

MODEL QUESTION PAPER

PRINCIPLES OF TAXATION

SECTION – A (10 x 1 = 10 MARKS)

Answer all Questions.

1. What is meant by public finance?
2. What are the revenue resources of Government?
3. What is direct – tax?
4. What is meant by progressive taxation?
5. Give one example for indirect – tax.
6. Explain federal system of Government.
7. What is finance commission?
8. What is single-point tax?
9. What is tax evasion?
10. What is black money?

SECTION – B (5 x 5 = 25 MARKS)

Answer all Questions:

11. (a) Explain tax-revenue and non-tax revenue.
(or)
(b) Write the characteristics of a tax?
- 12.(a) What are the merits of indirect tax?
(or)
(b) What are the disadvantages of income tax?
13. (a) What are the effects of taxation on consumption?
(or)
(b) Write about shifting and incidence of Income Tax and Sales Tax.
14. (a) Write a note on Gift-Tax.
(or)
(b) What are the basic principles of federal finance?
15. (a) Examine the revenue subjects of state list.
(or)
(b) Write about the recommendation of Sarkaria Commission.

SECTION – C (5 x 8 = 40 MARKS)

Answer all Questions:

16. (a) What are the categories of revenue to Government?
(or)
(b) Write the general characteristics of Direct and Indirect Taxes.
17. (a) What are the merits and demerits of progressive taxation?
(or)
(b) Explain canons of taxation.
18. (a) Examine the centre and state relations in federal finance.
(or)
(b) Write advantages and disadvantages of single –point tax.
19. (a) Write a note on value added tax.
(or)
(b) What are the reasons for accumulation of black money?
20. (a) Discuss the salient features of income tax with particular reference to the problem of tax evasion and avoidance.
(or)
(b) Describe the factors which determine taxable capacity.

**MODEL QUESTION PAPER
BANKING
VTH SEMENTER**

Section – A

ANSWER ALL THE QUESTION

(1 x 10 = 10 MARKS)

1. What is a bank.
2. What are the types of Negotiable Instruments.
3. Define customer.
4. Define Bill of exchange.
5. Who can cross a cheque.
6. Who is playing banker.
7. What is meant by overdraft.
8. What is meant by pledge.
9. In which year R.B.I was established.
10. When the banking regulation Act was established.

Section – A

ANSWER ALL THE QUESTIONS:-

(5 x 6 = 30 MARKS)

11. (a) Explain the different types of banks.
(or)
(b) Define the terms banker and customer. Explain the relationship between them.
12. (a) What are the types of crossing.
(or)
(b) Explain the significance of general crossing.
13. (a) What are the difference between a cheque and a draft.
(or)
(b) Under what circumstances a banker can dishonor a cheque.
14. (a) What is meant by overdraft.
(or)
(b) Explain the principles of lending.
15. (a) Explain the structure of Indian banking system
(or)
(b) Briefly explain the objectives of R.B.I

Section – C

ANSWER ALL THE QUESTIONS:-

(5 x 12 = 60 MARKS)

16. (a) Define banking. Explain the functions of banks.
(or)
(b) Give an account of evaluation of banking in India.
17. (a) Write a note on different types of Negotiable Instruments.
(or)
(b) Explain the difference between Bill of exchange and promissory Note.
18. (a) Discuss the duties and responsibilities of a collecting banker.
(or)
(b) Under What circumstances can a banker close the account of a customer.
19. (a) Distinguish between Mortgage and Pledge with suitable examples.
(or)
(b) Explain the procedure in advancing loan against goods.
20. (a). Give an account of the banking regulations act.
(or)
(b) Give an account of the working of the R.B.I.

MODEL QUESTION PAPER

FINANCIAL ACCOUNTING

SECTION – A (10 x 1 = 10 MARKS)

Answer All The Questions.

1. The main objectives of providing depreciation is
 - (a) to calculate true profit
 - (b) to show the true financial position
 - (c) to reduce tax burden
 - (d) to provide fund for replacement of fixed assets.
2. The depreciation charged on machinery will be debited to
 - (a) Machinery account
 - (b) Depreciation account
 - (c) Cash a/c
 - (d) Seller's a/c
3. Sold ledger adjustment account is opened is opened in
 - (a) Sold ledger
 - (b) Bought ledger
 - (c) General ledger
 - (d) Sold ledger and general ledger
4. A debit balance in the debtors ledger adjustment account will appear on
 - (a) The credit side
 - (b) The debit side
 - (c) The debit side and the credit side
 - (d) None of the above.
5. Opening statement of affairs is prepared to
 - (a) Find out the capital in the beginning
 - (b) Find out the opening cash balance
 - (c) Find out the profit during the year
 - (d) Find out the capital at the end.
6. Cash paid to creditors can be calculated from
 - (a) Total debtors a/c
 - (b) Total creditors a/c
 - (c) Balance sheet
 - (d) P & L a/c
7. If the rate of gross profit of the department 'A' 25% of the cost and its sales amounts to Rs. 1,00,000, then the amount of gross profit will be
 - (a) Rs. 25,000
 - (b) Rs. 20,000
 - (c) Rs. 33,333
 - (d) Rs. 10,000.
8. If goods are sent by Madurai branch to chennai branch, the account which will be debited is
 - (a) Madurai branch a/c
 - (b) Chennai branch a/c
 - (c) Head office's a/c
 - (d) Agents a/c.

9. Cash paid down at the time of hire- purchase transaction is debited by the purchaser of the goods to
 (a) Asset account
 (b) Purchase account
 (c) Hire Vendor's account
 (d) Agent's account.
10. The purchaser, purchasing asset under hire purchase system, credits interest to
 (a) Interest account (b) Vendor's account
 (b) Asset account (d) Purchaser's account.

SECTION – B (5 x 6 = 30 MARKS)

Answer the following questions.

- 11.(a) What are the causes of depreciation?
 (or)
 (b) What are the differences between statement of affairs and balance sheet?
12. (a) On 1st January, 1990 a fixed asset is purchased for Rs. 50,000. Depreciation is to be provided manually according to the straight –line method. The life of the asset is 10 years and its scrap value is Rs. 10,000

Prepare asset account for the first three years.

(or)

- (b) On January 1, 1993, machinery account showed a balance of Rs. 20,000. On 1st July 1994, a new machine costing Rs. 12,000. was purchased. On 30th June, 1995 a machinery whose book value on 1.1.93 was Rs. 20,000. was sold for Rs.12,000

The accounting year ends on 31st December and Depreciation is to provided is to be provided at 10% p.a. on written down value.

Pass necessary Journal entries.

13. (a) From the following information supplied by M/s Mehta and sons for the month of February, 1994 prepare sales ledger adjustment account in general ledger.

	Rs.
Feb. 1 Balances of Debtor's a/c	1,71,500
Transactions during the month	
Cash sales	80,200
Credit sales	1,72,200
Collections (net of cash discount)	1,50,000
Cash discount	1,500
Cheques	40,000
Bills drawn on customers	14,500
Goods returned by customers	18,200
Cheques dishonoured	12,000

The customers whose cheque was dishonoured was declared insolvent and only 50% were realised from his estate.

(or)

(b) From the following particulars of M/s Bhavani & Co. who maintain only Sales ledger, Bought Ledger and General Ledger pass necessary journal entries:

2001, June 30	Creditors balance	8,200
	Transactions for the half year	
Dec. 31	Credit purchases	250
	Returns outwards	5,900
	Paid to creditors	
	Discount received from creditors	220

14. (a) The following details are available from Mr. Manoharan who does not keep proper records of business transaction:

Particulars	January 1, 1990	December 31, 1990
	Rs.	Rs.
Cash in hand	200	150
Cash in bank	2,250	
Stock	15,000	22,250
Furniture	1,750	2,100
Sundry debtors	9,500	18,250
Plant and machinery	23,800	32,200
Sundry creditors	31,000	30,700
Bank over draft		10,250

During the year, Mr. Manoharan withdrew from the business for his private use Rs. 15,500 and introduced a further capital of Rs. 7,500. Find out the excess capital at the beginning in 1990.

(or)

(b) Mr. Raman keeps his books under single entry system. His position on 31st December, 2001 was as follows.

	Rs.
Cash	10
Bank	990
Stock of goods	7,000
Sundry debtors	15,000
Furniture	3,000
Sundry creditors	3,000

On 31st December, 2002 his position was as follows:

	Rs.
Cash	2,000
Bank	1,000
Stock of goods	10,000
Sundry debtors	20,000
Furniture	3,000
Sundry creditors	6,000

On 31st December, 2002 he finds that he has withdrawn Rs. 7,000 for his domestic use and has at various times introduced additional capital amounting to Rs.3,000.

From the above, prepare a statement showing profit or loss made by him for the year ended 31st December 2002.

15. (a) From the following particulars of a head office prepare its Delhi branch account for the year 1994-1995:

	1993- 1994	1994 - 1995
	Rs.	Rs.
Goods sent to Delhi	45,000	1,35,000
Cash sent to branch for:		
Rent	6,000	6,000
Salaries	4,800	6,800
Other expenses	2,000	3,000
Cash received from branch	70,000	1,60,000
Stock on 31 st March	7,000	26,000
Petty cash in hand on 31 st March	120	260

The accounting year starts on 1st April and ends on 31st March every year.

(or)

(b) The Mumbai head office sent goods to its Chennai branch at 25% profit over cost. From the following details prepare the branch account in the books of head office and ascertain the net profit or loss at the branch:

	Rs.
Opening stock of goods at branch at invoice price	20,000
Goods sent to branch at invoice price	90,000
Loss of goods in transit at invoice price	6,000
Closing stock at branch at invoice price	16,000
Sales at branch	1,05,000
Salaries and wages at branch	6,000
Other expenses at branch	3,000

Chennai branch received Rs.4,000 from the insurance company in settlement of the claim for the loss of goods in transit.

SECTION - C (5 x 12 = 60 MARKS)

Answer the following questions.

16. (a) What are the difference between single entry system and double entry system?

(or)

(b) What are the difference between hire purchases system and installment purchase system?

17. (a) 01.01.1976 machinery was purchased for Rs.80,000. On 01.01.1977 additions were made to the amount of Rs.40,000. On 31.03.1978 machinery purchased on 01.01.1977 costing Rs. 12,000 was sold for Rs.11,000 and on 30.06.1978 machinery purchased on 01.01.1976 costing Rs.32,000 was sold for Rs. 26,700. On 01.01.1978 additions were made to the amount of Rs.20,000. Depreciation was provided @10% p.a. on the diminishing balance method.

Accounts are closed every year on 31st December. Prepare machinery account.

(b) On 1st July, 1980 plant and machinery was purchased for Rs.90,000 and Rs. 10,000 was incurred on erection expenses. Depreciation was written off @ 10% p.a. under written down value method. Accounts are closed on 31st December every year. Prepare plant and machinery account upto 31st December, 1982.

18. (a) From the following particulars prepare Debtor's ledger Adjustment account and Creditor's Ledger Adjustment Account for the month of March, 1990:

	Rs.
Balance of sundry creditors as on 1.3.90	7,720
Balance of sundry debtors as on 1.3.90	5,500
Credit Purchases	80,000
Bills receivables from customers	5,000
Return outwards	100
Allowances received	800
Credit sales	1,00,000
Interest on customers accounts overdue for payment	700
Collection from debtors	58,000
Sales returns	1,200
Credit balances transferred from purchase ledger to sales ledger	150
Cash sales	4,000
Bills receivable dishonoured	1,400
Paid to creditors	26,000
Bills payable accepted	4,000
Allowances to customers	20
Bad debts written off	120
Debit balances transferred from debtors ledger to creditors ledger	500

(b) From the following particulars prepare Debtors' Ledger Adjustment Account and Creditors' Ledger Adjustment Account.

	Rs.
January 1, 2000	
Balance on Bought Ledger (Dr.)	1,740
Balance on Bought Ledger (Dr.)	23,880
Balance on Sales Ledger (Dr.)	29,240
Balance on sales Ledger (Cr.)	480
January 31, 2000	
Purchases	1,32,360
Purchase returns	5,120
Sales	1,74,980
Sales Returns	2,340
Cash received from customers	1,52,420
Discount allowed thereon	5,640
Cash paid to suppliers	1,16,860
Discount received thereon	3,320
Cash paid to customers	260
Bills receivable	8,240
Bills payable	4,500
Bills receivable dishonoured	500
Bought Ledger Balance (Dr.)	1,540
Sales Ledger balances (Dr.)	36,700

19. (a) Delhi Ltd. purchased from Mumbai Ltd three machines costing Rs.40,000 each on the hire purchase system. Payment was to be made Rs.30,000 down and the remainder in three equal installments together with interest @ 5%. Delhi Ltd. writes off depreciation @ 20% on the diminishing balance. It paid the instalment due at the end of the first year but could not pay the next.

Give the necessary ledger accounts in the books of both the parties if the hire vendor took possession of all the three machines. The hire vendor overhauled and sold them for Rs.70,000.

(or)

(b) Mr. Mahesh purchased a vehicle on hire purchase system. The total cash price of the car is Rs. 15,980 payable Rs.4,000.00 down and three instalments of Rs. 6,000, Rs. 5,000 and Rs. 2,000 payable at the end of first, second and third year respectively. Interest is charged at 5% p.a.

Depreciation is charged at 10% on straight line method. Prepare vehicle account and hire Vendors account in the books of Mr.Mahesh.

20. (a) The following is the trial balance of Mr. Manmohan Singh for the year ended 31st March,

	Dr.	Cr.
	Rs.	Rs.
Capital as on 1.4.1994		50,000
Drawing account	10,000	
Stock on 1.4.1994:		
Radios	45,000	
Watches	21,000	
Sales:		
Radios		2,94,000
Watches		1,46,000
Purchases:		
Radios	2,25,000	
Watches	1,15,000	
Salaries	12,600	
Advertisement expenses	8,900	
Rent and rates	3,200	
Commission	10,600	
Miscellaneous expenses	5,000	
Furniture and fixtures	12,400	
Sundry debtors	16,800	
4% Govt.of India loan	10,000	
Interest		400
Provision for bad and doubtful debts		800
Cash balance	4,500	
Sundry creditors		8,800
	5,00,000	5,00,000

Additional information :

- (i) Stock as on 31st March, 1995.
Radios Rs.30,000; Watches Rs.24,000
 - (ii) An amount of Rs.12,00 out of sundry debtors has to be written off as bad and the provision for doubtful debts has to be increased thereafter to 10% of the debts outstanding.
 - (iii) The following expenses are outstanding as on March, 1995; Advertisement Rs.1,300; salaries Rs.1,200; Commission Rs. 1,700.
 - (iv) Provide 10% depreciation on furniture and fixtures.
 - (v) Revenue items are to be allocated in the ratio of 2:1 as between Radios and Watches.
- Ignore fractions in calculation. Prepare departmental trading and profit and loss account for the year ended 31st March, 1995.

(or)

(b) The following is the information relating to the business having three departments.

Dept	Purchases	Opening stock	Closing Stock
A	1,500 units	200 units	100 units
B	1,000 units	300 units	160 units
C	2,000 units	150 units	200 units

Additional information :

- (i) Purchases were made at a total cost of Rs.92,000
- (ii) The percentage of gross profit on turnover is the same in each case.
- (iii) Purchases and sales prices are constant for the last two years.
- (iv) Selling price per unit:

Dept.	Price(Rs.)
A	20
B	25
C	30

You are required to prepare departmental Trading account assuming that there is no opening and closing stock and all the units purchased are sold at their respective departmental prices.