.oll No · 06022021/60

Department Accounts Examination For SAS-II
Session- 02/2021
Paper: 5
(Drafting & computer knowledge)

Time Allowed: Three Hours

Maximum Marks: 100

Note:-

1) Attempt all the questions and part of a question must be attempted continuously at one place.
2) Rough work should be done on the space provided for in the answer sheet at Page-2.
3) Missing data, if any be assumed but must be indicated specifically in the answer.
4) Support your answer with relevant rules/regulation.

Q.1

Make a précis of the following passage in about 1/3rd words and give an appropriate title: **{8+2}**

"Probably the only protection for contemporary man is to discover how to use his intelligence in the service of love and kindness. The training of human intelligence must include the simultaneous development of the empathic capacity. Only in this way can intelligence be made an instrument of social morality and responsibility- and thereby increase the chances of survival. The need to produce human beings with trained morally sensitive intelligence is essentially a challenge to educators and educational institutions. Traditionally, the realm of social morality was left to religion and the churches as guardians or custodians. But their failure to fulfill this responsibility and their yielding to the lures of the men of wealth and pomp and power are documented by history of the last two thousand years and have now resulted in the irrelevant "God Is Dead" theological rhetoric. The more pragmatic men of power have had no time or inclination to deal with the fundamental problems of social morality. For them simplistic Machiavellianism must remain the guiding principle of their decisions - power is morality, morality is power. This over-simplification increases the chances of nuclear devastation. We must therefore hope that educators and educational institutions have the capacity, the commitment and the time to in-still moral sensitivity as an integral part of the complex pattern of functional human intelligence. Some way must be found in the training of human beings to give them the assurance to love, the security to be kind, and the integrity required for a functional empathy." (252 words)

Give the meaning of the following words: **{5}**

i) Contemporary

ii) Custodians

iii) Rhetoric

iv) Pragmatic

v) Machiavellianism

cont.

Q.2 Answer the following: **{10 + 10}**

a) Prepare a letter from Director/ HR to all HODs mandating wearing of masks, use of sanitizers and limiting of visitors to prevent spread of COVID-19 in PSPCL.

b) Prepare a NIT for publication of e-tender notice in renowned national newspapers. Date of downloading of specification and submission of tender is 30.06.2020 11:00 AM and opening is on 02.06.2020 11:00 AM. The tender relates to purchase of laptops for PSPCL offices with a tentative cost of Rs. 5 Cr.

Q.3 Do as directed: **{5+5+5}**

A) Select correct word to fill in the blanks:

i) She often ..... shopping on the weekend. (go/ goes)

ii) Tom's not here. He's out .... his mother. (visiting/ visit)

iii) Shawn and Noel were standing ..... a tree waiting for the rain to stop. (next/ under)

iv) A bird flew through the sky high .... us. (above/ over)

v) The car .... after they crossed the bridge. (broke down/ has broken down)

B) Change form as indicated:

i) She says, "I am a little bit nervous". (Direct to Indirect)

ii) They said, "They are taking exercise every day." (Direct to Indirect)

iii) She said, "Good morning, Sir David." (Direct to Indirect)

iv) At each concert, the singer sang at least one song from film Sholay. (Active to Passive)

v) The ants will carry huge biscuit all at once. (Active to Passive)

C) Give meaning of the following idioms:

i) A dime a dozen.

ii) Give someone the benefit of doubt.

iii) Best of both worlds.

iv) Your guess is as good as mine.

v) To miss the boat.

PTO

Q.4 Do as directed:

A) Convert the following: **{2 x 5 = 10}**

i) $(1000)_2$ to octal

ii) $(FFA)_{16}$ to decimal

iii) $(110)_8$ to binary

iv) $(560)_{10}$ to hexadecimal

v) $(111)_2 + (001)_2$ to octal

B) Explain what function the following keyboard shortcuts perform:
{2 x 5 = 10}

i) Ctrl + N in MS Word

ii) Ctrl + Alt + Delete in MS Windows

iii) Alt + F4 in MS Windows

iv) F5 in MS Power Point

v) Ctrl + A in MS Excel

C) Explain the function of following keys on the keyboard: **{1 x 5 = 5}**

i) Num lock

ii) Scroll lock

iii) Caps lock

iv) PrtSc

v) Insert

Q.5

A) Fill in the blanks: **{1 x 5 = 5}**

i) 1GB is equivalent to ……… MB.

ii) The part of a computer that you can touch and feel is called …….

iii) The hexadecimal number system includes letters from A to ….

iv) A ……. is a kind of virus that appears useful, but actually passes the user's data to someone else.

Contd

v) The information about a particular user that exists on the internet as a result of their online activity is called .... of the user.

B) Explain difference between: {2 x 5= 10}

a) Spyware and Malware

b) Backspace and Delete

c) Hacking and Phishing

d) Workbook and Worksheet in MS Excel

e) Header and Footer in MS Office

C) Arrange in ascending order: {10}

$(1111.01)_2$, $(100111101.101)_2$, $(FF)_{16}$, $(256.32)_{10}$, $(11)_8$

Session - 02/2021

SAS Part-II

Accounts and Auditing

Q. 1 (a) X Ltd. received a grant of Rs.2 crores from the Central Government for the purpose of a special Machinery during 2013-14. The cost of Machinery was Rs. 20 crores and had a useful life of 9 years. During 2017-18, the grant has become refundable due to non-fulfilment of certain conditions attached to it. Assuming the entire grant was deducted from the cost of Machinery in the year of acquisition. State with reasons, the accounting treatment to be followed in the year 2017-18.

(b) P Ltd. has 60% voting right in Q Ltd. Q Ltd. has 20% voting right in R Ltd. Also, P Ltd. directly enjoys voting right of 14% in R Ltd. R Ltd. is a listed company and regularly supplies goods to P Ltd. The management of R Ltd. has not disclosed its relationship with P Ltd. How would you assess the situation from the viewpoint of AS 18 on Related Party Disclosures?

(c) On 30.06.2020, Asmitha Ltd. incurred Rs. 2,00,000, net loss from disposal of a business segment. Also, on 30.07.2020, the company paid Rs.60,000 for property taxes assessed for the calendar year 2020. How the above transactions should be included in determination of net income of Asmitha Ltd. for the six months interim period ended on 30.9.2020 as per provisions of AS-25.

(d) Good Drugs and Pharmaceuticals Ltd. acquired a sachet filling machine on 1st April, 2016 for Rs.60 lakhs. The machine was expected to have a productive life of 6 years. At the end of financial year 2016-2017 the carrying amount was Rs. 41 lakhs. A short circuit occurred in this financial year but luckily the machine did not get badly damaged and was still in working order at the close of the financial year. The machine was expected to fetch Rs. 36 lakhs, if sold in the market. The machine by itself is not capable of generating cash flows. However, the smallest group of assets comprising of this machine also, is capable of generating cash flows of Rs. 54 crore per annum and has a carrying amount of Rs. 3.46 crore. All such machines put together could fetch a sum of Rs. 4.44 crore if disposed. Discuss the applicability of Impairment loss.

(5*4=20)

Q:-2(a) What do you understand by Ratio Analysis? Find out the value of current assets of a company from the following information.

- **i.** Inventory Turnover Ratio = 4 times.
- **ii.** Inventory at the end is Rs. 20,000 more than inventory in the beginning.
- **iii.** Revenue from operations ie. Net Sales Rs. 3,00,000.
- **iv.** Gross Profit Ratio 25%
- **v.** Current Liabilities Rs. 40,000.
- **vi.** Quick Ratio 0.75.

contd.

Q 2 (b) The difference in the Trial Balance had been entered in a Suspense Account and on correction of the errors the Suspense Account was eliminated.
The following errors were discovered in the books of Slack on 31st December 2019.

1. The total of the Purchase Day Book had been under-cast by Rs 100.
2. The Discount column on the debit side of the Cash Book had been posted to the credit of Discount Received Account as Rs. 20.
3. Rs 76 for repairs to Motor van had been taken to the Motor Van A/c.
4. A cheque received from Quick Rs. 39 had been debited in the Cash Book, but the double entry had not been completed.
5. The Returns Outward Book had been overcast by Rs. 50.

(a) Show by means of Journal entries how these errors would be corrected.
(b) Show the Suspense Account bringing out the original difference.
(c) The Final Accounts to 31st December 2019 had been prepared on the basis of the incorrect figures. The Net Profit disclosed by these accounts was Rs. 4,320. Show your calculation of the correct Net Profit for the year.

(10+10=20)

Q3 (a) :- On 30th September, 2019, the bank account of Neel, according to the bank column of the Cash- Book, was overdrawn to the extent of Rs. 8,124. On the same date the bank statement showed a debit balance of Rs. 41,516 in favour of Neel. An examination of the Cash Book and Bank Statement reveals the following:

1. A cheque for Rs. 26,28,000 deposited on 29th September, 2019 was credited by the bank only on 3rd October, 2019
2. A payment by cheque for Rs. 32,000 has been entered twice in the Cash Book.
3. On 29th September, 2019, the bank credited an amount of Rs. 2,34,800 received from a customer of Neel, but the advice was not received by Neel until 1st October, 2019.
4. Bank charges amounting to Rs. 1,160 had not been entered in the Cash Book.
5. On 6th September, 2019, the bank credited Rs. 40,000 to Neel in error.
6. A bill of exchange for Rs. 2,80,000 was discounted by Neel with his bank. This bill was dishonored on 28th September, 2019 but no entry had been made in the books of Neel.
7. Cheques issued upto 30th September, 2019 but not presented for payment upto that date totaled Rs. 26,52,000.

You are required:

(a) **To show the appropriate rectifications required in the Cash Book of Neel, to arrive at the correct balance on 30th September, 2019 and**

(b) **To prepare a bank reconciliation statement as on that date.**

PTO

(b) **Discuss on following with regarding to accounting:-**

i. What are commitments?

ii. Why do we create provisions?

iii. Is it correct to say debit means plus and credit means minus?

iv. Define verifiable objective concept.

v. Define cost concept.

{10+(2X5)=20}

Q. 4 (a) As any auditor how do you verify the following:-

i. Interest and Divided Received

ii. Installments received on hire purchase sale

(b) Differentiate between internal check, internal control and internal audit?

(5*2+10=20)

Q. 5(a) Explain the provisions in cost Accounting Record Rules with regard to maintenance of Record for research and developments expenses?

(b) Vouching is the essence of Auditing? Explain.

(10+10=20)

SAS-II

PAPER-7 INDUSTRIAL, COMMERCIAL LAWS AND DIRECT TAXES

Ques: 1

Write Notes of the followings:

a) Quorum
b) Proxy
c) Notice of General Meeting
d) Class Meeting

5+5+5+5=20Marks

Ques: 2

a) What are the working hours for children and women in a factory?
b) Distinguish between Annual general meeting and extra ordinary general meeting.
c) Define Void Contracts.

10+5+5=20Marks

Ques: 3

a) State the provisions of the Factories Act 1948 regarding extra wages for overtime work.
b) Define the term worker as defined in the Factories Act 1948.

c) Choose the correct answer:

1. Consideration in simple term means
   (a) Any this in return (b) Something in return
   (c) Everything in return (d) Nothing in return

2. Which of the following is not an exception to the rule –No consideration, No contract
   (a) Compensation for involuntary services (b) Love & Affection
   (c) Contract of Agency (d) Gift

Contd

3. When the consent of a party is not free, the contract is
   (a) Void (b) Voidable
   (c) Valid (d) illegal

4. Ordinarily, a minor's agreement is
   (a) Void ab initio (b) Voidable
   (c)Valid (d) Unlawful

5. The threat to commit suicide amounts to
   (a) Coercion (b) Undue Influence
   (c) Misrepresentation (d) Fraud

5+5+10=20Marks

Ques: 4

a) Mr Arup Sen has furnished following particulars:
   (i) Salary @ Rs.25,000 p.m.
   (ii) Dearness Allowance @ Rs.5000 p.m. (it enters into pay for retirement benefits).
   (iii) Entertainment Allowance @Rs.600 p.m.
   (iv) Bonus Rs.16,000.
   (v) Cost of furnishing Rs.1,20,000.

   Calculate the value of rent-free house if:

   Case:1

   Mr Arup Sen is Govt. Employee and rent of house fixed by Govt. is Rs.2500 p.m.

   Case:II

   Mr Arup Sen is working in a semi-Govt. Undertaking at Chennai {Population more than 25 Lakhs} and Fair Rental Value of the house is Rs.8000p.m.

   CaseIII

   Mr Arup Sen is working in private sector at Chandigarh {population below 10 Lakhs} and rent of the house hired by employer is Rs.6000 p.m. He is also provided with hired refrigerator whose hire charges of Rs.600 p.m. are paid by the employer.

b) Define the term Factory as defined in the Factories Act 1948.

15+5=20Marks

PTO

Ques: 5

a) Define the term contract. What are the essentials of a valid contract?

b) Mr X owns a house, 2/3rd portion of the house is let out @4000 p.m and remaining 1/3rd portion is self occupied for 7 months and let out for 5 months. Calculate its fair rental value per month.

c) Mr. Rama Rao had taken a shop on rent at monthly rent of Rs. 2000. He has sub let 25% of the area to Mr. D.K. Rai @ 1000p.m. He incurred Rs. 4,000 on repairs of the shop. Calculate his income from sub letting.

10+5+5=20Marks

SAS Part-II - Session : 8/2020

Paper : 8th. - (Works and Management Accounts)

Q. 1 (i) In which ways Measurement Book should be transmitted from one office to the other.?

(ii) Name the person who is authorised to make entries in the Measurement Book.

(iii) Explain Advance Payment to Contractor.

(iv) Explain Account Code 61.950.

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

Q. 2 Pinki Finance Ltd. is contemplating to invest in a project which will provide the following returns over its life time :

Year	Gross Yield Rs.
1	80,000
2	80,000
3	90,000
4	90,000
5	90,000

Cost of machinery to be installed works out to be Rs. 2,00,000 and the machinery is to be depreciated at 20% per annum on WDV basis. Income Tax rate is 50%. If average cost of raising capital is 11%, would you recommend accepting the project under internal rate of return method ?

Year	1	2	3	4	5
P. V. at 10%	.0909	.827	.751	.683	.621

(Marks : 20)

contd..

Q. 3 (i) A department of Company X attains sale of Rs. 12,00,000 at 80% of its normal capacity and its expenses are given below :

Administration Costs:	**Rs.**
Office Salaries	1,80,000
General Expenses	2% sales
Depreciation	15,000
Rates and taxes	17,500
Selling costs :	
Salaries	8% of Sales
Travelling Expenses	2% of Sales
Sales office Expenses	1% of Sales
General Expenses	1% of Sales
Distribution Costs:	
Wages	30,000
Rent	1% of Sales
Other Expenses	4% of Sales

Draw up flexible administration, selling and distribution costs budget, operating at 90% , 100% and 110% of normal capacity.

(ii) Explain Auxiliary Energy Consumption as per PSERC Regulations.

(Marks : 15+5=20)

PTO

Q. 4 (i) A product passes from Process-I and Process-II. Material issued to Process-I amounted to Rs. 40,000, Wages Rs. 30,000 and manufacturing overheads were Rs. 27,000. Normal Loss anticipated was 5% of input. 4,550 Units of output were produced and transferred-out from process-I. There were no opening stocks. Input raw material issued to Process –I were 5,000 units. Scrap has realisable value of Rs. 2 per unit.

You are required to show Process-I account, Value of normal Loss, abnormal Loss and units transferred to Process-II.

(ii) You are given the following particulars calculate :

(a) Break – even point.

(b) Sales to earn a profit of Rs. 20,000

i.	Fixed Cost	Rs. 1,50,000
ii.	Variable Cost	Rs. 15 per unit
iii.	Selling price is	Rs. 30 per unit

(iii) Define Retention Money.

(Marks : 10+5+5=20)

Q. 5 (i) What do you mean by Zero Base Budgeting.

(ii) Define Financial or Cash Budget.

(iii) Define the following as per PSERC Regulations.

(a) Maximum Continuous Rating (MTR)

(b) Transmission Licence

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