

CREDIT BASED THIRD SEMESTER B.Com.DEGREE EXAMINATION

OCTOBER 2012

AUDITING

Time: 3 Hrs

Max. Marks: 80

SECTION – A

Answer any THREE questions: 3X20=60

1. Define Auditing. Explain the objectives of Auditing.
2. What is internal check? Suggest a suitable system of internal check for the control of cash sales.
3. How do the auditor verify the following:
a) Freehold property b) Plant and Machinery c) Creditors
d) Loans and advances
4. Explain the civil and criminal liabilities of an Auditor.

SECTION – B

Answer any THREE questions: 3X5=15

5. What is an audit programme? What are its advantages?
6. Explain the differences between auditing and investigation.
7. What are the main points to be kept in mind while examining vouchers?
8. How are auditors of a company appointed under different circumstances?

SECTION – C

Answer all the questions:

5X1=5

9. What are audit working papers?
10. What is meant by internal audit?
11. What is meant by Investigation?
12. What is audit report?
13. State any two problems of computerized auditing?

COM 305.3

Reg. No.

CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION OCTOBER 2013
COMMERCE
AUDITING

Time: 3 Hrs

Max. Marks: 80

SECTION – A

Answer any Three questions:

3X20=60

1. “Two main objectives of an audit are the prevention and detection of errors and frauds”. Explain the statement in detail.
2. Suggest a suitable system of internal check for preparation of wage sheets and payment of wages.
3. How do you verify the following?
 - a) Plant and machinery
 - b) Investments
 - c) Sundry debtors
 - d) Bank overdraft
4. Explain the rights and duties of a company auditor

SECTION – B

Answer any Three questions:

3X5=15

5. Distinguish between accounting and auditing.
6. What is internal control? Explain the objectives of internal control.
7. What are the qualifications and disqualifications of an auditor?
8. What is audit report? What are its contents?

SECTION – C

Answer all the questions:

5X1=5

9. What is meant by audit note book?
10. What is meant by vouching?
11. What is Statutory Audit?
12. What is investigation?
13. State the meaning of a qualified report.

CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION
OCTOBER 2014
COMMERCE
AUDITING

Time: 3 Hrs

Max. Marks: 80

SECTION – A

Answer any Three questions:

3×20=60

1. Define Auditing. Explain the objectives of Auditing.
2. Define internal check. Explain the system of internal check for the maintenance of wage records and payment of wages.
3. What is vouching? What are the points to be noted by the auditor while vouching receipts side of a cash book?
4. Explain the rights and duties of an auditor of a Joint Stock company.

SECTION – B

Answer any Three questions:

3×5=15

5. What is audit programme? Explain its merits.
6. How do you verify stock in trade?
7. What is audit report? Explain the types of audit report.
8. Distinguish between auditing and investigation.

SECTION – C

Answer all the questions:

5×1=5

9. What is meant by government audit?
10. What is Internal Control?
11. State the meaning of verification of assets.
12. What is audit note book?
13. What is meant by auditor's lien?

COM 305.3

Reg. No.

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**CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION
OCTOBER 2015
COMMERCE
AUDITING**

Time: 3 Hrs

SECTION – A

Answer any THREE questions:

1. Define Auditing. Explain its merits and demerits.
2. What is internal check? Suggest a suitable system of internal check with regards to the payment of wages.
3. What are the points to be noted by an Auditor while vouching cash receipts and cash payments?
4. What are the rights and duties of an auditor under the Companies Act of 1956?

SECTION – B

Answer any THREE questions:

5. Write a note on Audit Note Book.
6. Explain the differences between internal audit and external audit.
7. “Vouching is the essence of audit” Explain.
8. Explain the various contents of audit report.

SECTION – C

Answer all the questions:

9. State the meaning of the terms “Errors and Frauds”.
10. Define internal control.
11. What are vouchers?
12. What is meant by routine checking?
13. What is investigation?

COM 305.4

Reg. No.

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**CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION
OCTOBER 2015
COMMERCE
PERSONAL TAXATION - I**

Time: 3 Hrs

SECTION – A

Answer any THREE questions:

1. Compute the total income of Mrs. Divya, if she is 1) OR 2) NOR 3) NR
 - i) Profit from business in Kanpur `60,000
 - ii) Profit from business in Iran `1,00,000 (½ received in India)
 - iii) Profit from house property in Srilanka received in India `1,00,000
 - iv) Income from house property in Japan deposited in a bank there `50,000
 - v) Income from watch business in Mangaluru which is received in USA `60,000
 - vi) Income from agriculture in Hubli `70,000
 - vii) Income from agriculture in Germany `1,00,000 (all spent on education there)
 - viii) Royalty received by her in USA from Govt. of India `90,000
 - ix) Past untaxed profits brought to India during the previous year `40,000
 - x) Gift from friend on the occasion of marriage `42,000
 - xi) Gift from friend in UK received there `42,000
 - xii) Gift from relative in the form of car valued `3,60,000
 - xiii) Gift from a business associate on the occasion of 50th birthday `28,000
 - xiv) Interest on post office savings bank account in India `10,000
 - xv) Dividend from Indian Companies `44,000
 - xvi) Business income from Burma controlled from Mysore `1,60,000

2. Mr. Bhaskar has five houses, the municipal valuation per annum of which are `20,000, `16,000, `12,000, `8,000 and `12,000 respectively.

He lives in the first house. In the second house he runs his business. The other houses are let out for `800, `700 and `1,200 per month respectively. One third portion of the third house is also used by him for his residential purpose and the rent of `800 p.m. was received from the remaining two third portion.

A loan of `3,00,000 was taken at 10%p.a. for the construction of 5th house which began on 1-6-2011 and completed on 31.1.2014. For the previous year the interest paid by him amounted to `20,000. 5th house was vacant for 2 months. Municipal taxes assessed and paid at 10% of the municipal valuation. Compute his income from house property.

3. Mr. Amruth is the chief marketing executive of Nuero Motors Ltd, at Madikeri. He furnishes following details of his emoluments:-
 - a) Basic `20,000 p.m.
 - b) D.A. 30% of basic (25% under terms of employment)
 - c) Bonus 1 month basic.
 - d) Dearness pay `1,000 pm
 - e) Commission at ½% of turnover of `50,00,000
 - f) CCA `500 pm.
 - g) Medical allowance `300pm
 - h) Servant allowance `400pm
 - i) Travelling allowance for visiting branches `20,000 (70% is spent for official purpose).
 - j) Academic allowance `600pm
 - k) Overtime allowance `1000pm

- l) He contributes 12 ½% of salary to RPF to which his employer contributes equally
- m) The interest credited to PF A/c during the year at 10% amounted to `50,000
- n) Conveyance allowance `600pm
- o) House rent allowance `600pm
- p) Entertainment allowance `100pm

He paid `700pm as rent for the house.

Compute the taxable salary considering the professional tax paid `200pm.

- 4. Define perquisites. Briefly explain the tax provisions relating to different types of perquisites provided by an employer to the employee.

SECTION – B

Answer any THREE questions:

- 5. From the following particulars calculate deduction U/s 80C:
 - a) LIC premium of `10,000 on own life policy of `40,000
 - b) 5 years postal time deposit `10,000
 - c) `15,000 subscribed to Home Loan Account of a Bank, interest accrued there on `8,400
 - d) Tuition fees of 3 children `30,000
 - e) Repayment of housing loan from SBI, Principal `35,000 and interest `65,000.
- 6. Mr. Dinesh retired from service on 31st January of PY after serving for 27 years and 8 months. He received a gratuity of `5,25,000. His basic salary as on 1.1.2014 was `23,500 and the increment of `700 falls due on 1st October. His DA was fixed at `3,000pm 50% of which enters into retirement benefits. Calculate the amount of gratuity exempt US 10(10) of the I.T. Act.
- 7. Abraham retired from service on 30th November of PY after serving for 26 years and had 12 months earned leave to his credit. His last drawn salary was `15,800 and DA at 20% of his basic. The increment of `200 falls due on 1st July every year. He received `2,20,000 on leave encashment. Find out taxable leave encashment.
- 8. From the following information compute depreciation allowable:-

W.D.V of plant X and Y on 1-4	`2,00,000
Plant purchased in July	`25,000
Plant purchased in January	`15,000
Sale proceeds of plant Y	`50,000

 Rate of depreciation 15% and additional depreciation 20%.

SECTION – C

Answer all the questions:

- 9. What is meant by Additional Depreciation?
- 10. Define previous year.
- 11. When is an individual said to be 'Not ordinarily Resident' in India in the previous year?
- 12. State the provisions of law regarding commutation of pension.
- 13. What is meant by RPF?

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CREDIT BASED THIRD SEMESTER B.Com. DEGREE EXAMINATION OCTOBER 2016
COMMERCE
PERSONAL TAXATION – I

Time: 3 Hrs.

Max. Marks: 80

SECTION – A

Answer any **THREE** questions:

3×20=60

1. Calculate total income of Mr. Narayan from the following particulars if he is
 - 1) OR 2) NOR 3) NR
 - a) Business income from Mumbai controlled from London ₹6,00,000.
 - b) Business income from Pakistan controlled from Bengaluru ₹2,00,000
 - c) Salary received in India (including ₹60,000 for services in U.K.) ₹1,00,000.
 - d) Agricultural income from Srilanka (25% remitted to India) ₹60,000.
 - e) Profit on sale of building in Bengaluru, received in France ₹1,00,000
 - f) Dividend from foreign companies, received outside India ₹1,20,000
 - g) Agricultural income from Mandya ₹50,000
 - h) Gift from a friend received outside India ₹4,00,000
 - i) Interest on deposits with Mangaluru Branch of SBI ₹60,000
 - j) Interest on deposits with Bengaluru branch of a foreign bank ₹20,000
 - k) Interest on U.K. Development bonds (20% received in Mumbai) ₹2,00,000
 - l) Income from business in Singapore controlled from India (₹40,000 received in India) ₹1,00,000
 - m) Salary received in India for services rendered in Dubai ₹80,000
 - n) Past untaxed foreign income brought into India during the previous year ₹40,000.
 - o) Dividend from Indian companies ₹10,000
 - p) Interest on post office Savings bank account in India ₹3,000

2. Mr. Raman furnishes the following particulars:-
 - Basic – ₹14,000p.m
 - DA – ₹4,000p.m (30% enters to retirement benefits)
 - DP – ₹2,000p.m.
 - Commission at 1% of turnover of ₹25,00,000
 - Conveyance allowance – ₹600p.m. (60% spent for official purposes)
 - Deputation allowance – ₹300p.m.
 - Servant allowance – ₹500p.m.
 - Education allowance – ₹200p.m. (one child is studying)
 - Medical allowance – ₹200p.m.
 - Research allowance – ₹100p.m.

He contributed 12 ½% of salary to RPF to which company contributes equally. Interest credited during the year amounted to ₹12,750 at 10%p.a. During the year he paid ₹24,000 as LIC Premium, repaid housing loan ₹30,000 (including interest of ₹14,000) deposited ₹20,000 in PPF, LIC premium on employed daughter's policy ₹13,000, deposited ₹5,000 in NSC, Deposit in 5 years FD in Syndicate bank ₹10,000.

Compute taxable salary and deduction U/S 80C.

3. a) Mr. Ram owns four houses, Municipal Valuations of these houses are ₹15,000, ₹18,000, ₹25,000 and ₹24,000 respectively. Municipal taxes are levied at 10% of annual Municipal Valuation.
 - First House:- Its fair rental value is ₹20,000. It is used for own business. He paid ₹10,000 as interest on loan borrowed for its construction.

Second House:- Its Fair Rental Value is ₹16,000 and Standard Rent is ₹20,000. He borrowed ₹8,00,000 at 12%p.a. for its construction on 1-1-2009 and house was completed on 31st December 2011. This house is used for own residence.

Third House:- Its Fair Rental value is ₹18,000. House was let out for residential purpose at ₹2,500p.m. Municipal taxes were not paid during the year.

Fourth House:- Its Fair Rental Value is ₹26,000 and Standard Rent is ₹25,000. It has been let out on rent for ₹2,000p.m. This house is vacant for two months. He paid ₹35,000 as interest on loan borrowed for its renovation. Compute income from house property. (15 marks)

b) Explain the rules governing residential status of individual. (5 marks)

4. a) From the following, compute allowable depreciation and WDV:-

Block of assets	WDV on 1 st April	Rate
1) Buildings	6,75,000	10%
2) Plant & Machinery	3,10,000	15%
3) Office Furniture	80,000	10%
4) Computers	2,00,000	60%

The assets purchased during the year were:-

Buildings on 1st June ₹60,000, Plant & Machinery on 1st November ₹1,00,000.

Assets sold during the year were: Buildings for ₹3,00,000 on 15th November, Plant for ₹1,10,000 on 5th December.

A Computer (cost ₹50,000) was sold for ₹30,000 in January of PY. (12 marks)

b) Define perquisites. State the provisions relating to residential accommodation owned by the employer. (8 marks)

SECTION – B

Answer any THREE questions:

3×5=15

5. Explain the mode of computation of depreciation under “block of assets” method. Also explain ‘additional depreciation’.
6. Mr. Sumanth furnished following particulars:-
Basic – ₹12,500p.m.
DA – 50% of basic (70% enters into retirement benefits)
Bonus – ₹12,500
HRA – ₹2,800pm
Actual rent paid for the house in Delhi ₹3,000p.m. Compute taxable HRA.
7. Mr. Bhaskar retired on 31st December after serving 32 years and 10 months. He received ₹1,50,000 as gratuity. He also commuted ½ of his pension and received ₹60,000. His average salary for the last 10 months was ₹6,500 where as the last drawn salary was ₹6,700. Compute taxable Gratuity and taxable Commuted Pension.
8. Mr. Ravi retired on 30th September of the previous year and received ₹95,640 as earned leave encashed. He had to his credit 9 months approved earned leave. His last drawn basic was ₹6,500 and DA (fixed) ₹1,500. Annual increment of ₹300 falls due on 1st July every year. D.A. was treated as part of salary for retirement benefits. Compute taxable portion of earned leave encashed.

SECTION – C

Answer ALL questions:

5×1=5

9. Define the term ‘Person’.
10. What is meant by unrealized rent?
11. What are the conditions for allowing depreciation?
12. What is meant by gratuity?
13. State any 2 fully taxable allowances.
