

# S.V. UNIVERSITY; TIRUPATI

## B.COM (TAX) COURSE STRUCTURE

B.COM- SEMESTER - III - W.E.F. 2016-17

| Sl. No.      | Course               | Name of the subject           | Total Marks | Mid. Sem. Exam | Sem. End Exam | Teaching Hours | Credits   |
|--------------|----------------------|-------------------------------|-------------|----------------|---------------|----------------|-----------|
| 1.           | First Language       | English                       | 100         | 25             | 75            | 4              | 3         |
| 2.           | Second Language      | (Tel/Hindi/Urdu/Sans)         | 100         | 25             | 75            | 4              | 3         |
| 3.           | Foundation Course- 5 | Entrepreneurship              | 50          | ---            | 50            | 2              | 2         |
| 4.           | Foundation Course- 6 | Communication & Soft Skills-2 | 50          | ---            | 50            | 2              | 2         |
| 5.           | DSC 1C               | Corporate Accounting          | 100         | 25             | 75            | 6              | 4         |
| 6.           | DSC 2C               | Business Statistics           | 100         | 25             | 75            | 6              | 4         |
| 7.           | DSC 3C               | Value Added Tax (VAT)         | 100         | 25             | 75            | 6              | 4         |
| <b>Total</b> |                      |                               | <b>600</b>  | <b>125</b>     | <b>475</b>    | <b>30</b>      | <b>22</b> |

**II B.Com/B.Com(CA)/B.A (ACCOUNTANCY)**

**DSC 1 C - CORPORATE ACCOUNTING**

**Unit-I:**

**Accounting for Share Capital** - Issue, forfeiture and reissue of forfeited shares- concept & process of book building - Issue of rights – Buy back of shares (preparation of Journal only).

**Unit-II:**

**Issue and Redemption of Debentures** – Issue and redemption of debentures – Accounting Treatment for Convertible and Non-Convertible debentures sinking fund method only (preparation of Journal and Ledger).

**Unit –III:**

**Valuation of Goodwill:** Need and methods - Normal Profit Method, Super Profits Method – Capitalization Method, annuity method (including problems).

**Unit - IV**

**Valuation of shares:** Need for Valuation - Methods of Valuation - Net assets method, Yield basis method, Fair value method (including problems).

**Unit –V**

**Provisions of the Companies Act, 2013 :** Company final accounts - Preparation of Balance Sheet and Profit and Loss Account – Schedule-III – Adjustments relating to preparation of final Accounts.

**Reference Books:**

1. Modern Accounting: A. Mukherjee, M. Hanife Volume-II, McGraw Hill
2. Corporate Accounting – RL Gupta & Radha swami
3. Management Accounting: Shashi K. Gupta, R.K. Sharma, Kalyani Publishers.
4. Corporate Accounting – P.C. Tulsian
5. Advanced Accountancy: Jain and Narang
6. Advanced Accountancy : R.L. Gupta and M.Radhaswamy, S Chand.
7. Advanced Accountancy : Chakraborty
8. Accounting standards and Corporate Accounting Practices: T.P. Ghosh Taxman
9. Corporate Accounting: S.N. Maheswari, S.R. Maheswari, Vikas Publishing House.
10. Advanced Accountancy: Arutanandam, Raman, Himalaya Publishing House.
11. Advanced Accounts: M.C. Shukla, T.S. Grewal, S.C. Gupta, S. Chand & Company Ltd.,

## DSC 2C - BUSINESS STATISTICS

### Unit I:

**Introduction to Statistics:** Definition, importance and limitations of statistics - Collection of data - Frequency distribution - Diagrammatic and graphic presentation of data. Graphic presentation using Computers (Excel).

### Unit II:

**Measures of Central Tendency:** Characteristics of measures of Central Tendency-Types of Averages – Arithmetic Mean, Geometric Mean, Harmonic Mean, Median, Mode, Deciles, Percentiles, Properties of averages and their applications.

### Unit III:

**Measures of dispersion:** Properties of dispersion-Range-Quartile Deviation –Mean Deviation-Standard Deviation- Coefficient of Variation.

### Unit IV:

**Measuring of Relation** Meaning and use of correlation – Types of correlation- Karlpearson's correlation coefficient – Spearman's Rank correlation-probable error-Calculation of Correlation by Using Computers. Regression analysis comparison between correlation and Regression – Regression Equations-Interpretation of Regression Co-efficient.

### Unit V:

**Index Numbers:** Index Numbers-Methods of Construction of Index Numbers – Price Index Numbers – Quantity Index Numbers –Tests of Adequacy of Index Numbers – Cost of Index Numbers-Limitations of Index Numbers – Use of Computer Software.

### Suggested Readings:

- |  |                               |
|--|-------------------------------|
| 1. Business Statistics                         | K.Alagar; McGraw Hill         |
| 2. Business Statistics                         | Reddy, C.R Deep Publications. |
| 3. Statistics-Problems and Solutions           | Kapoor V.K.                   |
| 4. Fundamentals of Statistics                  | Elhance.D.N                   |
| 5. Statistical Methods                         | Gupta S.P                     |
| 6. Statistics                                  | Gupta B.N.                    |
| 7. Fundamentals of Statistics                  | Gupta S.C                     |
| 8. Statistics-Theory, Methods and Applications | Sancheti,D.C. &Kapoor V.K     |
| 9. Business Statistics                         | J.K.Sharma                    |
| 10. Business Statistics                        | Bharat Jhunhunwala            |
| 11. Business Statistics                        | R.S.Bharadwaj                 |

**DSC 3C - VALUE ADDED TAX (VAT)****No.of.hours per week: 6****Max.Marks : 100****Semester end examination : 75****Internal assessment : 25****UNIT-I :**

AP VAT Act 2005 – Background and introduction of VAT – White Paper on VAT – Important terms and definitions – Business-Casual trades – dealer – goods – Input tax – output tax – Place of Business – Tax Invoice – Total turnover-taxable turnover-tax rates – merits and demerits of VAT.

**UNIT-II :**

Mode of Operation of VAT system-Variants of VAT – Gross variant – income variant – computation variant- different methods of computation of VAT – Addition method – invoice method – tax credit method voucher method – subtraction method.

**UNIT-III**

Concept of input tax – output tax – tax credit – purchases not eligible for input tax – utilization of VAT credit – Carry forward of input tax credit – VAT payable – VAT liabilities – reverse tax credit.

**UNIT-IV**

VAT procedure – Registration under the VAT Act – persons liable to get registration – eligibility procedure for registration – compulsory and valuator's registration – time limit- cancellation of registration – (TIN) Taxpayer's Identification Number for the purpose of VAT.

**UNIT – V**

VAT Invoice – Contents of VAT Invoice –Importance of VAT invoice – VAT Returns objectives of filing of return – Assessment of VAT Audit under VAT- Penal provisions under VAT.

**RECOMMENDED BOOKS:**

1. Students guide to Income Tax – TAXMANN
2. Indirect tax law and practice – TAXMANN
3. Simplified Approach to service tax, VAT & CST - Bharat

**SRI VENKATESWARA UNIVERSITY**  
**Model Paper**  
**II B.Com General/CA/ASM/TAX/B.A, Accountancy**  
**Semester – III**  
**CORPORATE ACCOUNTING**

Answer any **Five** of the following Questions

**(5 x 3 = 15 Marks)**

1. (a) Share Capital  
(b) Forfeiture of Shares  
(c) Debentures  
(d) Sinking fund  
(e) Super Profits  
(f) Methods of Valuations of Shares  
(g) Need for valuation of good will  
(h) Fair value method  
(i) Profit and Loss appropriation account  
(j) Companies Act 2013

**UNIT I**

2. A Ltd. Invited applications for 10,000 shares of Rs.100 each at a discount of 5 per cent payable as follows:

On application Rs.25; On allotment Rs.34; On first call and final call Rs.36.

The applications received were for 9,000 shares and all of these were accepted. All moneys due were received except the first and final call on 200 shares which were forfeited. 100 Shares were reissued @ Rs.90 as fully paid.

You are required to show journal entries in the books of the company.

3. A limited company issued a prospectus inviting applications for 2,000 shares of Rs.10 each at a premium of Rs.2 per share payable as follows:

On applications Rs.2; on allotment Rs.5 (including premium); on First Call Rs.3 and on Second Call Rs.2

Applications were received for 3,000 shares and allotments made pro-rata to the applicants for 2,400 shares, the remaining applications being refused. Money overpaid on application was employed on account of sums due on allotment.

X to whom 40 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Y, the holder of 60 shares

failed to pay the two calls, and his shares were forfeited after the second call had been made.

Of the shares forfeited, 80 shares were sold to Z, credited as fully paid, for Rs.9 per share, the whole of X's share being included.

Show journal and Cash Book entries.

## UNIT II

4. Raghavendra Co. Ltd. offered 1000, 5% debentures of Rs 100 each. Pass necessary journal entries in the following cases.

- a) Issued at par and redeemable at par.
- b) Issued at 10% premium and redeemable at par.
- c) Issued at 6% discount and redeemable at par.
- d) Issued at par and redeemable at 10% premium.
- e) Issued at 6% discount and redeemable at 10% premium.

## OR

5. On 1<sup>st</sup> April 2009 Anuradha company issued 4000 debentures of Rs 100 at par, redeemable at par on 31<sup>st</sup> March, 2014. A sinking Fund was established for this purpose. It was expected that investments would earn 5% interest. Sinking Fund tables show that Rs 0.180975 amounts to Rs 1 at the end of 5<sup>th</sup> year @ 5%.

On 31<sup>st</sup> March, 2014, the investments realized Rs 2,96,000. On that date the company's bank balance stood at Rs 1,45,000. The debentures were duly redeemed.

Prepare sinking Fund Account and sinking Fund Investments Account assuming that the investments were made to the nearest Rs 10.

## UNIT III

6. The following particulars are available in respect of a business firm.

- i. Average capital employed Rs. 50,000.
- ii. Trading results: 2005 (Profit Rs. 12,200) 2006 (Profit Rs. 15,000) , 2007 (Rs. 2,000) and 2008 (Profit Rs. 21,000)
- iii. Market rate of interest on investment at 8%.
- iv. Rate of risk return on capital invested at 2%.
- v. Remuneration of the proprietor Rs. 3,600 pa.  
You are required to compute the value of Goodwill on the basis of 3 years purchase of super profit.

7. The following particulars are available in respect:

- i. Profits earned in 2000-Rs.50,000, 2001-Rs.60,000 and 2002-Rs.55,000
- ii. Normal rate of return 10%
- iii. Capital employed Rs. 3,00,000
- iv. Present value of annuity for 5 years at 10% is Rs. 3.78 in a Rupee.
- v. The profit included non-recurring profit on an average basis of Rs. 4000 out of which it was deemed that even non-recurring profits had a tendency of appearing at Rs. 1000 pa.

You are required to calculate goodwill under the following methods.

- As per five years purchase of super profit.
- As per capitalization method.
- As per annuity method.

#### UNIT IV

8. The following details are extracted from the records of Gopi Co. Ltd. For the year ending 31.12.2010. You are required to calculate the value of equity share.

2000, 9% preference share of Rs. 100 each Rs.,. 2,00,000

50,000 equity shares of Rs. 10 each, Rs. 8 per share paid Rs. 4,00,000

Expected profits per year before tax Rs. 2,18,000 rating tax 50 percent.

Transfer to general reserve every year Rs. 20% of the profit normal rate of earnings.

Transfer to general reserve every year Rs. 20% of the profit normal rate of earnings 15 percent.

9. The following is the Balance sheet of Srinivasa co. Ltd for the year ending with 31<sup>st</sup> March, 2012

| Liabilities                                 | Amount   | Assets                      | Amount   |
|---|----------|-----------------------------|----------|
| 8% preference share capital at Rs. 100 each | 1,50,000 | Land & Buildings            | 2,50,000 |
| 3000 Equity shares at Rs 100                | 3,00,000 | Plant & Machinery           | 70,000   |
| Bank Overdraft                              | 60,000   | Furniture                   | 18,000   |
| Sundry creditors                            | 64,000   | Goodwill                    | 70,000   |
| Profit & Loss Account                       | 56,000   | Cash in Hand                | 12,000   |
| General Reserve                             | 70,000   | Cash at Bank                | 28,000   |
|   |          | Sundry Debtors              | 90,000   |
|   |          | Stock in Trade              | 1,30,000 |
|   |          | Preliminary Expenses        | 12,000   |
|   |          | Discount on issue of shares | 20,000   |
|   | 7,00,000 |                             | 7,00,000 |
|   | -----    |                             | -----    |

Assets are revued as given below :

- 1.Land & Buildings Rs. 3,00,000, Plant & Machinery Rs.64,000 .depreciate furniture by 10%

2. Debtors are expected to realise at 80% and stock in Trade is Rs. 1,42,000

Find the value of equity share

### UNIT V

10. Following is the Balance of BHANU Ltd. as on 31<sup>st</sup> March, 2013

| Debit Balances        | Rs       | Credit Balances   | Rs       |
|-----------------------|----------|-------------------|----------|
| Stock on 1-4-2012     | 75,000   | Purchase returns  | 10,000   |
| Purchases             | 2,45,000 | Sales             | 3,40,000 |
| Wages                 | 30,000   | Discount received | 3,000    |
| Carriage              | 950      | Surplus A/c       | 15,000   |
| Furniture             | 17,000   | Share Capital     | 1,00,000 |
| Salaries              | 7,500    | Creditors         | 17,500   |
| Rent                  | 4,000    | General reserve   | 15,500   |
| Sundry Trade Expenses | 16,950   | Bills Payable     | 7,000    |
| Debtors               | 27,500   |                   |          |
| Plant and Machinery   | 29,000   |                   |          |
| Cash at Bank          | 45,300   |                   |          |
| Patents               | 4,800    |                   |          |
| Bills receivable      | 5,000    |                   |          |
|                       | 5,08,000 |                   | 5,08,000 |

Prepare Statement of Profit and Loss for the year ending 31<sup>st</sup> March, 2013 and a Balance Sheet on that date after considering the following adjustments:

- (a) Stock on 31-3-2013 was ` 88,000.
- (b) Depreciate Plant and Machinery at 15%, Furniture 10% and Patents at 5%
- (c) Outstanding rent amounted to ` 800 and outstanding salaries ` 900.
- (d) Provide ` 5100 for doubtful debts.
- (e) The Board recommends payment of dividend @ 15% per annum.

(f) Transfer the minimum required amount to general reserve.

**OR**

**11. Following are the balances of ABC Limited as on 31<sup>st</sup> March, 2013:**

| Debit                      | Rs          | Credit               | Rs          |
|----------------------------|-------------|----------------------|-------------|
| Premises                   | 30,72,000   | Equity Share Capital | 40,00,000   |
| Plant                      | 33,00,000   | 12% Debentures       | 30,00,000   |
| Stock                      | 7,50,000    | Surplus account      | 2,63,000    |
| Debtors                    | 8,70,000    | Bills payable        | 3,70,000    |
| Goodwill                   | 2,50,000    | Creditors            | 4,00,000    |
| Bank                       | 4,52,000    | General Reserve      | 2,50,000    |
| Cash in Arrears            | 75,000      | Sales                | 41,50,000   |
| Interim Dividend<br>paid   | 6,00,000    | Bad Debts Provision  | 35,000      |
| Purchases                  | 18,50,000   |                      |             |
| Wages                      | 7,71,000    |                      |             |
| General Expenses           | 74,000      |                      |             |
| Salaries                   | 2,03,000    |                      |             |
| Bad debts                  | 21,000      |                      |             |
| Debenture Interest<br>paid | 1,80,000    |                      |             |
|                            | 1,24,68,000 |                      | 1,24,68,000 |
|                            |             |                      | 1,24,68,000 |

**Additional Information:**

- (1) Depreciation Plant by 10%
- (2) Write off ` 5,000 from Preliminary Expenses.
- (3) Half year's Debenture interest due.
- (4) Create 5% provision on Debtors for doubtful debts.
- (5) Provide for Income Tax @ 35%.

- (6) Stock on 31<sup>st</sup> March, 2013 was ` 9,50,000.
- (7) No final dividend is declared by the company.
- (8) Ignore Corporate Dividend Tax.
- (9) Transfer the minimum required amount to General Reserve.

# SRI VENKATESWARA UNIVERSITY

## Model Paper

### II B.Com General/CA/ASM/TAX

### Semester – III

## BUSINESS STATISTICS

Time : 3 Hours

Max. Marks : 75

### Section A

Answer any **Five** of the following Questions

**(5 x 3 = 15 Marks)**

1. (a) Meaning of statistics.
- (b) Primary data.
- (c) Frequency distribution.
- (d) Compute Harmonic Mean  
X: 35,45,89,76,87,52,60
- (e) Qualities of good average
- (e) Correlation co-efficient
- (f) Range
- (g) Methods of measuring Dispersion
- (h) Index Numbers.
- (i)  $X = 100$ , Median = 100, Find Z.

### Section - B

Answer any **ONE** Question from each unit.

**(5 X12 = 60 Marks)**

### UNIT I

2. Prepare frequency distribution table with the starting class 5-10 and all classes with the same width 5. The values are

|    |    |    |    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|----|----|----|
| 12 | 19 | 26 | 36 | 27 | 37 | 40 | 15 | 6  | 16 |
| 21 | 5  | 10 | 33 | 20 | 10 | 45 | 30 | 19 | 7  |
| 37 | 20 | 19 | 17 | 28 | 20 | 11 | 30 | 26 | 20 |

3. Draw Histogram and find mode.

|       |      |       |       |       |       |       |       |
|-------|------|-------|-------|-------|-------|-------|-------|
| Class | 0-10 | 10-20 | 20-30 | 30-40 | 40-50 | 50-60 | 60-70 |
| F     | 4    | 5     | 10    | 20    | 9     | 6     | 6     |

## UNIT – II

4. Calculate Mean, Median for the following data

|           |       |       |       |       |       |       |       |
|-----------|-------|-------|-------|-------|-------|-------|-------|
| C.I       | 10-20 | 20-30 | 30-40 | 40-50 | 50-60 | 60-70 | 70-80 |
| Frequency | 12    | 30    | 34    | 65    | 45    | 25    | 18    |

OR

5. Calculate Mode for the data given below

|   |      |       |       |       |       |       |       |       |
|---|------|-------|-------|-------|-------|-------|-------|-------|
| X | 0-10 | 10-20 | 20-30 | 30-40 | 40-50 | 50-60 | 60-70 | 70-80 |
| F | 8    | 10    | 20    | 29    | 37    | 18    | 9     | 6     |

UNIT – III

6. Calculate Mean Deviation from median for the following data

|     |        |         |         |         |         |         |         |
|-----|--------|---------|---------|---------|---------|---------|---------|
| C.I | 50-100 | 100-150 | 150-200 | 200-250 | 250-300 | 300-350 | 350-400 |
| F   | 5      | 5       | 8       | 2       | 10      | 7       | 2       |

OR

7. Calculate Quartile Deviation for the following data

|   |      |       |       |       |       |       |       |       |
|---|------|-------|-------|-------|-------|-------|-------|-------|
| X | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30-35 | 35-40 | 40-45 |
| Y | 5    | 5     | 8     | 2     | 10    | 7     | 2     | 1     |

UNIT – IV

8. Calculate Karl Pearsons Correlation co-efficient and probable error for the following data

|   |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|
| X | 9  | 8  | 7  | 6  | 5  | 4  | 3  |
| Y | 15 | 16 | 14 | 13 | 11 | 12 | 10 |

OR

9. Find the Rank Correlation co-efficient for the following data

|          |           |           |           |           |           |           |           |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <u>x</u> | <u>48</u> | <u>60</u> | <u>72</u> | <u>62</u> | <u>56</u> | <u>40</u> | <u>39</u> |
| <u>Y</u> | <u>62</u> | <u>78</u> | <u>65</u> | <u>70</u> | <u>38</u> | <u>54</u> | <u>60</u> |

## UNIT – V

10. From the fixed base index numbers given below, construct chain base index number:

|       |      |      |      |      |      |      |
|-------|------|------|------|------|------|------|
| Year  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Items | 52   | 70   | 65   | 80   | 86   | 90   |

**OR**

11. From the following data construct Fishers Ideal Index Number

| Items | Base  |       | Current |       |
|-------|-------|-------|---------|-------|
|       | Price | Value | Price   | Value |
| P     | 4     | 80    | 10      | 150   |
| Q     | 8     | 32    | 16      | 80    |
| R     | 2     | 20    | 4       | 48    |
| S     | 10    | 50    | 20      | 120   |