

**COMMERCE & ACCOUNTANCY PAPER - I**

Time Allowed : 3 hours

Maximum Marks : 100

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**QUESTION PAPER SPECIFIC INSTRUCTIONS**

*(Please read each of the following instruction carefully before attempting questions)*

There are eight (8) questions - four (4) questions each in Part A & B. Each question carries 20 marks.

Marks for each question is indicated against it.

Compulsory questions :

- (a) Question No. 1 from Part-A and
- (b) Question No. 5 from Part-B

*[Compulsory questions No. 1 & 5 have 4 (four) Sub-questions carrying 5 marks each.]*

Total No. of questions to be attempted :

5 (five) questions.

*[A candidate shall attempt 2 (two) compulsory questions from Part A and B. Out of the remaining 6 (six) questions, 3 (three) are to be attempted taking at least 1 (one) but not more than 2 (two) questions from each Part]*

Word Limit:

- (a) Compulsory questions carrying 5 marks shall have a limit of 150 words.
  - (b) There shall be no word limit for the remaining questions.
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**PART - A**

1. Write short notes on the following : (4×5=20)

- (a) Importance of internal check.
- (b) Tax on the basis of residence of the assesseees.
- (c) EPS
- (d) How is Activity Based Costing System (ABC) different from Traditional Costing System?

2. XYZ Ltd. issued a prospectus inviting applications for 40,000 equity shares of Rs.20 each, payable Rs. 4 on application, Rs. 6 on allotment, Rs. 6 on first call and Rs. 4 on second and final call.

Applications were received for 60,000 shares and allotment was made pro-rata to the applicants of 48,000 shares. Money overpaid on application was utilised towards sums due on allotment.

Mr. A to whom 800 shares were allotted failed to pay the allotment money. On his subsequent failure to pay the 1st call, his shares were forfeited. Mr. B, a holder of 600 shares, failed to pay both the calls. So, his shares were forfeited after the second call.

Of the shares forfeited, 1,000 shares were reissued for Rs. 18 fully paid up, the whole of Mr. A's share being included. Pass journal entries in the books of the Company. Clearly show the calculations. (20)

3. (a) (i) Define Cost accounting and distinguish it from Costing. (5)  
(ii) Explain the different types of Costing methods. (5)  
(b) Mr. John furnishes the following data relating to the manufacture of a standard product during the month of May 2023. (10)

Raw material consumed	Rs. 15000
Direct labour charges	Rs. 9000
Machine hours worked	900
Machine hour rate	Rs. 5
Administrative overheads	20% on works Cost
Selling overhead	Rs. 0.50 per unit
Unit Produced	17,100
Unit Sold	16,000 at Rs. 4 per Unit

You are required to prepare a cost sheet from the above information.

- (i) The Cost per unit.
- (i) Cost per unit sold and profit for the period.

4. What are the terms for appointment and removal of auditor? (12+8=20)

**PART - B**

5. Write short notes on the following : (4×5=20)
- (a) EBIT-EPS analysis.
  - (b) Indian Financial system on the eve of planning.
  - (c) Sources and applications of Fund.
  - (d) What are the measures undertaken by SEBI to protect investors' interest?
6. What is Working Capital management? What are the determinants of Working Capital needs of an enterprise? (10+10=20)
7. Write notes on the followings: (10+10=20)
- (a) Mutual Fund and its types.
  - (b) Functions and benefits of Credit Rating Agencies
8. The summarized Balance Sheet of Goodwill Traders Ltd. as on 31<sup>st</sup> March, 2024 is as under: (20)

<i>Capital &amp; Liabilities</i>	<i>(₹ lakhs)</i>	<i>Assets</i>	<i>(₹ lakhs)</i>
Equity share Capital (fully paid)	140	Fixed Assets (at cost)	210
Reserves & Surplus	45	Less Depreciation	25
Profit & Loss Account	20		185
Provision for taxation	10	Current Assets	
Sundry Creditors	40	Stock	25
		Debtors	30
		Cash	15
	255		255

The following further particulars are also given for the year: (₹lakhs)

Sales	120
Earnings before interest and tax (EBIT)	30
Net Profit after Tax (PAT)	20

Calculate the following and explain the significance of each in one or two sentences:

- (a) Current ratio
- (b) Liquidity ratio
- (c) Profitability ratio
- (d) Profitability on funds employed
- (e) Debtors' turnover
- (f) Stock turnover
- (g) Average collection period and
- (h) Return on equity

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