What are the combinations of operating and financial leverage which give highest and least value?

Installed capacity—1000 units

Annual production and sales—50% of installed capacity

Selling price—₹ 20

Variable cost per unit—₹ 10

Fixed cost :

Situation 1—₹ 4,000

Situation 2—₹ 5,000

Capital structure :

	<i>Financial Plan A</i>	<i>Financial Plan B</i>
	(₹)	(₹)
Equity debt	5,000	15,000
Debt (cost 10%)	15,000	5,000
	<u>20,000</u>	<u>20,000</u>

8+12=20

5. Explain the factors determining the capital structure. 20

( 3 )

6. (a) What are the assumptions and criticism of MM hypothesis under dividend policies?
- (b) What is the significance of stability dividend? 14+6=20
7. (a) Explain the significance of working capital.

- (b) The cost sheet of ABC Company gives the following particulars :

<i>Element of cost</i>	<i>Amount per unit</i>
	(₹)
Raw material	80
Direct labour	30
Overhead	60
Profit	30
Selling price	<u>200</u>

The following further particulars are available :

- (i) Raw materials are in stock in average for 1 month
- (ii) Materials are in process on average per  $\frac{1}{2}$  month
- (iii) Finished goods are in stock on an average for 1 month
- (iv) Credit allowed by suppliers is 1 month

( 4 )

(v) Credit allowed to customers is 2 months

(vi) Lack in payment of wages is 1½ week

(vii) Lack in payment of overhead expenses is 1 month

(viii)  $\frac{3}{4}$ th of the output is against cost

(ix) Cash in hand and bank is expected to be ₹ 25,000

You are required to prepare a statement showing the working capital needed to finance a level of activity of ₹ 104,000 units of production. This is carried on evenly throughout wages and overhead. Similarly a time period of 4 weeks is equivalent to a month. 10+10=20

8. (a) Discuss the theories of capital budgeting.

(b) There are two projects X and Y. The necessary particulars related to the project are as follows :

Item	Project X	Project Y
Initial investment(in ₹)	20,000	30,000
Estimated life	5 years	5 years
Scrap value (in ₹)	1,000	2,000

( 5 )

Profit before depreciation and after tax  
(cash as follows) :

<i>Year of profit</i>	1	2	3	4	5
<i>X (in ₹)</i>	5,000	10,000	10,000	3,000	2,000
<i>Y (in ₹)</i>	20,000	10,000	5,000	3,000	2,000

Required rate of return @ 10%.

Calculate the net present value of the two  
projects. 12+8=20

9. Write short notes on the following : 4×5=20

- (a) Receivable management
- (b) Financial functions
- (c) Walter's model
- (d) Operating cycle
- (e) Retained earnings

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**Bc/ITLP-2 : 2**

**2 0 1 3**

COMMERCE  
( Honours )

Paper : BC-2 : 2

**( Income Tax Law and Practice )**

*Full Marks : 100*

*Pass Marks : 35*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer any **five** questions

1. Write short notes on any *five* of the following : 4×5=20
- (a) Gross municipal value of property
  - (b) Perquisite
  - (c) Heads of income
  - (d) Assessee
  - (e) Person
  - (f) Specified employee
  - (g) Assessment year

( 2 )

2. Explain the provisions of Income-tax Act relating to advance payment of income tax. 20
3. What do you understand by tax planning and tax evasion? Distinguish between tax planning and tax evasion. Discuss the limitation of tax planning. 6+7+7=20
4. Mr. X has three-house properties situated at Mumbai. Property A is let out for business, Property B is let out for residential purpose, Property C has three identical units :

Unit—1 : It was let out for residential purpose in the previous year.

Unit—2 : Let out for residential purposes, but from 1-1-2012 it was used for own residence.

Unit—3 : Use for own residence.

The particulars of Property A and B are as under :

	<i>Property A</i>	<i>Property B</i>
(i) Municipal value (in ₹)	50,000	50,000
(ii) Actual rent (in ₹)	4,000 p.m.	4,000 p.m.
(iii) Fair rent (in ₹)	50,000	70,000
(iv) Standard rent (in ₹)	40,000	50,000
(v) Date of completion of construction	1-12-2005	1-1-2000
(vi) Municipal tax paid (in ₹)	8,000	10,000
(vii) Collection charges (in ₹)	3,000	3,000
(viii) Interest on money borrowed for construction (in ₹)	10,000	10,000

( 3 )

The particulars of Property C are as under :

- (i) Municipal value—₹ 1,20,000
- (ii) Rent of Unit 1—₹ 3,000 p.m.
- (iii) Rent of Unit 2—₹ 2,000 p.m.
- (iv) Municipal tax paid—₹ 10,000
- (v) Other expenses :
  - Repair of Unit 1—₹ 10,000
  - Repair of Unit 2—₹ 10,000
- (vi) Collection charges of Unit 1—₹ 3,000
- (vii) Collection charges of Unit 2—₹ 2,000
- (viii) Insurance premium of house property—  
₹ 5,000

Compute the income of Mr. X under the head 'Income from House Property' for the assessment year 2012-13. 20

5. (a) Distinguish between short-term and long-term capital gain with suitable example. 10
- (b) Explain the various heads of income under which income is taxable as per the Income-tax Act. 10
6. Discuss the following in brief : 5×4=20
- (a) Assessment year u/s 2(9)
  - (b) Casual income u/s 10(3)
  - (c) Agricultural income u/s 2(1A)
  - (d) Tax deduction at source

7. Mr. Salman an executive in a multinational company submitted the following particulars in relation to the year 2011-12, from which you are asked to compute his taxable income for the year 2012-13 :

- (i) Basic pay—₹ 12,000 p.m.
- (ii) DA—20% of basic pay
- (iii) Entertainment allowance ₹ 500 p.m.
- (iv) Children educational allowance  
@ ₹ 300 p.m. for 3 children
- (v) House rent allowance ₹ 3,000 p.m. He stays in a house at his own arrangement in Kolkata paying ₹ 4,000 p.m.
- (vi) Perquisites available to him from the company.
  - He is provided with servant for which company paid ₹ 5,000 in the year.
  - He is provided free gas valued ₹ 2,000 p.a.
  - He is provided with telephone line, the bill for which amounted to ₹ 3,000 paid by company.
- (vii) Medical allowance ₹ 400 p.m.

He has made the following savings :

- (i) Life Insurance premium paid ₹ 10,000 (policy value ₹ 1,00,000)

( 5 )

(ii) National Savings Certificate VIII Issue  
₹ 8,000

(iii) Public Provident Fund ₹ 10,000

(iv) Own contribution to RPF ₹ 15,000

Also compute the tax liability of Mr. Salman. 20

8. What is clubbing of income? What are the provisions for inclusion of income of minor child and wife of an assessee in his total income? 5+15=20
9. Explain the various authorities under the Income-tax Act, 1961. 20

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