

PUNYASHLOK AHILYA DEVI HOLKAR, SOLAPUR UNIVERSITY, SOLAPUR.

**COOPERATIVE DEVELOPMENT
B. COM. III, SEM-V
(W. E. F. JUNE 2021)
FOR MARCH 2022 EXAMINATION**

QUESTION BANK

Q.1 B)	Explain Following Concepts:	04
1	Principles of cooperation	
2	Consumer Cooperative Society	
3	Cooperative Training	
4	Consumer cooperative society	
5	Dairy Cooperative society	
6	Cooperation	
7	Cooperative training	
8	Agriculture cooperative	
9	Kibbutz	
10	Cooperative education	
Q.2.	Write short Notes (any two)	06
1	Reasons behind origin of credit cooperative movement in Germany	
2	Moshav Cooperative in Israel	
3	Raiffeisen Society	
4	National Co-operative Union of India (NCUI)	
5	Schulze Delitzch Society	
6	Kibbutz	
7	Causes of rise of consumer cooperative movement in England	
8	Dairy cooperative movement in Denmark	
9	National Cooperative Development Corporation (NCDC)	
10	Democratic principles adopted in co-operation.	
Q.3.	Explain the role of cooperation in economic development.	10
1	Write the functions of NABARD	
2	Write the features of co-operation	
3	Write the principles of co-operation	
4	Explain the problems of cooperative education and training.	
5	Explain development of dairy cooperative movement in Denmark.	
Q.4.	Attempt any one of the following questions	12
1	Explain the Provisions regarding General Meeting, Audit & Supervision of the Maharashtra Co-operative Act 1960.	
2	Write the meaning and need of Cooperative Education and Training.	
3	Explain the Provisions regarding membership, Registration of the Maharashtra Co-operative Act 1960.	

4	Explain the consumer cooperative movement in England	
5	Explain the agriculture cooperative movement in Israel	

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प्र.१ ब) खालील संकल्पना स्पष्ट करा:

०४

- 1 सहकाराची तत्त्वे
- 2 पत सहकारी संस्था
- 3 सहकारी प्रशिक्षण
- 4 ग्राहक सहकारी संस्था
- 5 दुग्ध सहकारी संस्था
- 6 सहकार
- 7 सहकारी प्रशिक्षण
- 8 कृषी सहकार
- 9 किबुट्झ
- 10 सहकारी शिक्षण

Q.2. टिपा लिहा (कोणत्याही दोन)

06

- 1 जर्मनीतील पत सहकारी चळवळीच्या उत्पत्तीमागील कारणे
- 2 इन्स्रायलमधील मोशाव सहकारी संस्था
- 3 रायफिसेन सोसायटी
- 4 नॅशनल को-ऑपरेटिव्ह युनियन ऑफ इंडिया (NCUI)
- 5 शुल्झ डेलीच सोसायटी
- 6 किबुट्झ
- 7 इंग्लंडमधील ग्राहक सहकारी चळवळीच्या उदयाची कारणे
- 8 डेन्मार्क मधील दुग्ध सहकारी चळवळ
- 9 राष्ट्रीय सहकारी विकास महामंडळ (NCDC)
- 10 सहकारात स्विकारलेली लोकशाही तत्त्वे

Q.3.

10

- 1 नाबार्डची कार्ये लिहा
- 2 सहकाराची वैशिष्ट्ये लिहा
- 3 सहकाराची तत्त्वे लिहा
- 4 सहकारी शिक्षण आणि प्रशिक्षणाच्या समस्या सांगा.
- 5 डेन्मार्कमधील डेअरी सहकारी चळवळीचा विकास स्पष्ट करा.

Q.4. खालीलपैकी कोणत्याही एका प्रश्नाचे उत्तर द्या .

12

- 1 महाराष्ट्र सहकारी अधिनियम 1960 मधील सर्वसाधारण सभा, लेखापरीक्षण आणि पर्यवेक्षण यासंबंधीच्या तरतुदी स्पष्ट करा.
- 2 सहकारी शिक्षण आणि प्रशिक्षणाचा अर्थ आणि गरज लिहा.
- 3 महाराष्ट्र सहकारी अधिनियम 1960 मधील सदस्यत्व, नोंदणी यासंबंधीच्या तरतुदी स्पष्ट करा.
- 4 इंग्लंडमधील ग्राहक सहकारी चळवळ चा विकास स्पष्ट करा

5. इस्त्रायलमधील कृषी सहकारी चळवळ चा विकास स्पष्ट करा
6. आर्थिक विकासात सहकाराची भूमिका स्पष्ट करा.

Question Bank

Course: B.COM. III SEM: VI
Subject: Advanced Accountancy Paper II (Income Tax)
Syllabus: CBCS JUNE 2021

Concepts (2 Marks)

- 1) Assessment Year
- 2) Previous Year
- 3) Assessee
- 4) Net Annual Value
- 5) Casual Income

Short Notes / Short Answers (3 Marks)

- 1) Person [Section 2 (31)]
- 2) CGST, SGST and IGST
- 3) Goods and Services Tax (GST)
- 4) Gross Annual Value
- 5) Gross Total Income

Short Problems (3 Marks)

- 1) Shri Abhijit Sharma working in Delhi, receives House Rent Allowances from his employer. Following is the information available from his salary details.

Particulars	Rs.
Basic Salary per month	40,000
Dearness Allowance per month (50% forms part of retirement benefits)	40,000
House Rent Allowance per month (Rent paid Rs. 12,000 per month in Delhi)	10,000

Find Out the amount of House Rent Allowance (HRA) eligible for exemption U/S 10(13A) to Shri Abhijit Sharma as per old regime of Tax

- 2) Mr. Somnath is employed with XY Ltd. on a basic salary of Rs. 20,000 p.m. He also entitled to dearness allowance @ 100% of basic salary, 50% of which is included in salary as per terms of employment. The Company gives him house rent allowance of Rs. 6,000 p.m. Rent paid by him during the previous year 2020-2021 is Rs. 7,000 p.m. Find Out the amount of House Rent Allowance (HRA) eligible for exemption U/S 10(13A) to Mr. Somnath as per old regime of Tax

- 3) Mr. Ajit Kumar has the following receipts from his employer

Basic Salary	Ra. 30,000 p.m.
Dearness Allowance	Rs. 15,000 p.m.
House Rent Allowance	Rs. 5,000 p.m.

Find Out the amount of House Rent Allowance (HRA) eligible for exemption U/S 10(13A) to Mr. Ajit Kumar assuming that he paid a rent of Rs. 6,000 p.m. for his accommodation at Pune. Dearness Allowance forms part of salary for retirement benefits.

- 4) Compute the taxable house rent allowance of Mr. Shobhit as per old regime of Tax from the following data:
- Basic Salary Rs. 50,000 p.m.
 - Dearness Allowance Rs. 20,000 p.m.,
 - House Rent Allowance Rs. 15,000 p.m.,
 - Rent paid by Mr. Shobhit Rs. 18,000 p.m. in Pune.

- 5) Mr. Sudhakar is employed with AB Ltd at Mumbai. He furnishes following details for previous year 2020-21

Particulars	Rs.
Basic Salary per month	50,000
Dearness Allowance per month (60% forms part of retirement benefits)	10,000
Commission @ 1% as fixed percentage on turnover (Turnover for the P.Y. is Rs. 20,00,000)	20,000
House Rent Allowance per month (Rent paid Rs. 17,000 per month in Mumbai)	14,000

Find Out the amount of House Rent Allowance (HRA) eligible for exemption U/S 10(13A) to Mr. Sudhakar as per old regime of Tax

Long Problems (10 Marks)

1. Mr. Singh, owner of two houses in Pune, furnished the following information. Compute his income from house property for the assessment year 2021-22

	House 1 (Self-Occupied)	House 2 (Let Out)
	Rs.	Rs.
Municipal value p.a.	13,00,000	13,50,000
Fair rent p.a.	16,00,000	19,00,000
Standard rent p.a. under Rent Control Act	15,00,000	18,00,000
Municipal tax (10% of municipal value) paid by assessee		
Interest on loan taken for purchases of houses for P.Y. 2020-2021	1,70,000	1,65,000

2. Mr. Shah, owner of two houses in Kolhapur furnished the following information. Compute his income from house property for the assessment year 2021-22

	House 1 (Self-Occupied)	House 2 (Let Out)
	Rs.	Rs.
Municipal value p.a.	7,50,000	7,00,000
Fair rent p.a.	7,25,000	7,30,000
Standard rent p.a. under Rent Control Act	7,00,000	7,25,000
Actual Rent Received per month	--	60,000
Municipal tax (10% of municipal value) paid by assessee		
Interest on loan taken for purchases of houses for P.Y. 2020-2021	1,95,000	1,90,000
Interest on Loan taken for repairs of houses for P.Y. 2020-2021	30,000	30,000

3. Mr. Sanjay has two houses, the particulars of the houses for the P.Y. 2020-21 are as under

	House I Let Out	House II Self - Occupied
Municipal Valuation	Rs. 2,50,000	Rs. 4,50,000
Fair Rent p.a.	Rs. 2,00,000	Rs. 4,20,000
Standard rent p.a.	Rs. 2,10,000	Rs. 4,00,000
Date of Completion	31.03.1999	31.03.2001
Municipal Taxes paid by Mr. Sanjay during the year	10%	10%
Interest on money borrowed for repair of house property during the current year	--	Rs. 50,000

Compute Mr. Sanjay Income from House Property for A.Y. 2021-22.

4. Mr. Sachin has two houses, one of which are self-occupied. The particulars of the houses for the P.Y.2020-21 are as under:

Particulars	House I (Self-Occupied) Rs.	House II (Let Out) Rs.
Municipal valuation p.a.	10,50,000	10,50,000
Fair rent p.a.	10,75,000	10,75,000
Standard rent p.a.	10,60,000	10,60,000
Actual Rent Received per month	--	90,000
Municipal taxes paid during the year	10 %	10%
Interest on money borrowed for Construction of house property during the current year	2,10,000	2,10,000

Compute Mr. Sachin's income from house property for A.Y. 2021-22.

5. Mr. Chopra has three houses, two of which are self-occupied. The particulars of the houses for the P.Y.2020-21 are as under:

Particulars	House I (Self-Occupied) Rs.	House II (Let Out) Rs.	House III (Self-Occupied)
Municipal valuation p.a.	10,50,000	10,50,000	10,50,000
Fair rent p.a.	10,75,000	10,75,000	10,75,000
Standard rent p.a.	10,60,000	10,60,000	10,60,000
Actual Rent Received per month	--	90,000	--
Municipal taxes paid during the year	10 %	10%	10 %
Interest on money borrowed for Construction of house property during the current year	2,10,000	2,10,000	2,10,000

Compute Mr. Chopra income from house property for A.Y. 2021-22.

Long Problems (12 Marks)

- 1) From the following particulars of Mr. Athwale for the year ended 31-03-2021. Compute his Income from business for the A.Y. 2021-22.

Profit and Loss A/c

Particulars	Rs.	Particulars	Rs.
To Salary	2,00,000	By Gross Profit	8,00,000
To Office rent	1,00,000	By Rent from Let Out house property	1,80,000
To General Expenses	15,000	By Interest on Bank Deposits	45,000
To Advertisement	50,000	By Dividend from Indian company	25,000
To Interest on capital	40,000		
To Interest on Bank loan	30,000		
To Fire Insurance	10,000		
To Life Insurance premium	15,000		
To Income Tax	10,000		
To Wealth Tax	15,000		
To Personal Drawings	40,000		
To Repairs on Let Out house property	15,000		
To Household expenses	50,000		
To Printing and Stationery	20,000		
To Postage	5,000		
To Legal Expenses	10,000		
To Car Expenses	40,000		
To Depreciation	60,000		
To Net Profit	3,25,000		
	<u>10,50,000</u>		<u>10,50,000</u>

Additional Information:

- a) Stationery included Rs. 5,000 being cost of book for his son.
- b) Depreciation allowable as per rules Rs. 75,000
- c) Half of car expenses are pertaining to Business use.
- d) General expenses included Rs. 3,000 being donations to charitable trust

- 2) Mr. Suryakant is carrying on a business, submits his Trading & Profit and Loss Account for the year ending 31st March, 2021

Trading & Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening stock	1,50,000	By Sales	10,60,000
To Purchases	5,00,000	By Closing Stock	1,49,000
To Wages	1,00,000		
To Gross Profit	4,59,000		
	12,09,000		12,09,000
To General expenses	11,000	By Gross Profit	4,59,000
To Depreciation of car	15,000	By Gift from father	10,000
To Rent	50,000	By Income tax refund	66,000
To Repairs of car	40,000	By Interest on Income Tax refund	1,000
To Wealth tax paid	10,000	By Interest on Fixed deposits	25,000
To Medical expenses	20,000	By Dividend from domestic company	15,000
To Interest on Capital	35,000		
To Provision for Bad debts	5,000		
To Salaries	80,000		
To Drawings	10,000		
To Profit for the year	3,00,000		
	5,76,000		5,76,000

Following further information is given:

- 1) Medical expenses were incurred for treatment of his wife
- 2) Half of the car is used for Personal reasons.
- 3) Depreciation as per income tax rule is Rs. 18,000
- 4) Wages include Rs. 8,000 on account of wages paid to driver on Family trip

Compute his Income from business for the A.Y. 2020-21

- 3) Satyajeeet gives you the following Trading and Profit and Loss A/C for the year ended 31st March 2021.

Trading and Profit and Loss A/c

Particulars	Rs.	Particulars	Rs.
To Opening Stock	5,40,000	By Sales	2,97,60,000
To Purchases	2,85,00,000	By Closing Stock	10,80,000
To Gross Profit c/d	18,00,000		
	3,08,40,000		3,08,40,000
To Salaries	3,60,000	By Gross Profit b/d	18,00,000
To Rent and Rates	2,16,000	By Income from UTI	15,000
To Interest on Loan	90,000	By Rent Received from House Property	75,000
To Depreciation	2,70,000	By Dividend	30,000
To Printing and Stationery	75,000		
To Postage and Telegrams	4,500		
To Loss on sale of Shares (short term)	45,000		
To Other general expenses	49,500		
To Net Profit	8,10,000		
	19,20,000		19,20,000

Additional Information:

- a) Salary includes Rs. 12,000 paid to his brother and was unreasonable.
 - b) Depreciation as per income tax law is Rs. 1, 80,000.
 - c) The whole amount of printing and stationery was paid in cash by way of onetime payment.
 - d) Other general expenses includes Rs. 12,000 paid as donation to a public charitable trust.
 - e) Interest paid on Loan is for a Business Loan.
- Compute the income from business for A.Y. 2021-22.

- 4) Dr. Aniket Sharma is a medical practitioner who maintain his books of account on cash basis he furnish the following information.

Receipt and Payment A/c
for the year ended 31-03-2021

Receipts	Rs.	Payments	Rs.
To Balance b/d	26,000	By Salary to staff	1,60,000
To Consultation fees	3,30,000	By Rent of clinic	44,000
To Visiting fees	40,000	By Electricity Expenses	10,200
To OPD charges	1,70,000	By Printing and Stationery	2,400
To Sale of Medicine	1,00,000	By Professional Books	8,000
To Dividend	22,000	By Medicines Purchased	76,000
To Gifts from patients	20,000	By Household Expenses	1,12,500
To Interest on Deposits	20,000	By Income tax	25,000
		By Life Insurance premium	12,000
		By Gift to wife	15,000
		By Car expenses	40,000
		By Membership fees	6,000
		By Balance c/d	2,16,900
	7,28,000		7,28,000

Additional Information

1. Electricity expenses include Rs. 5,200 for private purpose.
2. Closing stock of medicine amounted to Rs. 10,000.
3. Depreciation on car as per Income-tax Rules Rs. 70,000.
4. Depreciation on professional books – 100%.
5. Half of car expenses related to personal use.
6. Compute income from Profession of Dr. Aniket Sharma for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 5) Mr. Thakur is a Practicing advocate at Solapur. Following is the summary of cash book for the year ending 31-3-2021.

Receipts	Rs.	Payments	Rs.
To Balance b/d	70,000	By Salary to Assistants	50,000
To Professional Fees	3,20,000	By Rent of Chamber	36,000
To Arbitration Fees	80,000	By Household Expenses	2,30,000
To Gifts	50,000	By Membership Fees	12,000
To Life Insurance policy amount received	4,00,000	By Car Expenses	40,000
To Interest on Bank Deposits	40,000	By Fixed Deposits with Bank	5,00,000
To Agricultural Income	1,40,000	By Books for profession	20,000
		By Wealth Tax	10,000
		By Donations	8,000
		By Bonus and Gifts to staff	20,000
		By Purchase of Laptop	50,000
		By Telephone Expenses	26,000
		By Balance c/d	98,000
	<u>11,00,000</u>		<u>11,00,000</u>

Additional Information:

- i) 1/5th (one-fifth) of the car expenses are related to personal use.
- ii) Membership fees included Rs. 8,000 to bar council and balance to private club.
- iii) Gifts included Rs. 15,000 received from friends and relatives on family function and balance from clients.
- iv) Depreciation allowable on assets as per income tax rules amounted to Rs. 35,000, including Rs. 10,000 on car but excluding that on cost of Books purchased for profession
- v) Depreciation on professional books @ 100%

Compute Income from Profession of Mr. Thakur for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

Long Problem (12 Marks)

1. Mr. Ahuja is an employee of Private Company in Mumbai. His salary details for year ended 31-03-2021 are as under

Particulars
1) Basic Salary Rs. 55,000 p.m.
2) Dearness Allowances (part of retirement benefits) Rs, 40,000 p.m.
3) Hostel expenditure allowances Rs. 2,000,p.m. per child for 2 children
4) House rent allowance Rs. 10,000 per month (rent paid Rs. 12,000 p.m.)
5) Employers Contribution to RPF @ 15%
6) Interest credited to RPF @ 11% is Rs. 50,000
7) City compensatory allowance Rs. 15,000 p.a.
8) Gifts from employer in the year Rs. 6,000.
9) Motor car provided by company with driver for partly personal use. Capacity 2,400 CC
10) Gas, water bill and electricity paid by company Rs. 1,000 p.m.
11) Free domestic Facility: a) Cook Rs. 3,000 p.m. b) Maid Rs. 48,000 p.a.
12) Free lunch facility Rs. 80 per lunch. (used for 300 days in a year)
13) Interest free loans of Rs. 6, 00,000 (SBI interest Rate is 8.00 % p.a.)
14) Professional tax paid by employer Rs, 2,500.
15) Other cash allowances Rs. 1,500 p.m.
16) Interim allowances Rs. 3,000.

Compute the Income from Salary in the hands of Mr. Ahuja for the A.Y. 2021-22, without considering provisions of section 115BAC

2. From the salary details of Mr. Kadam is an employee of XYZ Ltd. For year ended 31-03-2021

Particulars
- Basic Salary Rs. 45,000 p.m.
- Dearness Allowances 120 % of Basic Salary(50% for retirement benefits)
- Overtime Allowances Rs. 20,000
- Hostel expenditure allowances Rs. 1,000,p.m.
- Rent Free Furnished Accommodation (population of city is 12,00,000)
- Hire charges of Furniture Rs. 5,000 p.m.
- Employers Contribution to RPF Rs. 20,000 p.m.
- Interest credited to RPF @ 10 % is Rs. 1,00,000
- City compensatory allowance Rs. 5,000 p.m.
- Medical treatment of wife at abroad Rs. 5, 00,000 with one attendant. (RBI permitted Rs. 4,00,000)
- Uniform allowances (actual expenditure Rs. 12,000) Rs. 10,000
- Transport Allowance Rs. 2,500 p.m.
- Gifts of Gold Ring to Employee on occasion Rs. 12,000
- Motor car provided by company with driver for office and personal use. Capacity 2,000 CC,
- Gas, water bill and electricity paid by company Rs. 3,000 p.m.
- Free domestic Facility of Maid Rs. 2,500 p.m.
- Lunch allowances Rs. 3,000 p.m.
- Interest free or concessional loans of Rs. 18,000. @ 5%p.a. (SBI interest Rate is 8% p.a.)
- Professional tax paid by employer Rs, 2,500

Compute the Income from Salary in the hands of Mr. Kadam for the A.Y. 2021-22, without considering provisions of section 115BAC

3. Mr. Varun is employee of Limited Company at Pune. Furnishes you the following information for the year ended on 31.03.2021.

Particulars
- Basic Salary Rs. 45,000 p.m.
- Dearness Allowances (100% retirement benefits) Rs, 25,000 p.m.
- House Rent Allowances (rent paid Rs. 10,000 p.m.) Rs. 8,000 p.m.
- Employers Contribution to RPF @ 16% of Salary
- Interest credited to RPF @ 9.5 %
- Transport allowance Rs. 3,000 p.m.
- Interim Allowance Rs. 1,000 p.m.
- Motor car provided by company with driver for office and personal use. Capacity 1,600 CC.
- Free domestic servant: a) Cook Rs. 3,000 p.m. b) Maid Rs. 1,500 p.m.
- Professional tax paid by Rs. 2,500 out of which Rs. 2,000 were paid by employer
- Entertainment Allowances Rs. 1,200 p.m.
- Children education allowances for 3 children Rs. 1,000 p.m.
- Hostel expenditure allowances Rs. 1,200 p.m.

Compute the Income from Salary in the hands of Mr. Varun for the A.Y. 2021-22 without considering provisions of section 115BAC

4. Mr. Arun is employee of AB Ltd. at Sangali. Furnishes you the following information for the year ended on 31.03.2021.
- i) Basic Salary Rs. 60,000 p.m.
 - ii) Dearness Allowance @ 75% of Basic Salary (all forms part of retirement benefits)
 - iii) Transport Allowance Rs. 2,000 p.m.
 - iv) Entertainment Allowance Rs. 1,000 p.m.
 - v) Children Education Allowance for 2 Children Rs. 400 p.m. per child
 - vi) House Rent Allowance (Rent Paid by Mr. Arun is Rs. 15,000 p.m.) Rs. 12,000 p.m.
 - vii) Professional tax Paid by employer is Rs. 2,500
 - viii) Contribution of employer to Recognised Provident Fund Account of the employee @ 18 % of Basic Salary
 - ix) Interest credited to RPF @ 10% is Rs. 80,000
 - x) Free Domestic servant facility provided by the company Rs. 3,000 p.m.
 - xi) Gas, water bill and electricity paid by company Rs. 1,000 p.m.
 - xii) Interest free loans of Rs. 5, 00,000 (SBI interest Rate is 9.50 % p.a.)

Compute the Income from Salary in the hands of Mr. Arun for the A.Y. 2021-22 without considering provisions of section 115BAC

5. Mr. Rohit is residing in Solapur and employed with AB Ltd. at Solapur. Furnishes you the following information for the year ended 31.03.2021.
- i Basic Salary Rs. 30,000 p.m.
 - ii Dearness Allowance @ 40% of Basic Salary (forms part of retirement benefits)
 - iii Entertainment Allowance Rs. 1,000 p.m.
 - iv Transport Allowance Rs. 6,000 p.m.
 - v House Rent Allowance (Rent Paid by Mr. Rohit is Rs. 7,000 p.m.) Rs. 6,000 p.m.
 - vi Children Education Allowance for 2 Children Rs. 300 p.m. per child
 - vii Contribution of employer to Recognised Provident Fund Account of the employee @ 20 % of Basic Salary
 - viii Interest credited to R.P.F @ 8.50% p.a is Rs. 85,000
 - ix Laptop Facility was provided to Mr. Rohit for both official and personal use
 - x Professional tax Paid by Mr. Rohit is Rs. 2,500

Compute the Taxable Salary in the hands of Mr. Rohit for the A.Y. 2021-22 without considering provisions of section 115BAC

Question Bank

Course: B.COM III SEM: VI
Subject: Advanced Accountancy Paper II (Income Tax)
Syllabus: CBCS JUNE 2021

Concepts (2 Marks)

- 1) Assessee [Sec. 2(7)]
- 2) Assessment Year [Sec. 2(9)]
- 3) Previous Year [Sec. 3]
- 4) Casual Income [sec. 56 (2) (ib)]
- 5) CGST, SGST and IGST

Short Notes / Short Answers (3 Marks)

- 1) Gross Total Income [Sec. 80 B (5)]
- 2) Residential Status of Individual [Sec. 6 (1)]
- 3) Deduction U/S 16 from Gross Salary
- 4) Net Annual Value
- 5) Income from Other Sources

Short Problems (3 Marks)

- 1) Mr. Anand has a property whose municipal valuation is Rs. 1, 30,000 p.a. The fair rent is Rs. 1, 10,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 1, 20,000 p.a. The property was let out for a rent of Rs. 11,000 p.m. throughout the previous year. Unrealised rent was Rs. 11,000. He paid municipal taxes @10% of municipal valuation. Interest on borrowed capital was Rs. 40,000 for the year. Compute the income from house property of Anand for A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.
- 2) Mr. Deshmukh has a property whose Municipal Valuation is Rs. 10, 00,000 p.a. The Fair Rent is Rs. 8, 00,000 p.a. and the Standard Rent fixed by the Rent Control Act is Rs. 8, 40,000 p.a. The property was Let Out for a rent of Rs. 80,000 p.m. Unrealised rent was Rs. 80,000. He paid Municipal Taxes @ 10% of Municipal Valuation. Interest on borrowed capital was Rs. 2, 50,000 for the year.
Compute the income from house property of Mr. Mr. Deshmukh for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.
- 3) Mr. Gopal has a property whose municipal valuation is Rs. 2, 50,000 p.a. The fair rent is Rs. 2, 00,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 2, 10,000 p.a. The property was let out for a rent of Rs. 20,000 p.m. and rent of 1 month is unrealised. He paid municipal taxes @ 10 % of municipal valuation. Interest on borrowed capital was Rs. 65,000 for the year. Compute the income from house property of Gopal for A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.
- 4) Mr. Jagtap is the owner of a house property in Solapur, It has been let out by Mr. Jagtap for Rs. 4, 80,000 p.a. He paid Municipal Taxes of Rs. 40,000. In current year he paid Interest on loan taken for purchases of house (Loan taken in P.Y. 2019-20) Rs. 2, 00,000.
Compute his income from house property for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.
- 5) Mr. More is the owner of a house property in Pune, It has been let out by Mr. More for Rs. 60,000 p.a. He paid Municipal Taxes of Rs. 6,000. In current year he paid Interest on loan taken for purchases of house (Loan taken in P.Y. 2019-20) Rs. 30,000. Compute his income from house property for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

Long Problems (10 Marks)

- 1) Mr. Jadhav is employee of Limited Company at Kolhapur. Furnishes you the following information for the year ended on 31.03.2021.
- Basic Salary upto 31.10.2020 Rs. 50,000 p.m., and from 01.11.2020 Rs. 60,000 p.m.
 - Dearness allowance @ 40% of basic Salary.
 - Employers Contribution to recognised provident fund account of the employee @ 16% of basic salary
 - Interest credited during the P.Y. on accumulated balance of recognised provident fund is 8.5% p.a.
 - Facility of laptop and computer was provided Rs. 15,000.
 - Hostel expenses allowances of Rs. 1,200 p.m.
 - Transport allowances Rs. 2,000 p.m.
 - House Rent Allowance Rs. 10,000 p.m. (rent paid Rs. 12,000 p.m.)
 - City compensatory allowances of Rs. 700 p.m.
 - House keeper Salary reimbursed by company of Rs. 1,000 p.m.
 - Motor car provided by Employer: Car is owned by employer, Capacity of Car is above 1,600 CC, provided from 01.11.2020, both for personal and official use. Motor car was self-driven by the employee.

Compute the Income from Salary in the hands of Mr. Jadhav for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 2) Mr. Singh is employee of Limited Company at Solapur. Furnishes you the following information for the year ended on 31.03.2021.

Particulars
- Basic Salary Rs. 20,000 p.m.)
- Dearness Allowances (50% retirement benefits) Rs, 10,000 p.m.
- Children education allowances for 3 children Rs. 1,000 p.m.
- Hostel expenditure allowances Rs. 1,250 p.m.
- House Rent Allowances (rent paid Rs. 5,000 p.m.) Rs. 4,000 p.m.
- Employers Contribution to RPF @ 15% of Basic Salary
- Interest credited to RPF @ 8.5 %
- City compensatory allowance Rs. 1,000 p.m.
- Medical allowances Rs. 1,000 p.m.
- Motor car provided by company with driver for office and personal use. Capacity 1,000 CC
- Free domestic Facility: a) Cook Rs. 3,000 p.m. b) Maid Rs. 1,500 p.m.
- Professional tax paid by employer Rs, 3,000
- Entertainment Allowances Rs. 1,200 p.m.

Compute the Income from Salary in the hands of Mr. Singh for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 3) Mr. Ahuja is employee of AB Ltd. at Pune. Furnishes you the following information for the year ended on 31.03.2021.
- i) Basic Salary Rs. 80,000 p.m.
 - ii) Dearness Allowance @ 50% of Basic Salary (all forms part of retirement benefits)
 - iii) Transport Allowance Rs. 3,000 p.m.
 - iv) Entertainment Allowance Rs. 500 p.m.
 - v) Children Education Allowance for 2 Children Rs. 300 p.m. per child
 - vi) House Rent Allowance (Rent Paid by Mr. Anubhav is Rs. 16,000 p.m.) Rs. 14,000 p.m.
 - vii) Professional tax Paid by employer is Rs. 2,500
 - viii) Contribution of employer to Recognised Provident Fund Account of the employee @ 18 % of Basic Salary
 - ix) Free Domestic servant facility provided by the company Rs. 3,000 p.m.
- Compute the Income from Salary in the hands of Mr. Ahuja for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 4) Mr. Anil Khanna is an employee of Private Company in Mumbai. His salary details for year ended 31-03-2021 are as under

Particulars
1) Basic Salary Rs. 45,000 p.m.
2) Dearness Allowances (part of retirement benefits) Rs, 50,000 p.m.
3) Hostel expenditure allowances Rs. 2,500,p.m. per child for 2 children
4) House rent allowance Rs. 10,000 per month (rent paid Rs. 12,000 p.m.)
5) Employers Contribution to RPF @ 14%
6) Interest credited to RPF @ 12% is Rs. 60,000
7) City compensatory allowance Rs. 20,000 p.a.
8) Gifts from employer in the year Rs. 4,500.
9) Motor car provided by company with driver for partly personal use. Capacity 2,400 CC
10) Gas, water bill and electricity paid by company Rs. 2,000 p.m.
11) Free domestic Facility: a) Cook Rs. 3,500 p.m. b) Maid Rs. 50,000
12) Free lunch facility Rs. 75 per lunch. (used for 300 days in a year)
13) Interest free loans of Rs. 4, 00,000 (SBI interest Rate is 8.5 % p.a.)
14) Professional tax paid by employer Rs, 2,500.
15) Other cash allowances Rs. 2,500 p.m.
16) Interim allowances Rs. 4,000.

Compute the Income from Salary in the hands of Mr. Anil Khanna for the A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.

- 5) From the salary details of Mr. Sagar is an employee of XYZ Ltd. For year ended 31-03-2021

Particulars
- Basic Salary Rs. 47,000 p.m.
- Dearness Allowances 125 % of Basic Salary(50% for retirement benefits)
- Overtime Allowances Rs. 25,000
- Hostel expenditure allowances Rs. 2,500,p.m.
- Rent Free Furnished Accommodation (population of city is 12,00,000)
- Hire charges of Furniture Rs. 2,000 p.m.
- Employers Contribution to RPF Rs. 22,000 p.m.
- Interest credited to RPF @ 10 % is Rs. 2,00,000
- City compensatory allowance Rs. 5,000 p.m.
- Medical treatment of wife at abroad Rs. 5, 00,000 with one attendant. (RBI permitted Rs. 4,25,000)
- Uniform allowances (actual expenditure Rs. 12,000) Rs. 10,000
- Transport Allowance Rs. 2,500 p.m.
- Gifts of Gold Ring to Employee on occasion Rs. 12,000
- Motor car provided by company with driver for office and personal use. Capacity 2,000 CC,
- Gas, water bill and electricity paid by company Rs. 3,000 p.m.
- Free domestic Facility of Maid Rs. 2,500 p.m.
- Lunch allowances Rs. 3,000 p.m.
- Interest free or concessional loans of Rs. 15,000. @ 5%p.a. (SBI interest Rate is 8% p.a.)
- Professional tax paid by employer Rs, 2,500

Compute the Income from Salary in the hands of Mr. Sagar for the A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.

Long Problems (12 Marks)

- 1) From the following profit and loss account of Mr. Gupta, for the year ended 31-03-2021.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Salaries	50,000	By Gross profit	1,34,000
To Office rent	2,400	By Rent from Let Out house property	12,000
To General expenses	8,000	By Interest on post office saving bank deposit	1,000
To Car expenses	4,800	By Interest on debenture	3,000
To Stationery	400		
To Postage	1,000		
To Advertisement	600		
To Wealth tax	4,000		
To Municipal tax paid (on Let Out house property)	1,200		
To Income tax paid	3,000		
To House hold exp.	20,000		
To Interest on bank loan	3,800		
To Repairs	2,000		
To Depreciation	6,000		
To Provision for Doubtful debts	2,800		
To Net profit	40,000		
	1,50,000		1,50,000

Adjustments:

- 1) Repairs include Rs. 1,000 relating to house property.
- 2) Depreciation as per income tax rules amounted to Rs. 5,500
- 3) General expenses include Rs. 5,000 spent on permanent sign board.
- 4) Half of car expenses related to personal use.

Compute income from Business of Mr. Gupta for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC

- 2) Mr. Anand Mukharjee gives the following Trading and Profit and Loss Account for the year ended 31st March, 2021.

Trading and Profit and Loss Account

For the year ended 31st March, 2021.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	50,000	By Sales	1,10,00,000
To Purchases	1,00,00,000	By Closing Stock	1,50,000
To Gross Profit c/d	11,00,000		
	1,11,50,000		1,11,50,000
To Salaries	2,50,000	By Gross Profit b/d	11,00,000
To Printing and Stationery	12,500	By Dividend from Domestic Company	15,000
To Insurance	22,500	By Income From Agriculture (Net)	85,000
To GST Paid	62,500		
To Depreciation	1,50,000		
To Administrative Charges	1,25,000		
To General Expenses	20,000		
To GST Penalty	5,000		
To Interest on Bank loan	57,500		
To Net Profit	4,95,000		
	12,00,000		12,00,000

Additional Information:

- i) All Printing and Stationery expenses was paid in cash by way of one time payment.
- ii) General Expenses includes Rs. 3,000 paid as donation for Charity.
- iii) Insurance includes Rs. 15,000 paid as Life Insurance Premium of own and family members.
- iv) GST Penalty is for contravention of provisions of the GST law.
- v) Administrative charges includes Rs. 25,000 paid as commission to brother of Mr. Anand Mukharjee. Out of this Rs. 5,000 is at above market rate.
- vi) Bank loan is taken for Purchase of Machinery for Business
- vii) Depreciation allowable under income tax act is Rs. 1,65,000

Compute income from Business of Mr. Anand Mukharjee for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 3) Dr. Ajay is a medical practitioner who maintain his books of account on cash basis he furnish the following information.

Receipt and Payment A/c
for the year ended 31-03-2021

Receipts	Rs.	Payments	Rs.
To Balance b/d	16,000	By Salary to staff	1,20,000
To Consultation fees	3,20,000	By Rent of clinic	24,000
To Visiting fees	30,000	By Electricity Expenses	10,200
To OPD charges	1,60,000	By Printing and Stationery	2,400
To Sale of Medicine	90,000	By Professional Books	8,000
To Dividend	22,000	By Medicines Purchased	76,000
To Gifts from patients	10,000	By Household Expenses	1,12,500
To Interest on Deposits	10,000	By Income tax	25,000
		By Life Insurance premium	12,000
		By Gift to wife	15,000
		By Car expenses	30,000
		By Membership fees	6,000
		By Balance c/d	2,16,900
	6,58,000		6,58,000

Additional Information

1. Electricity expenses include Rs. 4,200 for private purpose.
2. Closing stock of medicine amounted to Rs. 6,000.
3. Depreciation on car as per Income-tax Rules Rs. 60,000.
4. Depreciation on professional books – 100%.
5. Half of car expenses related to personal use.
6. Compute income from Profession of Dr. Ajay for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 4) Mr. Pravin Shah is a Chartered Accountant in practice. He maintains his accounts on cash basis. His income and expenditure account for the year ended 31st March 2021 is as follows.

Expenditure	Rs.	Income	Rs.
Salary to Staff	50,000	Fees Earned:	
Salary to Audit Assistant	62,500	- Bank Audit	2,37,500
Incentive to Audit Assistant	6,250	- Tax Audit	2,50,000
Office Rent	90,000	- Consultancy Fees	1,37,500
Travelling expenses (official purpose)	30,000	Honorarium for valuation of answer papers	12,500
Municipal Taxes paid for Let Out House Property	2,500	Rent Received from Let Out House Property	30,000
Printing and Stationery	31,250	Income from UTI	2,500
Meeting, Conference and Seminar	12,500	Dividend received from Indian Company (Gross)	5,000
Purchase of Car (for official use)	1,25,000		
Repairs, maintenance and petrol expenses of car	18,750		
Surplus (i.e. Income over Expenditures)	2,46,250		
	6,75,000		6,75,000

Additional Information:

1. Salary to Audit Assistant includes Rs. 15,000 in cash for assisting Mr. Pravin Shah in Professional work.
2. Allowable rate of depreciation on motor car is 15%.
3. All Meeting, Conference and Seminar expenses incurred for Professional development and profession work.

Compute Income from Profession of Mr. Pravin Shah for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 5) Mr. Ramesh Nagarkar is a Practicing advocate at Solapur. Following is the summary of cash book for the year ending 31-3-2021.

Receipts	Rs.	Payments	Rs.
To Balance b/d	50,000	By Salary to Assistants	50,000
To Professional Fees	3,20,000	By Rent of Chamber	36,000
To Arbitration Fees	80,000	By Household Expenses	2,30,000
To Gifts	50,000	By Membership Fees	12,000
To Life Insurance policy amount received	4,00,000	By Car Expenses	40,000
To Interest on Bank Deposits	40,000	By Fixed Deposits with Bank	5,00,000
To Agricultural Income	1,40,000	By Books for profession	20,000
		By Wealth Tax	10,000
		By Donations	8,000
		By Bonus and Gifts to staff	20,000
		By Purchase of Laptop	50,000
		By Telephone Expenses	26,000
		By Balance c/d	
	10,80,000		10,80,000

Additional Information:

- i) 1/5th (one-fifth) of the car expenses are related to personal use.
 - ii) Membership fees included Rs. 8,000 to bar council and balance to private club.
 - iii) Gifts included Rs. 15,000 received from friends and relatives on family function and balance from clients.
 - iv) Depreciation allowable on assets as per income tax rules amounted to Rs. 35,000, including Rs. 10,000 on car but excluding that on cost of Books purchased for profession
 - v) Depreciation on professional books @ 100%
- Compute Income from Profession of Mr. Ramesh Nagarkar for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

Question Bank

Course: B.COM III SEM: VI
Subject: Advanced Accountancy Paper II (Income Tax)
Syllabus: CBCS JUNE 2021

Concepts (2 Marks)

- 1) Assessee [Sec. 2(7)]
- 2) Assessment Year [Sec. 2(9)]
- 3) Previous Year [Sec. 3]
- 4) Casual Income [sec. 56 (2) (ib)]
- 5) CGST, SGST and IGST

Short Notes / Short Answers (3 Marks)

- 1) Gross Total Income [Sec. 80 B (5)]
- 2) Residential Status of Individual [Sec. 6 (1)]
- 3) Deduction U/S 16 from Gross Salary
- 4) Net Annual Value
- 5) Income from Other Sources

Short Problems (3 Marks)

- 1) Mr. Anand has a property whose municipal valuation is Rs. 1, 30,000 p.a. The fair rent is Rs. 1, 10,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 1, 20,000 p.a. The property was let out for a rent of Rs. 11,000 p.m. throughout the previous year. Unrealised rent was Rs. 11,000. He paid municipal taxes @10% of municipal valuation. Interest on borrowed capital was Rs. 40,000 for the year. Compute the income from house property of Anand for A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.
- 2) Mr. Deshmukh has a property whose Municipal Valuation is Rs. 10, 00,000 p.a. The Fair Rent is Rs. 8, 00,000 p.a. and the Standard Rent fixed by the Rent Control Act is Rs. 8, 40,000 p.a. The property was Let Out for a rent of Rs. 80,000 p.m. Unrealised rent was Rs. 80,000. He paid Municipal Taxes @ 10% of Municipal Valuation. Interest on borrowed capital was Rs. 2, 50,000 for the year.
Compute the income from house property of Mr. Mr. Deshmukh for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.
- 3) Mr. Gopal has a property whose municipal valuation is Rs. 2, 50,000 p.a. The fair rent is Rs. 2, 00,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 2, 10,000 p.a. The property was let out for a rent of Rs. 20,000 p.m. and rent of 1 month is unrealised. He paid municipal taxes @ 10 % of municipal valuation. Interest on borrowed capital was Rs. 65,000 for the year. Compute the income from house property of Gopal for A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.
- 4) Mr. Jagtap is the owner of a house property in Solapur, It has been let out by Mr. Jagtap for Rs. 4, 80,000 p.a. He paid Municipal Taxes of Rs. 40,000. In current year he paid Interest on loan taken for purchases of house (Loan taken in P.Y. 2019-20) Rs. 2, 00,000.
Compute his income from house property for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.
- 5) Mr. More is the owner of a house property in Pune, It has been let out by Mr. More for Rs. 60,000 p.a. He paid Municipal Taxes of Rs. 6,000. In current year he paid Interest on loan taken for purchases of house (Loan taken in P.Y. 2019-20) Rs. 30,000. Compute his income from house property for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

Long Problems (10 Marks)

- 1) Mr. Jadhav is employee of Limited Company at Kolhapur. Furnishes you the following information for the year ended on 31.03.2021.
- Basic Salary upto 31.10.2020 Rs. 50,000 p.m., and from 01.11.2020 Rs. 60,000 p.m.
 - Dearness allowance @ 40% of basic Salary.
 - Employers Contribution to recognised provident fund account of the employee @ 16% of basic salary
 - Interest credited during the P.Y. on accumulated balance of recognised provident fund is 8.5% p.a.
 - Facility of laptop and computer was provided Rs. 15,000.
 - Hostel expenses allowances of Rs. 1,200 p.m.
 - Transport allowances Rs. 2,000 p.m.
 - House Rent Allowance Rs. 10,000 p.m. (rent paid Rs. 12,000 p.m.)
 - City compensatory allowances of Rs. 700 p.m.
 - House keeper Salary reimbursed by company of Rs. 1,000 p.m.
 - Motor car provided by Employer: Car is owned by employer, Capacity of Car is above 1,600 CC, provided from 01.11.2020, both for personal and official use. Motor car was self-driven by the employee.

Compute the Income from Salary in the hands of Mr. Jadhav for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 2) Mr. Singh is employee of Limited Company at Solapur. Furnishes you the following information for the year ended on 31.03.2021.

Particulars
- Basic Salary Rs. 20,000 p.m.)
- Dearness Allowances (50% retirement benefits) Rs, 10,000 p.m.
- Children education allowances for 3 children Rs. 1,000 p.m.
- Hostel expenditure allowances Rs. 1,250 p.m.
- House Rent Allowances (rent paid Rs. 5,000 p.m.) Rs. 4,000 p.m.
- Employers Contribution to RPF @ 15% of Basic Salary
- Interest credited to RPF @ 8.5 %
- City compensatory allowance Rs. 1,000 p.m.
- Medical allowances Rs. 1,000 p.m.
- Motor car provided by company with driver for office and personal use. Capacity 1,000 CC
- Free domestic Facility: a) Cook Rs. 3,000 p.m. b) Maid Rs. 1,500 p.m.
- Professional tax paid by employer Rs, 3,000
- Entertainment Allowances Rs. 1,200 p.m.

Compute the Income from Salary in the hands of Mr. Singh for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 3) Mr. Ahuja is employee of AB Ltd. at Pune. Furnishes you the following information for the year ended on 31.03.2021.
- i) Basic Salary Rs. 80,000 p.m.
 - ii) Dearness Allowance @ 50% of Basic Salary (all forms part of retirement benefits)
 - iii) Transport Allowance Rs. 3,000 p.m.
 - iv) Entertainment Allowance Rs. 500 p.m.
 - v) Children Education Allowance for 2 Children Rs. 300 p.m. per child
 - vi) House Rent Allowance (Rent Paid by him is Rs. 16,000 p.m.) Rs. 14,000 p.m.
 - vii) Professional tax Paid by employer is Rs. 2,500
 - viii) Contribution of employer to Recognised Provident Fund Account of the employee @ 18 % of Basic Salary
 - ix) Free Domestic servant facility provided by the company Rs. 3,000 p.m.
- Compute the Income from Salary in the hands of Mr. Ahuja for the A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 4) Mr. Anil Khanna is an employee of Private Company in Mumbai. His salary details for year ended 31-03-2021 are as under

Particulars
1) Basic Salary Rs. 45,000 p.m.
2) Dearness Allowances (part of retirement benefits) Rs, 50,000 p.m.
3) Hostel expenditure allowances Rs. 2,500,p.m. per child for 2 children
4) House rent allowance Rs. 10,000 per month (rent paid Rs. 12,000 p.m.)
5) Employers Contribution to RPF @ 14%
6) Interest credited to RPF @ 12% is Rs. 60,000
7) City compensatory allowance Rs. 20,000 p.a.
8) Gifts from employer in the year Rs. 4,500.
9) Motor car provided by company with driver for partly personal use. Capacity 2,400 CC
10) Gas, water bill and electricity paid by company Rs. 2,000 p.m.
11) Free domestic Facility: a) Cook Rs. 3,500 p.m. b) Maid Rs. 50,000
12) Free lunch facility Rs. 75 per lunch. (used for 300 days in a year)
13) Interest free loans of Rs. 4, 00,000 (SBI interest Rate is 8.5 % p.a.)
14) Professional tax paid by employer Rs, 2,500.
15) Other cash allowances Rs. 2,500 p.m.
16) Interim allowances Rs. 4,000.

Compute the Income from Salary in the hands of Mr. Anil Khanna for the A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.

- 5) From the salary details of Mr. Sagar is an employee of XYZ Ltd. For year ended 31-03-2021

Particulars
- Basic Salary Rs. 47,000 p.m.
- Dearness Allowances 125 % of Basic Salary(50% for retirement benefits)
- Overtime Allowances Rs. 25,000
- Hostel expenditure allowances Rs. 2,500,p.m.
- Rent Free Furnished Accommodation (population of city is 12,00,000)
- Hire charges of Furniture Rs. 2,000 p.m.
- Employers Contribution to RPF Rs. 22,000 p.m.
- Interest credited to RPF @ 10 % is Rs. 2,00,000
- City compensatory allowance Rs. 5,000 p.m.
- Medical treatment of wife at abroad Rs. 5, 00,000 with one attendant. (RBI permitted Rs. 4,25,000)
- Uniform allowances (actual expenditure Rs. 12,000) Rs. 10,000
- Transport Allowance Rs. 2,500 p.m.
- Gifts of Gold Ring to Employee on occasion Rs. 12,000
- Motor car provided by company with driver for office and personal use. Capacity 2,000 CC,
- Gas, water bill and electricity paid by company Rs. 3,000 p.m.
- Free domestic Facility of Maid Rs. 2,500 p.m.
- Lunch allowances Rs. 3,000 p.m.
- Interest free or concessional loans of Rs. 15,000. @ 5%p.a. (SBI interest Rate is 8% p.a.)
- Professional tax paid by employer Rs, 2,500

Compute the Income from Salary in the hands of Mr. Sagar for the A.Y. 2021-22, assuming that he has not opted for the provisions of section 115BAC.

Long Problems (12 Marks)

- 1) From the following profit and loss account of Mr. Gupta, for the year ended 31-03-2021.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Salaries	50,000	By Gross profit	1,34,000
To Office rent	2,400	By Rent from Let Out house property	12,000
To General expenses	8,000	By Interest on post office saving bank deposit	1,000
To Car expenses	4,800	By Interest on debenture	3,000
To Stationery	400		
To Postage	1,000		
To Advertisement	600		
To Wealth tax	4,000		
To Municipal tax paid (on Let Out house property)	1,200		
To Income tax paid	3,000		
To House hold exp.	20,000		
To Interest on bank loan	3,800		
To Repairs	2,000		
To Depreciation	6,000		
To Provision for Doubtful debts	2,800		
To Net profit	40,000		
	1,50,000		1,50,000

Adjustments:

- 1) Repairs include Rs. 1,000 relating to house property.
- 2) Depreciation as per income tax rules amounted to Rs. 5,500
- 3) General expenses include Rs. 5,000 spent on permanent sign board.
- 4) Half of car expenses related to personal use.

Compute income from Business of Mr. Gupta for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC

- 2) Mr. Anand Mukharjee gives the following Trading and Profit and Loss Account for the year ended 31st March, 2021.

Trading and Profit and Loss Account

For the year ended 31st March, 2021.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	50,000	By Sales	1,10,00,000
To Purchases	1,00,00,000	By Closing Stock	1,50,000
To Gross Profit c/d	11,00,000		
	1,11,50,000		1,11,50,000
To Salaries	2,50,000	By Gross Profit b/d	11,00,000
To Printing and Stationery	12,500	By Dividend from Domestic Company	15,000
To Insurance	22,500	By Income From Agriculture (Net)	85,000
To GST Paid	62,500		
To Depreciation	1,50,000		
To Administrative Charges	1,25,000		
To General Expenses	20,000		
To GST Penalty	5,000		
To Interest on Bank loan	57,500		
To Net Profit	4,95,000		
	12,00,000		12,00,000

Additional Information:

- i) All Printing and Stationery expenses was paid in cash by way of one time payment.
- ii) General Expenses includes Rs. 3,000 paid as donation for Charity.
- iii) Insurance includes Rs. 15,000 paid as Life Insurance Premium of own and family members.
- iv) GST Penalty is for contravention of provisions of the GST law.
- v) Administrative charges includes Rs. 25,000 paid as commission to brother of Mr. Anand Mukharjee. Out of this Rs. 5,000 is at above market rate.
- vi) Bank loan is taken for Purchase of Machinery for Business
- vii) Depreciation allowable under income tax act is Rs. 1,65,000

Compute income from Business of Mr. Anand Mukharjee for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 3) Dr. Ajay is a medical practitioner who maintain his books of account on cash basis he furnish the following information.

Receipt and Payment A/c
for the year ended 31-03-2021

Receipts	Rs.	Payments	Rs.
To Balance b/d	16,000	By Salary to staff	1,20,000
To Consultation fees	3,20,000	By Rent of clinic	24,000
To Visiting fees	30,000	By Electricity Expenses	10,200
To OPD charges	1,60,000	By Printing and Stationery	2,400
To Sale of Medicine	90,000	By Professional Books	8,000
To Dividend	22,000	By Medicines Purchased	76,000
To Gifts from patients	10,000	By Household Expenses	1,12,500
To Interest on Deposits	10,000	By Income tax	25,000
		By Life Insurance premium	12,000
		By Gift to wife	15,000
		By Car expenses	30,000
		By Membership fees	6,000
		By Balance c/d	2,16,900
	6,58,000		6,58,000

Additional Information

1. Electricity expenses include Rs. 4,200 for private purpose.
2. Closing stock of medicine amounted to Rs. 6,000.
3. Depreciation on car as per Income-tax Rules Rs. 60,000.
4. Depreciation on professional books – 100%.
5. Half of car expenses related to personal use.
6. Compute income from Profession of Dr. Ajay for the assessment year 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 4) Mr. Pravin Shah is a Chartered Accountant in practice. He maintains his accounts on cash basis. His income and expenditure account for the year ended 31st March 2021 is as follows.

Expenditure	Rs.	Income	Rs.
Salary to Staff	50,000	Fees Earned:	
Salary to Audit Assistant	62,500	- Bank Audit	2,37,500
Incentive to Audit Assistant	6,250	- Tax Audit	2,50,000
Office Rent	90,000	- Consultancy Fees	1,37,500
Travelling expenses (official purpose)	30,000	Honorarium for valuation of answer papers	12,500
Municipal Taxes paid for Let Out House Property	2,500	Rent Received from Let Out House Property	30,000
Printing and Stationery	31,250	Income from UTI	2,500
Meeting, Conference and Seminar	12,500	Dividend received from Indian Company (Gross)	5,000
Purchase of Car (for official use)	1,25,000		
Repairs, maintenance and petrol expenses of car	18,750		
Surplus (i.e. Income over Expenditures)	2,46,250		
	6,75,000		6,75,000

Additional Information:

1. Salary to Audit Assistant includes Rs. 15,000 in cash for assisting Mr. Pravin Shah in Professional work.
2. Allowable rate of depreciation on motor car is 15%.
3. All Meeting, Conference and Seminar expenses incurred for Professional development and profession work.

Compute Income from Profession of Mr. Pravin Shah for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

- 5) Mr. Ramesh Nagarkar is a Practicing advocate at Solapur. Following is the summary of cash book for the year ending 31-3-2021.

Receipts	Rs.	Payments	Rs.
To Balance b/d	50,000	By Salary to Assistants	50,000
To Professional Fees	3,20,000	By Rent of Chamber	36,000
To Arbitration Fees	80,000	By Household Expenses	2,30,000
To Gifts	50,000	By Membership Fees	12,000
To Life Insurance policy amount received	4,00,000	By Car Expenses	40,000
To Interest on Bank Deposits	40,000	By Fixed Deposits with Bank	5,00,000
To Agricultural Income	1,40,000	By Books for profession	20,000
		By Wealth Tax	10,000
		By Donations	8,000
		By Bonus and Gifts to staff	20,000
		By Purchase of Laptop	50,000
		By Telephone Expenses	26,000
		By Balance c/d	
	10,80,000		10,80,000

Additional Information:

- i) 1/5th (one-fifth) of the car expenses are related to personal use.
 - ii) Membership fees included Rs. 8,000 to bar council and balance to private club.
 - iii) Gifts included Rs. 15,000 received from friends and relatives on family function and balance from clients.
 - iv) Depreciation allowable on assets as per income tax rules amounted to Rs. 35,000, including Rs. 10,000 on car but excluding that on cost of Books purchased for profession
 - v) Depreciation on professional books @ 100%
- Compute Income from Profession of Mr. Ramesh Nagarkar for A.Y. 2021-22 assuming that he has not opted for the provisions of section 115BAC.

पुण्यश्लोक अहिल्यादेवी होळकर सोलापूर विद्यापीठ सोलापूर
प्रश्नपेढी

बी. कॉम भाग -३ सेमिस्टर - ५

विषय : सहकाराचा विकास

प्रश्न- १ : संकल्पना स्पष्ट करा.

- १) सहकार म्हणजे काय?
- २) आर्थिक विकास
- ३) किरकोळ विक्री ग्राहक भांडारे
- ४) घाऊक विक्री सहकारी संस्था
- ५) हर फ्रान्झ शूलझे
- ६) रफायझन
- ७) किबुत्झ
- ८) हिस्तादृत
- ९) नाबार्ड
- १०) राष्ट्रीय सहकारी विकास महामंडळ
- ११) भारतीय राष्ट्रीय सहकारी संघ
- १२) सहकारी शिक्षण

प्रश्न २ रा : टिपा लिहा / थोडक्यात उत्तरे लिहा.

- १) सहकाराची वैशिष्ट्ये
- २) सहकाराचे महत्व
- ३) सहकाराची तत्त्वे
- ४) आर्थिक विकासातील सहकाराची भूमिका
- ५) इंग्लंडमधील ग्राहक चळवळ
- ६) डेन्मार्कमधील सहकारी चळवळीची वैशिष्ट्ये
- ७) किबुत्झ
- ८) इस्त्राईल मधील सहकारी शेती चळवळ
- ९) नाबार्ड
- १०) नाबार्डची उद्दिष्ट्ये किंवा कार्य
- ११) नाबार्डची भूमिका
- १२) राष्ट्रीय सहकारी विकास महामंडळाची उद्दिष्ट्ये

- १३) भारतीय राष्ट्रीय सहकारी संघाची उद्दिष्ट्ये
- १४) भारतीय राष्ट्रीय सहकारी संघाची भूमिका
- १५) सहकारी संस्थेची नोंदणी
- १६) सभासदांचे प्रकार
- १७) वार्षिक सर्वसाधारण सभा
- १८) सभासदत्वांच्या अटी
- १९) सभासदांचे अधिकार व जबाबदाऱ्या
- २०) सहकारी प्रशिक्षण
- २१) सहकारी शिक्षणाचे महत्त्व
- २२) सहकारी शिक्षणाचे घटक
- २३) सहकारी शिक्षण व प्रशिक्षणातील समस्या

प्रश्न ३ रा : दिर्घोत्तरी प्रश्न

- १) सहकाराची वैशिष्ट्ये किंवा लक्षणे सविस्तर स्पष्ट करा
- २) मॅचेस्टर सहकाराची तत्त्वे स्पष्ट करा
- ३) सहकारी तत्त्वे स्पष्ट करा
- ४) आर्थिक विकासातील सहकाराची भूमिका सविस्तर स्पष्ट करा
- ५) इंग्लंडमधील ग्राहक सहकारी चळवळीचे मूल्यमापन करा
- ६) जर्मनीत फ्रान्झ शूल्झे यांनी सहकारी चळवळीसाठी केलेले कार्य सांगा
- ७) डेन्मार्कमधील दुग्धसहकारी संस्थेची वैशिष्ट्ये सांगून यशाची कारणे सांगा
- ८) इस्रायलमधील शेती सहकारी चळवळीची चर्चा करा
- ९) भारतातील सहकारी चळवळीच्या विकासातील नाबार्डची भूमिका स्पष्ट करा
- १०) राष्ट्रीय सहकारी विकास महामंडळाची उद्दिष्ट्ये व कार्य स्पष्ट करा
- ११) राष्ट्रीय सहकारी संघाची कामगिरी/भूमिका स्पष्ट करा
- १२) महाराष्ट्र सहकारी संस्था कायदा १९६० याच्या प्रमुख तरतुदी सांगा
- १३) सहकारी शिक्षण म्हणजे काय? सहकारी शिक्षणाची उद्दिष्ट्ये सांगा
- १४) सहकारी शिक्षण व प्रशिक्षणातील समस्या स्पष्ट करा

Question Bank

Class: - **B. COM - III**

Semester: - **VI**

Title of the Paper: - **ADVANCED ACCOUNTANCY - PAPER – I**

Syllabus / Pattern: **CBCS w.e.f. June 2021**

Concepts (2 Marks)

- i) Hire Purchase System
- ii) Instalment System
- iii) Profitability Ratios
- iv) Liquidity Ratios
- v) Hire Purchaser

Short Note/Short Answer (03Marks)

- i) Accounting Standard 14
- ii) Amalgamation in the nature of merger
- iii) Classification of Accounting Ratios
- iv) Difference between Hire Purchase System and Installment Payment
- v) Difference between Cost Accounting and Financial Accounting.

Short Problem (03 Marks)

1) Following is the Balance sheet of XYZ Ltd. as on 31-03-2021

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	25,00,000	Goodwill	3,50,000
Reserve and Surplus	5,00,000	Buildings	15,00,000
9% Debentures	3,00,000	Plant and Machinery	9,25,000
Sundry Creditors	1,00,000	Stock	2,25,000
Bank Overdraft	50,000	Debtors	2,00,000
		Cash in Hand	75,000
		Cash at Bank	1,75,000
	<u>34,50,000</u>		<u>34,50,000</u>

Compute the following accounting Ratios

- i) Current Ratio,
- ii) Liquid Ratio and
- iii) Debt to Equity Capital Ratio

2) Following is the Trading and Profit and Loss Account of Modern Ltd. as on 31-03-2021

Particulars	Rs.	Particulars	Rs.
To Opening Stock	30,000	By Sales	7,00,000
To Purchases	4,50,000	By Closing Stock	40,000
To Direct Expenses	50,000		
To Gross Profit c/d	2,10,000		
	<u>7,40,000</u>		<u>7,40,000</u>
To Operating Expenses	1,10,000	By Gross Profit b/d	2,00,000
To Non-Operating Expenses	10,000	By Non-Operating Incomes	15,000
To Net Profit	95,000		
	<u>2,15,000</u>		<u>2,15,000</u>

Compute the following accounting Ratios

- i) Operating Net Profit Ratio
- ii) Operating Ratio and
- iii) Stock Turnover Ratio

3) Following is the Balance sheet of Hindustan Ltd. as on 31-03-2021

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	5,00,000	Goodwill	25,000
Reserve and Surplus	1,50,000	Buildings	2,50,000
9% Debentures	50,000	Plant and Machinery	3,12,500
Sundry Creditors	25,000	Stock	62,500
Bank Overdraft	12,500	Debtors	50,000
		Cash in Hand	12,500
		Cash at Bank	25,000
	<u>7,37,500</u>		<u>7,37,500</u>

Compute the following accounting Ratios

- i) Current Ratio,
- ii) Liquid Ratio and

iii) Debt to Equity Capital Ratio

4) Following is the Trading and Profit and Loss Account of Bharat Ltd. as on 31-03-2021

Particulars	Rs.	Particulars	Rs.
To Opening Stock	20,000	By Sales	4,00,000
To Purchases	2,75,000	By Closing Stock	25,000
To Direct Expenses	30,000		
To Gross Profit c/d	1,00,000		
	4,25,000		4,25,000
To Operating Expenses	60,000	By Gross Profit b/d	1,00,000
To Non-Operating Expenses	2,500	By Non-Operating Incomes	12,500
To Net Profit	50,000		
	1,12,500		1,12,500

Compute the following accounting Ratios

- i) Operating Net Profit Ratio
- ii) Operating Ratio and
- iii) Stock Turnover Ratio

5) From the following Balance Sheet Satish Ltd. as on 31st March 2021.

Liabilities	Rs.
Share Capital:	
- Equity Shares of Rs. 10 each	8,00,000
General Reserve	1,40,000
10% Debentures	40,000
Trade Payables	1,60,000
	11,40,000
Assets	
Goodwill	50,000
Building	2,00,000
Machinery	3,00,000
Inventory	3,50,000
Trade Receivables	2,00,000
Cash at Bank	40,000
	11,40,000

Compute the following accounting Ratios

- i) Current Ratio,
- ii) Liquid Ratio and
- iii) Debt to Equity Capital Ratio

Long Problems (10 Marks)

1. On 1st April, 2017 the Sharma Transport Ltd., purchases Motor Trucks from City Motors Ltd., on Hire Purchase basis. Cash paid to the Hire Vendor is as under.

Date	Rs.
01 st April 2017	1,00,000
31 st March 2018	1,30,000 (including interest)
31 st March 2019	1,20,000 (including interest)
31 st March 2020	1,10,000 (including interest)

City Motors Ltd. charged interest @ 10% p.a. on cash price.

Sharma Transport Ltd. Charged depreciation on Motor Trucks @ 20% under Diminishing Balance Method.

Prepare necessary Ledger Accounts in the books of Sharma Transport Ltd.

2. Mr. Aniket purchased a Machinery on Hire purchase system from Modern Machineries Ltd. on 1st April 2017 on paying Rs. 60,000 down. The remaining amount (including 10% interest p.a.) was paid at the end of each year as under.

Date	Rs.
31 st March 2018	1,28,000
31 st March 2019	98,000
31 st March 2020	70,000
31 st March 2021	44,000

Depreciation was charged by Mr. Aniket @ 10% under written down value method.

Prepare Modern Machineries Ltd. Account and Machinery Account in the books of Mr. Aniket

3. On 1st April 2017 M/S City Transports Ltd. acquire a School Bus from Gandhi Motors Ltd. on hire purchase basis. Hire purchase contract is as under.

- The Cash Price of the School Bus was Rs. 17, 00,000.
- Interest charged @ 12% p.a. at the end of the year on the outstanding balance.
- Rs. 5, 00,000 were to be paid on signing of the contract.
- The balance was to be paid in three annual instalments of Rs. 4, 00,000 plus interest.
- Depreciation @ 15% is to be charged by using Straight Line Method.

Prepare in the books of M/S City Transports Ltd.

- School Bus Account
- Gandhi Motors Ltd. Account
- Interest Account.
- Depreciation Account
- Profit and Loss Account

4. On 1st April 2018 Mr. Shirish purchased on hire purchase basis a Motor Van for Rs. 4, 00,000/-. Payment is made Rs. 1, 00,000/- as down payment and three annual instalments of Rs. 1, 00,000/- each plus interest at the end of each year. Interest is charged by Vendor @ 10% per annum. Mr. Shirish depreciates the Van @ 10% per annum on Straight line method of depreciation.
Prepare Motor Van Account, Hire Vendor Account and Profit and Loss Account in the books of Mr. Shirish. Also show the working of Interest calculation.
5. On the 1st April 2018, M/s Ashok Traders purchased a machine from M/S Gupta Machineries Ltd. on hire-purchase basis. The particulars are as follows:
- Cash price Rs. 10, 00,000.
 - Amount to be paid on signing the contract Rs. 4, 00,000.
 - Balance to be paid in three (yearly) instalment of Rs. 2, 00,000 each plus interest.
 - Interest to be charge on outstanding balance @ 12% p.a.
 - Depreciation @ 15% p.a. on written down value method.
- You are required to show Machine A/c, M/S Gupta Machineries Ltd. A/c, and Interest A/c in the books of M/s Ashok Traders.

Long Problems (12 Marks)

1. The following is the Balance Sheet of X Ltd. and Y Ltd. as on 31st March 2021.

Balance Sheet

Liabilities	X Ltd.	Y Ltd	Assets	X Ltd.	Y Ltd
Share Capital:			Buildings	8,00,000	--
Shares of Rs. 10 each	12,00,000	4,00,000	Machinery	4,60,000	4,20,000
8% Debentures	2,00,000	--	Stock	8,00,000	1,00,000
General Reserve	3,00,000	--	Debtors	4,00,000	1,20,000
Dividend Equalisation Reserve	4,20,000	--	Cash	2,00,000	60,000
Employees Provident Fund	40,000	--			
Creditors	5,00,000	3,00,000			
	26,60,000	7,00,000		26,60,000	7,00,000

Both the companies have agreed to amalgamate and a new company Z Ltd. is formed. Z Ltd. takes over the assets and liabilities of both the companies on the following terms:

- i) Buildings of X Ltd. is accepted at book value and Machinery at Rs. 4, 00,000. The other assets are taken over at 10% depreciation.
- ii) All assets and liabilities of Y Ltd. are taken over at book values.
- iii) Both the companies to receive 10% of net valuation of their respective business as Goodwill.
- iv) The entire purchase price of both the companies is paid in equity shares of Rs. 10 each.

Close the books of Y Ltd. and also give the opening journal entries in the books of Z Ltd

2. A Ltd. And B Ltd. Agreed to amalgamate and a new Co. C Ltd. Was formed. Their Balance Sheets on the date of amalgamation ware as follows.

Balance Sheet

Liabilities	A Ltd.	B Ltd	Assets	A Ltd.	B Ltd
Share Capital			Plant & Machinery	30,000	40,000
Shares of Rs. 100 each	1,00,000	1,20,000	Stock	20,000	20,000
General Reserves	15,000	18,500	Debtors	30,000	30,000
Creditors	14,000	17,000	Building	50,000	60,000
Profit & Loss A/c	8,000	10,000	Cash and Bank	7,000	15,500
	1,37,000	1,65,500		1,37,000	1,65,500

The new company takeover the assets and liabilities of both the companies.

Assets of A Ltd. are taken over at a reduced valuation of 10% and that of B Ltd. at reduced valuation of 15%.

C Ltd. paid purchase price by allotting fully paid equity shares of Rs. 100 each.
Give journal entries in the books of A Ltd. and opening Journal Entries in the books of C Company Ltd

3. Following is the Balance Sheet Amit Ltd. as on 31st March 2021.

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital: Equity Shares of Rs. 10 each	4,00,000	Goodwill	25,000
General Reserve	70,000	Building	1,00,000
10% Debentures	20,000	Machinery	1,50,000
Trade Payables	80,000	Inventory	1,75,000
		Trade Receivables	1,00,000
		Cash at Bank	20,000
	5,70,000		5,70,000

Sumit Ltd. absorbs Amit Ltd. on the following terms:

- All the assets and liabilities are taken over by Sumit Ltd.
- Inventory to be taken over at 10% less than book Value and trade receivables subject to doubtful debts to be created @ 7.5%.
- Goodwill is valued at Rs. 50,000, Buildings are valued at Rs. 1, 50,000 and the Machinery at Rs. 1, 60,000.

Purchase consideration is discharged by issuing 4,000 equity of Rs. 100 each at 5% premium and balance in cash.

Prepare,

- Statement Showing Purchase Consideration
- Acquisition (i.e. opening) Journal Entries in the books of Sumit Ltd.

4. Following is the Balance Sheet of Ajay Ltd and Vijay Ltd. as on 31st March 2021.

Balance Sheet

Liabilities	Ajay Ltd. Rs.	Vijay Ltd. Rs.
Share Capital:		
- Equity Shares of Rs. 10 each	2,50,000	1,00,000
- 7 % Preference Shares of Rs. 100 each	50,000	50,000
General Reserve	25,000	25,000
Trade Payables	25,000	12,500
	3,50,000	1,87,500
Assets	Ajay Ltd. Rs.	Vijay Ltd. Rs.
Land and Building	1,50,000	1,00,000
Plant and Machinery	1,00,000	25,000
Inventory	50,000	25,000
Trade Receivables	30,000	20,000
Cash at Bank	20,000	17,500
	3,50,000	1,87,500

Ajay Ltd. and Vijay Ltd. are amalgamated and AV Ltd. was formed on the following terms:

- i) Purchase Consideration agreed as Rs. 3, 75,000 for Ajay Ltd. and Rs. 2, 25,000 for Vijay Ltd.

Purchase consideration is satisfied as under

1) For Vijay Ltd.

- a) Issued 500, 9% Preference Share of Rs. 100 each at 10% premium in AV Ltd.
- b) Issued 17,000 equity shares of Rs. 10 each in AV Ltd for balance consideration

2) For Ajay Ltd.

- a) Issued 500, 9% Preference Shares of Rs. 100 each at 10% premium in AV Ltd
- b) Issued 32,000 equity shares of Rs. 10 each in AV Ltd. for balance consideration

Prepare following ledger accounts in the books of Ajay Ltd.

- i) Realisation Account
- ii) AV Ltd. Account
- iii) Equity Shareholders Account
- iv) Preference Shareholders Account

5. Business of P Ltd. were purchased by Q Ltd. on which date Balance Sheet of P Ltd. is as under

Balance Sheet as on 31/03/2021

Liabilities	A Ltd.	Assets	A Ltd.
		Land and Building	8,00,000
10,000 Equity Shares of Rs. 100 each	10,00,000	Plant and Machinery	3,00,000
		Furniture	1,00,000
Reserve and Surplus	2,50,000		
9% Debentures	3,00,000	Debtors	2,50,000
Trade Payables	1,50,000	Stock	1,50,000
		Cash and Bank	1,00,000
	17,00,000		17,00,000

Q Ltd. took all the assets and liabilities of P Limited. Assets and liabilities of P Ltd. were taken over as under

Land and Buildings Rs. 9, 00,000; Plant & Machinery Rs. 2, 40,000;
 Furniture Rs. 50,000; Debtors at 10% less than the book value;
 Stock at Rs. 1, 25,000
 Debentures and Trade payables were taken at book value.

Q Ltd. paid purchase price by in cash Rs. 2, 00,000 and balance by issuing sufficient number of equity shares of Rs. 10 each in Q Ltd.

Prepare

- i) In the books of P Ltd.
 - (a) Realisation A/c;
 - (b) Equity Shareholders A/c and
 - (c) Cash A/c
- ii) Opening Journal Entries in the books of Q Ltd.