

... CORPORATION LTD.
Departmental Accounts Examination

SAS PART-II

Session-08/2018

Paper-Vth

(Drafting and Computer Knowledge)

Time allowed: 3 hours

Max. Marks: 100

Note:

- 1) Attempt all the questions and part of a question must be attempted continuously at one place.
- 2) Rough work should be done on the space provided for in the answer sheet at Page-2.

Q.No.1

- (a) Make a précis of the following paragraph using not more than 75 words. The passage contains 225 words.

Many of us are under the impression that we would be able to secure happiness for ourselves if we had sufficient money and material comforts. I do not think that this is true. No man can really be happy if he has only money or means of comforts. Often, the very rich are not happy. Real happiness comes from contentment, honesty and integrity. People should be sincere in their dealings with other people. It may well be said that there is no use of repeating these words or homilies as they are already to be found in religious scriptures and books on morality. I think that the time has come when a restoration of these

Contd. P-3

values has become essential. If, in the interest of people, it becomes necessary to reiterate them, we must do so. Therefore, when during my tours of the country I come across such complaints, I begin to wonder whether those who are making these complaints, ever think of the share they have in these evils and to what extent they are responsible for them. If ever they paid the least attention to this aspect of the problem, I am sure, it would resolve itself very soon: unfortunately, we do not look to our own reform and instead seek to reform others over whom we have no power to control. We cannot succeed in reforming others by criticizing them.

- (b) Give suitable title to the above paragraph.
- (c) Give the meanings of the following words used in the above passage:-
- (i) Secure
 - (ii) Contentment
 - (iii) Scriptures
 - (iv) Reiteration
 - (v) Resolve
- (d) A College Lecturer has entered the marks obtained by students in the test in MS Excel. He wants to calculate the percentage of students failed in test. How will he calculate it without counting them manually?
- (Marks: 8+2+5+5=20)**

Q.No.2

- (a) Draft a notice to an IT firm 'ABL Ltd.' Gurgaon asking them to adhere to the delivery schedule prescribed in the work order-cum-contract agreement warning them of the consequences of slippages that lead to the invocation of the penal provisions.
- (b) Write a public notice on behalf of CE/Commercial, PSPCL, Patiala to be published in leading English News Papers informing the general public regarding the extension in the VDS Scheme for DS consumers.
- (c) Write a public notice on behalf of Sr. Xen/Operation Division (East), PSPCL, Patiala in the English News Paper for an employee who is wilfully absenting himself from duty, directing/providing him a last chance to appear otherwise his services will be terminated.

(Marks: 8+5+7=20)

P.T.O

- (i) You must not indulge.....night.
(ii) There are no taxis available.....day break every day.
(iii) I have to get up.....day break every day.
- c) Give the meanings of the following idioms/phrases:-
- (i) To play second fiddle.
(ii) To take a leaf out of somebody's book.
(iii) To sit on the fence.
- d) Write the correct sentence to the given incorrect sentence:-
- (i) India are a diverse country.
(ii) One of our cats have been disappeared.
(iii) The passenger train will leave as soon as the main train will arrive.
- e) Change the voice:-
- (i) Everyone knows that he is rich man.
(ii) The cat killed the mouse.
(iii) I saw him opening the box.
- f) How can you change the date and time settings in a Windows Operating System?

(Marks: 3+3+3+3+3+5=20)

Q.No.4

- a) Discuss in brief any four differences in Manual Accounting and Computerised Accounting.
- b) Define the following terms:-
- (i) Virus
(ii) Windows
(iii) Software
(iv) Ctrl+C
(v) Ctrl+P
- c) Your subordinate has emailed a document to you. You have to download, review and send back the document to him. Write steps for the same.
- d) Indicate the types of Tally Vouchers and shortcut keys for creating these Vouchers.

(Marks: 5+5+5+5=20)

Contd... P.5

Q.No.5: Choose the correct answer:-

- (1) In MS Excel, the process of identifying specific rows and columns so that certain columns and rows are always visible on the screen is called.
- a) Freezing
 - b) Locking
 - c) Selecting
 - d) Fixing
-
- (2) To place something in the same position on every slide of presentation automatically, insert into
- a) Slide Master
 - b) Notes Master
 - c) Handout Master
 - d) None of the above
- (3) Shortcut key to insert a hyperlink in a slide is
- a) Ctrl + H
 - b) Ctrl + K
 - c) Hyperlinks can't be created in slides
 - d) None of the above
- 4) What is the maximum zoom percentage in Microsoft PowerPoint?
- a) 100%
 - b) 200%
 - c) 400%
 - d) 800%
- (5) What is the shortcut key to jump to the first slide of power point presentation:
- a) home
 - b) Alt + home
 - c) Shift + home
 - d) Ctrl + home
- (6) Binary system has a base of
- a) 2
 - b) 10
 - c) 8
 - d) 16
- (7) 1GB is equal to _____ MB
- a) 10
 - b) 100
 - c) 1000
 - d) 1024

P.T.O

- (8) Identify the software that is an example of system software.
- a) MS Word
 - b) MS Excel
 - c) MS Windows
 - d) MS Power Point
- (9) Identify the chart that uses connecting dots to depict the trends over a period of time.
- a) Line Chart
 - b) Pie Chart
 - c) Bar Chart
 - d) Cone Chart
- (10) All formulae in MS Excel start with
- a) %
 - b) +
 - c) =
 - d) -
- (11) To join together two text columns, you use the operator.
- a) #
 - b) &
 - c) ^
 - d) +
- (12) Bold, Italic, Regular are known as
- a) font styles
 - b) font effects
 - c) word art
 - d) text effect
- (13) The word 'Computer' is CPU and
- a) Secondary memory
 - b) Primary memory
 - c) Input devices
 - d) Output devices
- (14) You need to jump to the next column breaking current column right at the cursor position. How can you break column?
- a) Pressing Ctrl + Enter
 - b) Pressing Alt + Shift + Enter
 - c) Break command from insert menu
 - d) Both b and c

Contd... P-7.

- (15) You can detect spelling and grammar errors by
- a) Press Shift + F7
 - b) Press Ctrl + F7
 - c) Press Alt + F7
 - d) Press F7
- (16) Changing the appearance of a document is called
- a) Proofing
 - b) Editing
 - c) Formatting
 - d) All of above
- (17) Which device can produce the final product
- a) Memory
 - b) Input device
 - c) Output device
 - d) CPU
- (18) Which device is used for reading data?
- a) Logic
 - b) Storage
 - c) Control
 - d) Input device
- (19) Which devices allow the user to add components and capabilities to a computer system?
- a) Mother boards
 - b) Hard disks
 - c) Input device
 - d) Expansion slots
- (20) The storage device can be carried around is?
- a) FDD
 - b) HDD
 - c) Floppy disk
 - d) Hard disk

(Marks: 20X1=20)

For
SAS Part-2
Session 8/2018
Paper-6th
(Accounts and Auditing)

Time Allowed : 3 Hrs.

Marks :100

Note :

- * Attempt all the questions and part of a question must be attempted continuously at one place.
- * Rough work should be done on the space provided for in the answer sheet at Page-2.
- * Missing data, if any, be assumed but must be indicated specifically in the answer.

1. (a) Aman Associates purchased a machine on 1st October, 2015 for Rs. 18,00,000. Depreciation was charged @ 10% p.a. on Reducing Balance Method. One-third of the machinery was sold on 1st Jan., 2017 for Rs. 4,50,000 and purchased another machinery for Rs.9,00,000 on that date. It further sold the remaining machinery purchased in 2015 for Rs. 8,00,000 on 31st Aug., 2017. Another machinery was purchased on 1st October, 2017 for Rs. 5,00,000.

Prepare the Machinery Account for three accounting years when the books are closed on 31st March every year.

(8 Marks)

1. (b) Mr. Jones is having two accounts (A and B) with Central Bank of India. On 31-3-2018 his ledger showed a balance of Rs. 5,000 in account 'A' and an overdraft of Rs 2,250 in account 'B'. On verifying the ledger entries with the respective bank statements the following were noted :—

Contd. ... P-3

- (i) A deposit of Rs. 1,500 made into 'A' on 20-3-2018 has been entered in the ledger in account 'B'.
- (ii) A withdrawal of Rs. 500 from account 'A' on 2-3-2018 has been entered in the ledger in account 'B'.
- (iii) Two cheques of Rs. 500 and Rs. 750 deposited in 'A' account on 21-3-2018 (and entered in the books in 'B' account) have been dishonoured by the bankers. The entries for the dishonour of these cheques have been entered in the books in 'B' account.
- (iv) In the accounts 'A' and 'B' Mr. Jones has issued on 29-3-2018 cheques for Rs. 10,000 and 1,000 respectively and these have not been cashed till 31-3-2018.
- (v) Incidental charges of Rs. 10 and Rs. 25 charged in the accounts 'A' and 'B' respectively have not been entered in the books.
- (vi) The bank has credited an interest of Rs. 50 for account 'A' and has charged interest Rs. 275 for account 'B', which have not been recorded in the books.
- (vii) The deposits of Rs. 5,000 and Rs. 3,500 made into account 'A' and 'B' both on 31-3-18 had not been given credit to by the bank till 31-3-18.

Draw the bank reconciliation statements for the above accounts.

- 1. (c) Explain the factors affecting depreciation. (Marks 8)
- 2. (a) When should capitalisation of Borrowing Cost cease as per AS-16 ? (Marks 4)
- 2. (b) Incentive received from the State Government has been treated as Capital Subsidy, Comment. (Marks 5)
- 2. (c) How is the Recoverable amount of an asset determined ? (Marks 5)
- 2. (d) How can related party Transactions and relationships affect the financial position, results of a reporting enterprise ? (Marks 5)

(Marks 5)

P.T.O.

3. (a) Explain the difference between Private Limited Company and Public Limited Company. (Marks 6)

3. (b) X Ltd. makes an issue of 40,000 equity shares of Rs. 10 each payable as below :

On application Rs. 3 ; on allotment Rs. 3 and on first and final call Rs. 5 (three months after allotment).

Applications were received for 52,000 shares and Directors made allotment in full to the applicants demanding ten or more shares and returned money to the applicants for 12,000 shares. One shareholder who was allotted 80 shares paid first and final call with allotment money and another shareholder allotted 120 shares did not pay allotment money on his shares, but which he paid with the first and final call. Directors have decided to charge and allow interest, as the case may be, on calls in arrears and calls in advance respectively according to the provisions of Table F. Give the necessary Journal Entries in the books of the company.

(Marks 8)

3. (c) Discuss the provisions of law with regard to redemption of Redeemable Preference Shares as laid down in Section 55 of the Companies Act, 2013. (Marks 6)

4. Differentiate between followings :

(a) Internal Check and Internal Audit

(b) Vouching and Verification

(c) Internal Audit and Statutory Audit

(d) Accounting and Auditing.

(4x5=20 Marks)

5. (a) Explain the factors to be considered while vouching of "Payment of Income Tax" and "Petty Cash Expenses".

(10 Marks)

5. (b) Explain the provisions in cost Accounting Record Rules with regards to maintenance of record for interest and finance charges.

(10 Marks)

Q.1: Write very short answers /fill in the blanks.

- I. As per the Employees' Compensation Act in the case of permanent total disablement and death resulting from an injury, the minimum amount of compensation payable to an employee is..... andrespectively.
- II. How much distance is to be maintained as per Factories for the place of drinking water from washing place, urinals /latrine or ant sources of contamination?
- III. Where is the list of industries involving hazardous process described in the Factories Act, 1948
- IV. As per the factories act, after how many years should the factory premises be painted and refurbished?
- V. As per factories act, who will be called as an adult?
- VI. What is the maximum and minimum wages (amount) on which contribution of Employer's /Employee's to be deducted under the Employee state Insurance Act?
- VII. How many hours in a week can an adult work as per factories act?
- VIII. Cool drinking water is mandatory to be provided ifnumber of workers employed in the factory.
- IX. Who administrate ESI fund?
- X. What is the Time limit to intimate the Inspector on change of Factory manager in the factory

10 X 2=20 marks

Q. 2. Write very short answers /fill in the blanks.

- I. Fixed deposit is a negotiable instrument.(true /false)
- II. What is the maximum validity period of cheque from date of issue?
- III. Dishonor of cheque due to insufficiency of funds is covered under sectionof Negotiable Instrument Act.
- IV. Due date to deposit TDS (Tax deducted at source) for tax deducted in the month of March-18 and due date to file TDS return for tax deducted from salary for the quarter ending on 31.03.2018 for PSPCL.
- V. Due date to File Income tax return for salaried person and companies.
- VI. Due dates to file Service Tax returns in a year for companies.

Contd...P-3

- VII. Form to claim concessional tax rate under Central sales Tax act? When it is to be provided?
- VIII. Quorum for board meeting for public & private limited company.
- IX. Whether Companies can extend financial year beyond 12 months under Companies Act, if yes how much and mention the approval required.
- X. The request for the correction or interpretation of the award by the arbitral Tribunal has to be made by the party with in(days/Months).

10 X 2=20 marks

Q.3.1 Rakesh Contracts to sell and deliver to Ajay, on the first of November, 2018 certain cloth which Ajay intends to manufacture into caps of a particular kind, for which there is no demand, except at that season. The cloth is not delivered till after the appointed time, and too late to be used that year in making caps. Please comment on the following claims of the Ajay from Rakesh recoverable under Contract Act.

- Difference between market price and contract price.
 - Loss of profit due to no business of caps due to delay in delivery.
 - Loss due to payment to idle charges paid to workers.
- II. Mr. X working in PSPCL earns taxable salary of Rs 5.00 lakh and 6.00 lakh in financial year 2016-17 and 2017-18 respectively. He has started construction of a House exclusive for own residence on 01.04.2016 by taking loan from friend. The Construction of house is completed on 31.03.2018. Details of house loan is as under.

Financial year	Interest accrued	Interest Paid	Principal paid
2016-17	100000	60000	50000
2017-18	190000	230000	200000

- Calculate Taxable income of Mr. X for the assessment year 2017-18 and assessment year 2018-19.
- III. Calculate Deduction u/s 80C Of Income Tax Act from following payments made during financial year 17-18 of Mr. Rajiv for Assessment year 18-19.

P.T.O

- a. Premium of Rs. 50000 on life insurance policies taken in the name of his major married daughter.
- b. Premium of Rs. 50000 on life insurance policies taken in the name of his major married son, who is a practicing engineer.
- c. Tuition fees Rs 40000 paid to play way school for his minor Daughter.
- d. Premium paid on his life insurance policy of Rs. 40000. Policy was taken in April 2011 and sum assured was Rs. 150000.
- e. Premium on life insurance policy taken in the name of his parents who are dependent on him. Premium paid during the year amounted to Rs. 25200.

7+8+5=20 Marks

Q.4.I: Advice Mr. Raja regarding the admissible deduction under section 80D for the assessment year 2018-19 for payment made during financial year 17-18.

- 1) Payment of medical insurance premium on his policy of Rs. 22,000.
 - 2) Payment of Rs.8000 towards expenditure on preventive health check-up (for his own check-up and check-up of his wife).
 - 3) Cash Payment of medical insurance premium on policy of daughter, dependent on him Rs. 5000.
 - 4) Payment of medical insurance premium on policy of his parents (resident and aged 68 years not dependent on Raja's brother), Rs. 18000 on policy of his father and Rs. 18000 on policy of his mother.
- II. Draft a Notice for Annual general meeting of Public Ltd Company XYZ.
 - III. Write a short note on Benefits to Member of Producer companies.
 - IV. Describe Limits for remuneration & commission to Directors without Government approval.
 - V. Provision for keeping books of accounts other than registered office of & Consequences for not keeping proper books by accounts.

5X4=20 marks

--- Contd --- P-5.

5. Write short notes on following.

- I.** Procedure to be followed while taking samples of emission
- II.** Differences between void and voidable contract.
- III.** Dependant as per Workmen compensation Act.
- IV.** Treatment of Unpaid dividend under Companies Act, 1956.

4 X 5=20 marks

Q.1.

(a) Modern Enterprise Ltd. is considering the purchase of a new computer system for its Research and Development Division, which would cost Rs. 35 lakhs. The operation and maintenance costs (excluding depreciation) are expected to be Rs. 7 lakhs per annum. It is estimated that the useful life of the system would be 6 years, at the end of which the disposal value is expected to be Rs. 1 lakh.

The tangible benefits expected from the system in the form of reduction in design and draughtsmanship costs would be Rs. 12 lakhs per annum. Besides, the disposal of used drawing office equipment and furniture, initially, is anticipated to net Rs. 9 lakhs.

Capital expenditure in research and development would attract 100% write off for tax purposes. The gains from disposal of used assets may be considered tax free. The company's effective tax rate is 50%.

The average cost of capital to the company is 12%. The present value factors at 12% discount rate are:

P.T.O

Years	PVF
1	0.892
2	0.797
3	0.711
4	0.635
5	0.567
6	0.506

After appropriate analysis of cash flows, please advise the company of the financial viability of the proposal.

(b) If the ordering cost per order is Rs. 20, carrying cost is 10% of average inventory value, purchase cost is Rs. 10 per unit and economic order quantity (EOQ) for the product is 400 units; what will be the expected annual demand for the product?

(Marks 15+5=20)

Q.2. (a) Based on the following information prepare a Financial (Cash) Budget for ABC Ltd. :

	1 st quarter (Rs.)	2 nd Quarter (Rs.)	3 rd Quarter (Rs.)	4 th Quarter (Rs.)
Opening cash balance	10,000			
Collection from customers	1,25,000	1,50,000	1,60,000	2,21,000
<u>Payments:-</u>				
Purchase of materials	20,000	35,000	35,000	54,200
Other Expenses	25,000	20,000	20,000	17,000
Salary and Wages	90,000	95,000	95,000	1,09,200
Income tax	5,000	-	-	-
Purchase of machinery	-	-	-	20,000

The company desires to maintain a cash balance of Rs. 15,000 at the end of each quarter. Cash can be borrowed or repaid in multiples of Rs. 500 at an interest of 10% per annum. Management does not want to borrow cash more than what is necessary and wants to repay as early as possible.

Contd... F

- 3 -

In any event, loans cannot be extended beyond four quarters. Interest is computed and paid when the principal is repaid. Assume that borrowings take place at the beginnings and payments are made at the end of the quarters.

- (b) State out-of-pocket cost.
- (c) "Costs may be classified in a variety of ways according to their nature and the information needs of the management".- discuss.

(Marks 12+3+5=20)

Q. 3.

- (a) M/s Tyrotubes trades in four wheeler tyres and tubes. It stocks sufficient quantity of tyres of almost every vehicle. In year end 20X1-X2, the report of sales manager revealed that M/s Tyrotubes experienced stock-out of tyres.

The stock-out data is as follows:-

Stock-out of Tyres*	No. of times
100	2
80	5
50	10
20	20
10	30
0	33

M/s Tyrotubes loses Rs.150 per unit due to stock-out and spends Rs. 50 per unit on carrying of inventory.

Determine optimum safest stock level.

- (b) Define the following as per PSERC (Terms and Conditions for Determination of Tariff Regulations)
- (i) Force Majeure event
- (ii) Open Access Customers

(Marks 15+5=20)

P.T.O

Q. 4.(a) Global Transport Ltd. charges Rs. 90 per ton for its 6-tonnes truck lorry load from city 'A' to city 'B'. The charges for the return journey are Rs. 84 per ton. No concession or reduction in these rates is made for any delivery of goods at intermediate station 'C'. In January 2012, the truck made 12 outward journey for city 'B' with full load out of which 2 tons were unloaded twice in the way at city 'C'. The truck carried a load of 8 tonnes in its return journey for 5 times but was once caught by police and Rs. 1200 was paid as fine. For the remaining trips the truck carried full load out of which all the goods on load were unloaded once at city 'C', but it returned without any load once only from 'C' station to 'A' station. The distance from city 'A' to city 'C' and city 'B' are 140 km. and 300 km. respectively.

Annual fixed costs and maintenance charges are Rs. 60,000 and 12,000 respectively. Running charges spent during January 2012 are Rs. 2,944.

You are required to find out the cost per absolute tonne-kilometre and the profit for January, 2012.

(b) Mention head of accounts as per PSPCL Chart of Accounts:

- (i) Govt. of Punjab loan under Uday Scheme.
- (ii) Intangible Assets written off.
- (iii) Credit Rating Charges.
- (iv) Other Income transferred from Consumer Contribution.
- (v) Encashment of Earned Leave at the time of Leave Travel Concession.

[Marks (15+5)=20]

Q. 5. (a) Chair Manufactures Ltd. present the following information for the past year:

Material cost	...	Rs. 1,20,000
Labour cost	...	Rs. 2,40,000
Fixed overheads	...	Rs. 1,20,000
Variable overheads	...	Rs. 60,000
Units produced	...	Rs. 12,000
Selling price	...	Rs. 50 per unit

Contd. ...

← 5 →

The available capacity is a production of 20,000 units per year. The firm has an offer for the purchase of 5,000 chairs at a price of Rs. 40 per unit. It is expected that by accepting this offer there will be saving of Re. 1 per unit in material costs on all units manufactured, the fixed overheads will increase by Rs. 35,000 and the overall efficiency will drop by 2 per cent on all production. Prepare evaluation report/statement for the management giving your recommendations as to whether or not the offer should be accepted.

(b) From the following data relating to a company.

Period	Total Sales	Total Cost
	Rs.	Rs.
I	42,500	38,700
II	39,200	36,852

Calculate break – even Sales

(c) From the data given in Q 5(b) Calculate Sales required to earn a profit of Rs. 6,000 per period.

[Marks (14+3+3)=20]