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PAR/CCM-17/13

2014

COMMERCE AND ACCOUNTANCY

FIRST PAPER

Full Marks : 200

Time : 3 hours

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

PART—I

Answer any two questions

1. (a) Answer any four of the following questions : 5×4=20
- (i) Define the term 'assessment year' as per the Indian Income-tax Act, 1961.
  - (ii) Explain the significance of variance analysis.
  - (iii) Distinguish between Cost Accounting and Financial Accounting.
  - (iv) Explain the basis of charge of income tax.
  - (v) Write a short note on capital gains tax.
  - (vi) How are perquisites taxable under the 'Income from Salary' head?

14T—200/91

(Turn Over)



(b) Ms. Sonali owns two houses at Silchar. From the following details, you are required to ascertain her income from house property for the year ending on 31.03.2013 :

20

Particulars	House No. I	House No. II
Municipal Value (in ₹)	1,00,000 p.a.	70,000 p.a.
Fair Rental Value (in ₹)	1,20,000 p.a.	1,00,000 p.a.
Standard Rent (in ₹)	1,10,000 p.a.	1,05,000 p.a.
Rent Received (in ₹)	15,000 p.m.	Nil
Municipal Taxes (in ₹)	15,000 p.a.	5,000 p.a.
Interest on Loan on Construction (in ₹)	24,000 p.a.	18,000 p.a.
Vacancy Period	2 months	Nil
Nature of Occupation	Let out	Used for own business

2. (a) In a factory, where 100 workers are employed, the average wage rate is ₹ 50 per hour; standard working hours per week are 40 and the standard performance is 10 units per gang hour. During a particular week, wages paid were as below :

For 50 workers @ ₹ 50 per hour  
 For 10 workers @ ₹ 70 per hour  
 For 40 workers @ ₹ 40 per hour



The output during that week was 380 units. The factory was on breakdown for 5 hours and could not work.

On the basis of the above information, calculate labour variance. 20

(b) What is meant by 'cost reduction'? Mention various tools and techniques of cost reduction. Also mention the difficulties faced in the implementation of cost reduction techniques. 20

3. (a) Write detailed notes on the following giving examples : 10+10=20

(i) Flexible budget

(ii) Audit report

(b) (i) Explain the powers, duties and responsibilities of a company auditor. 10

(ii) Explain the special points to be considered while conducting audit of a bank. 10



4. (a) Write critical notes on the following :  
10+10=20
- (i) Indirect tax
  - (ii) Apportionment of overhead charges
- (b) Explain the functions of various income tax authorities as per the Indian Income-tax Act, 1961. 20

PART—II

Answer *any three* questions.

5. (a) Describe the functions of a finance manager in a firm. 20
- (b) What are various techniques of capital budgeting? Explain the merits and demerits of these techniques. 20
6. (a) Critically examine the organization and deficiency of Indian money market in the context of globalization of the economy. 20
- (b) Discuss critically the dividend policy model as advocated by J. E. Walter. 20



7. (a) Write notes on the following :  $5 \times 4 = 20$

- (i) Cost of capital
- (ii) Optimal capital structure
- (iii) Capital gearing
- (iv) Debt-equity ratio

(b) What are various concepts of working capital? Explain the factors determining the working capital requirement of a business firm.

20

8. (a) Explain the important methods of credit control. In this context, critically examine the credit control policy of the Reserve Bank of India.

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(b) Write critical notes on the following

10+10=20

- (i) Indian capital market
- (ii) Money market instruments as used in India

9. (a) Answer the following questions :  $5 \times 4 = 20$

- (i) Explain the operating cycle concept of working capital.
- (ii) Explain the term 'insider trading'
- (iii) Write briefly on the functions of IDBI.
- (iv) What is 'stable dividend policy'?

- (b) Write a critical note on the protection to the paying and collecting bankers as provided by the Banking Regulation Act, 1949. 20
10. (a) Examine critically the investment policy of Life Insurance Corporation of India. 20
- (b) Write short notes on the following : 5×4=20
- (i) Holder in due course
  - (ii) Bills of exchange
  - (iii) Special crossing
  - (iv) Tandon committee

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