

**DE-3790****Sub. Code****11**

DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

MANAGEMENT CONCEPTS

(2005 onwards)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. What are the functions of management?
2. Describe the steps involved in the MBO process.
3. Explain Henry Fayol's contribution to management thought.
4. Distinguish between policy and procedure.
5. Define delegation of authority. Distinguish between delegation and decentralization of authority.
6. Explain the advantages of performance appraisal.
7. What is communication? Explain the various types of communication.
8. What is a budget? Explain budgeting as a tool of control.

SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. "Management is an art as well as, a Science" – Comment.
10. Explain the various steps to be followed in planning.

11. What do you mean by Span of control? Explain Graicunas theory of Span of control.
  12. Explain the methods of performance appraisal.
  13. Discuss Herzberg's theory of motivation.
  14. Define leadership. Describe the features of different styles of leadership behaviour.
  15. Explain the PERT as a tool of controlling.
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## DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

## FINANCIAL ACCOUNTING AND ANALYSIS

(2005 onwards)

Time : Three hours

Maximum : 100 marks

## SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Discuss briefly the basic accounting concepts and fundamental accounting assumptions.
2. Define the term 'Assets'. Explain the different types of 'Assets' with suitable examples.
3. Explain the different types of errors with suitable example and state how they affect the Trial balance.
4. Exide Co. Ltd. furnishes the following balance sheets for the year 2014 and 2015. Prepare common size balance sheet.

Liabilities	Balance Sheet		Assets	Balance Sheet	
	2014	2015		2014	2015
	Rs.	Rs.		Rs.	Rs.
Share capital	20,000	30,000	Building	40,000	40,000
Reserves	60,000	70,000	Machinery	60,000	1,00,000
9% Debentures	20,000	30,000	Stock	20,000	30,000
Creditors	30,000	50,000	Debtors	20,000	25,000
Bills payable	10,000	8,000	Cash in hand	10,000	5,000
Tax payable	10,000	12,000			
	<u>1,50,000</u>	<u>2,00,000</u>		<u>1,50,000</u>	<u>2,00,000</u>

5. From the following balance sheet of AGARWAL & Co., you are required to calculate :
- Fixed assets ratio
  - Debt equity ratio
  - Proprietary ratio
  - Capital gearing ratio
  - Total debt ratio.

Liabilities	Rs.	Assets	Rs.
5,000 Equity share capital	1,00,000	Goodwill	50,000
8% Preference share capital	50,000	Fixed assets	2,00,000
Reserves and surplus	40,000	Current assets	1,00,000
10% Debentures	1,00,000		
Current liabilities	<u>60,000</u>		
	<u>3,50,000</u>		<u>3,50,000</u>

6. Following are the comparative balance sheets of X Ltd. You are required to prepare working capital statement.

Particulars	31st Dec 2014 Rs.	31st Dec 2015 Rs.
Assets :		
Cash	80,000	1,20,000
Trade debtors	3,80,000	3,10,000
Land and buildings	1,24,000	1,00,000
Patents right	<u>18,000</u>	<u>16,000</u>
Total	<u>6,02,000</u>	<u>5,46,000</u>
Liabilities :		
Share capital	4,00,000	4,00,000
Trade creditors	80,000	40,000
Bills payable	52,000	48,000
Profit and Loss A/c	<u>70,000</u>	<u>58,000</u>
Total	<u>6,02,000</u>	<u>5,46,000</u>

7. What is Human Resource Accounting? Explain the advantages and disadvantages of Human Resource Accounting.
8. Explain the role of computer in Accounting.

SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. The following is the trial balance extracted from the books of Foster Co., Ltd.

Debit	Rs.	Credit	Rs.
Stock 1 <sup>st</sup> Jan 2015	7,000	Authorized capital :	
Purchases	30,000	2000 Equity shares of Rs. 100 each	2,00,000
Wages	8,000	Issued share capital	1,00,000
Carriage	2,000	Rent received	3,500
Building	50,000	Sales	1,05,000
Motor vehicle	37,000	Sundry creditors	16,800
Sundry Debtors	9,600	Bank overdraft	12,200
Salaries	15,000	Profit and loss A/c	22,500
Bank interest	400		
Travelling expenses	4,000		
Machinery	80,000		
Discount allowed	1500		
Cash in hand & at bank	1,000		
Printing and stationery	2,000		
Repairs and renewals	1,500		
Directors remuneration	2,500		
Audit fees	500		
Calls-in-arrears	3,000		
Interim dividend	5,000		
	<u>2,60,000</u>		<u>2,60,000</u>

Adjustment :

- (a) Closing stock on 31<sup>st</sup> Dec 2015 was Rs.6,000
- (b) Outstanding wages were Rs.1,000
- (c) Depreciate machinery by Rs.2,000, Building by Rs.7,000 and Motor Vehicle by Rs.620
- (d) Directors declared a final dividend at 20% on paid up capital
- (e) Create a provision for bad debts at 5% on debtors
- (f) There is a contingent liability of Rs.2,000 for the compensation claimed against the company pending in the court

You are required to prepare profit and loss for the year ended 31<sup>st</sup> Dec 2015 and balance sheet as on that date.

10. From the following balance sheet of Maladi Industries Ltd., You are required to calculate :

- (a) Debt — Equity Ratio
- (b) Fixed Assets Ratio
- (c) Proprietary Ratio
- (d) Capital Gearing Ratio
- (e) Total Debt Ratio.

Liabilities	Rs.	Assets	Rs.
5000 Equity Share Capital	5,00,000	Goodwill	1,00,000
8% Pref. Share Capital	2,00,000	Fixed Assets	6,00,000
Reserves and Surplus	40,000	Current Assets	2,00,000
10% Debentures	1,00,000		
Current Liabilities	<u>60,000</u>		
	<u>9,00,000</u>		<u>9,00,000</u>

11. From the following balance sheets prepare a schedule of changes in working capital and finds flow statement :

Liabilities	2014	2015	Assets	2014	2015
	Rs.	Rs.		Rs.	Rs.
Share Capital	10,000	15,000	Cash	5,000	8,000
Profit & Loss A/c	5,000	8,000	Debtors	10,000	15,000
General Reserve	4,000	6,000	Stock	10,000	12,000
Sundry Creditors	8,000	12,000	Machinery	3,000	5,000
Bills Payable	5,000	3,000	Land	4,000	4,000
	<u>32,000</u>	<u>44,000</u>		<u>32,000</u>	<u>44,000</u>

12. Following are the summarized balance sheets of Galaxy Ltd., as on 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2015.

Balance sheet					
Liabilities	2014	2015	Assets	2014	2015
	Rs.	Rs.		Rs.	Rs.
Share capital	2,00,000	2,50,000	Land and Building	2,00,000	1,90,000
General reserve	50,000	60,000	Machinery	1,50,000	1,69,000
Profit and Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan	70,000	Nil	Debtors	80,000	64,200
Sundry creditors	1,50,000	1,35,200	Cash	500	600
Provision for taxes	30,000	35,000	Bank	Nil	8,000
			Goodwill	Nil	5,000
	<u>5,30,500</u>	<u>5,10,800</u>		<u>5,30,500</u>	<u>5,10,800</u>

Additional Information :

- Dividend of Rs.23,000 was paid
- Machinery was further purchased for Rs. 8,000
- Depreciation written off on machinery Rs. 12,000
- Income tax provided during the year Rs.33,000
- Assets of another company were purchased for a consideration of Rs.50,000 payable in shares. The following assets were purchased, stock Rs. 20,000, Machinery Rs. 25,000

You are required to prepare the cash flow statement.

13. Explain the merits and demerits of Financial Statements.
14. From the following figures and ratios draw out balance sheet.

Working capital	-	Rs. 1,00,000
Paid up capital	-	Rs 3,00,000
Current ratio	-	1.8:1
Liquid ratio	-	1.35:1
Fixed assets to shareholders equity	-	80%
Gross profit ratio	-	25%
Net profit ratio	-	20%
Net profit to capital	-	20%
Stock turnover ratio	-	5 times
Average collection period	-	36.5 days

15. Explain the need and requirements of Computerized Accounting System.
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## DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

## COST AND MANAGEMENT ACCOUNTING

(2005 onwards)

Time : Three hours

Maximum : 100 marks

## SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Explain the various elements of cost.
2. What are the objectives and essentials of material control?
3. Distinguish between process costing and job costing.
4. Discuss the nature and scope of Management Accounting.
5. What is performance budgeting? Explain the important elements of performance budgeting.
6. Write short note on:
  - (a) Zero Base Budgeting and
  - (b) Master Budget.
7. Define marginal costing. How does it differ from absorption costing?
8. Explain the meaning and essential features of responsibility accounting.

## SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. On August 15; 2015, a manufacturer Soman desired to quote for a contract for the supply of 500 radio sets. From the following details, prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realised during 6 months ending on 30<sup>th</sup> June 2015:

	Rs.
Stock of material as on 1 <sup>st</sup> Jan 2015	20,000
Stock of material as on 30 <sup>th</sup> June 2015	25,000
Purchase of materials during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of completed sets	Nil
Closing stock of completed sets	100
Sales during 6 months	3,24,000

The number of radio sets manufactured during these six months was 1450 sets including those sold and those stocked at the end of the period. The radios to be quoted, are of uniform quality and size as were manufactured during the 6 months to 30<sup>th</sup> June 2015. Has from August 1, the cost of factory labour has gone up by 10 percentage.

10. From the following data provided to you, find out the labour turnover rate by applying:

- (a) Flux Method,
- (b) Replacement Method,
- (c) Separation Method.

No of workers on the pay role:

At the beginning of the month 500

At the end of month 600

During the month 5 workers left, 20 persons were discharged and 75 workers were recruited. Of this 10 workers recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme.

11. In a factory there are 3 production departments A , B and C and 2 service departments X and Y. The department expenses for the month of Jan 2015 are given below:

Production Department	Rs	Labour Hours
A	1,65,000	3,000
B	3,60,000	5,000
C	2,50,000	8,000
Service Department		
X	12,000	
Y	10,000	

The service department overheads are allotted as follows:

	A	B	C
X	4:	3:	3
Y	2:	3:	3

A job passes through departments A, B and C for 4 hours, 10 hours and 15 hours respectively. Direct material cost of the job Rs. 100; direct wages Rs.200. Find out the cost of job.

12. A product passes through three process A , B and C.10,000 units at Re. 1 per unit were issued to process A. The others direct expenses are as follows :

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Sundry material	1,000	1,500	1,480
Direct labour	5,000	8,000	6,500
Direct expenses	1,050	1,188	1,605

The wastages of process A was 5%, process B 4% and process C 5%. The wastage of process A was sold at Re. 0.25 per unit, that of B at Re. 0.50 per unit and that of C at Re. 1 per unit. The overhead charges were 168 percentage of direct labour. The final product sold at Rs. 10 per unit, fetching a profit of 20 percentage on sale. Prepare process accounts and finished goods account.

13. From the following information, prepare a balance sheet.  
Give the working also

	Rs.
(a) Working capital	75,000
(b) Reserves and surplus	1,00,000
(c) Bank overdraft	60,000
(d) Current ratio	1.75
(e) Liquid ratio	1.15
(f) Fixed assets to proprietor's finds	0.75
(g) Long term liabilities	Nil

14. Novel Product Ltd., sells two products A and B in the north and south zones of the market. The following were the actual sales for the year/ended 31<sup>st</sup> Dec 2015.

	North Zone		South Zone	
Product	Units	Price	Units	Price
A	20,000	20	30,000	20
B	25,000	30	4,000	30

For the year 2016, it expected that sales of A and B will increase by 20% in the normal process. A special advertising campaign is expected to fetch an additional 25 % in the sales of product A in both zones. The selling of A is unchanged but the price of B is to be increased by 2 per unit which expected to have no special effect on sales. Prepare a sales budget for the year 2016 along with actual results of the year 2015.

15. The information about Raj & Co are given below :

- (a) Profit – volume ratio 20 %
- (b) Fixed cost Rs. 36,000
- (c) Selling Price per Unit Rs. 1.50

Calculate:

- (i) B.E.P (in Rs)
  - (ii) B.E.P (In Units)
  - (iii) Variable cost per unit
  - (iv) Profit on sales of Rs. 4,00,000.
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## DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

## QUANTITATIVE TECHNIQUES

(2005 onwards)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. State the different sources of secondary data.
2. What are the properties of a good average?
3. What is meant by skewness? How does it differ from dispersion?
4. Explain the properties of normal distribution.
5. What do you mean by type I and type II errors?
6. Calculate the standard deviation of the marks of 10 B.Com students given below:  
43 48 65 57 31 60 37 48 78 99
7. The mean of binomial distribution is 8 and the variance 2. Find the  $P(x = 2)$ .
8. Find the correlation coefficient from the following data :  
X: 100 110 115 116 120 125 130 135  
Y: 18 18 17 16 16 15 13 10

## PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. What do you mean by diagram? Briefly describe the important types of diagrams? State their utility.

10. Calculate median of the following frequency distribution :

Weekly wages Rs. :	60-69	70-79	80-89
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No. of workers :	5	15	20
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Weekly wages Rs. :	90-99	100-109	110-119
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No. of workers :	30	20	8
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11. Calculate Karl Pearson's coefficient of skewness from the following data:

Income Rs. :	60-100	100-140	140-180	180-220
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No. of persons :	7	16	39	58
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Income Rs. :	220-260	260-300	300-340
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No. of persons :	60	43	19
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12. A random sample of 100 factory workers from Mumbai showed their mean wages to be Rs. 18,000 with a standard deviation of Rs. 1,000. A sample of 158 factory workers in Chennai showed their mean wages to be Rs. 16,000 with a standard deviation of Rs. 1,500. Test the hypothesis that the mean wages of workers in Mumbai is greater than those at Chennai. Given  $Z_{0.05} = 1.645$ .



13. Solve the following LPP by simplex method :

$$\text{Maximize } Z = 3x_1 + 5x_2$$

Subject to :

$$4x_1 + 3x_2 \leq 36$$

$$5x_1 + 4x_2 \leq 40$$

where  $x_1, x_2 \geq 0$ .

14. What is correlation? State its properties. What are the different types of correlation?
15. State the procedure for testing of hypothesis.
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DISTANCE EDUCATION

M.Com. (F & C) DEGREE EXAMINATION, MAY 2018.

BUSINESS LAW

(2005 onwards)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Define law. What are the objectives and nature of the law of contract?
2. State the necessary requirements for a void agreement.
3. State the rights and duties of the indemnified and indemnifier.
4. What are the rights and duties of the bailee?
5. Explain the types of goods dealt with under the Sales of Goods Act.
6. Define negotiable instrument. State its characteristics.
7. Define crossing. What are the various methods of crossing a cheque?
8. Define insurance. Explain the various types of insurance.

## SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. “All unlawful agreements are void but not all void agreements are unlawful”. Discuss.
10. State the difference among valid contract, void agreement, voidable contract, unenforceable contract and void contract.
11. What are the differences between contracts of indemnity and guarantee?
12. Enumerate the implied conditions and warranties stated under the Sale of Goods Act.
13. State the circumstances under which a negotiable instrument is dishonoured and the steps to be taken after dishonour.
14. State any five types of life insurance policy.
15. Explain the rights, duties and liabilities of carrier by sea and air.

**DE-3795****Sub. Code****21****DISTANCE EDUCATION****M.Com. (F & C) DEGREE EXAMINATION, MAY 2018.****FINANCIAL MANAGEMENT AND CONTROL****(2005 onwards)****Time : Three hours****Maximum : 100 marks****SECTION A — (5 × 8 = 40 marks)****Answer any FIVE questions.**

1. Explain the objectives of financial management.
2. What are the significance of convertible issues and right issues?
3. Explain the different sources of working capital.
4. Describe the traditional approach to capital structure.
5. Discuss the different methods of calculating the cost of equity capital.
6. What are the objectives of maintaining receivables?
7. Explain the various techniques of Inventory control.
8. Explain the different types of leverage.

**SECTION B — (4 × 15 = 60 marks)****Answer any FOUR questions.**

9. Define financial management. How the financial decision making involves risk-return trade off?
10. What factors would you take into account in planning the working capital requirements of a firm?

11. Explain the net income approach to capital structure.
12. Explain the factors determining cost of capital.
13. Explain the role of credit standards in the credit policy of a firm.
14. The following data are available in respect of material X for the year ended 31<sup>st</sup> March 2006 :

Opening stock	–	Rs. 90,000
Purchases during the year	–	Rs. 2,70,000
Closing stock	–	Rs. 1,10,000

Calculate :
  - (a) Inventory turnover ratio and
  - (b) The number of days for which the average inventory is held.
15. Explain the assumptions and implications of Gordon's dividend model.

**DE-3796****Sub. Code****22****DISTANCE EDUCATION****M.Com. (F & C) DEGREE EXAMINATION, MAY 2018.****INVESTMENT ANALYSIS AND PORTFOLIO  
MANAGEMENT****(2005 onwards)****Time : Three hours****Maximum : 100 marks****SECTION A — (5 × 8 = 40 marks)****Answer any FIVE questions.**

1. Explain the criteria usually considered for rating a debt instrument.
2. What is SML? Explain the rationale behind it.
3. Discuss about the most commonly used charts in Technical Analysis.
4. Explain the concept of modern portfolio management. Also explain whether this concept is eliminating risk.
5. Write a brief note on :
  - (a) Present value of annuity.
  - (b) Secondary market.
6. Differentiate single index model from CAPM model.
7. Describe about the key characteristics in an industry analysis.
8. What is the significance of characteristics line that has a negative slope?

## SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. What are the assumptions of arbitrage pricing theory? State its merits and demerits.
10. Discuss about the Jensen's and Sharpe's performance index model.
11. Explain the types of risks associated with investments.
12. Compare and contrast the traditional and modern approaches to security.
13. Discuss the key macro economic variables and their impact on stock market.
14. Discuss about the efficient market hypothesis in each of its three form.
15. Discuss Markowitz theory of portfolio selection. How does this theory helps in planning an investors portfolio?

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**DE-3797****Sub. Code****23****DISTANCE EDUCATION****M.Com. (F and C) DEGREE EXAMINATION, MAY 2018.****FINANCIAL SERVICES AND INSTITUTIONS****(2005 onwards)****Time : Three hours****Maximum : 100 marks****SECTION A — (5 × 8 = 40 marks)****Answer any FIVE questions.**

1. Discuss the problems of merchant bankers in India.
2. Explain the concept and importance of mutual funds.
3. What are the objectives of credit rating agencies in India?
4. Mention the various schemes of UTI for different categories on investors.
5. Explain the financial assistance provided by IDBI.
6. What are the various functions of RBI?
7. Write in detail the functions of SEBI.
8. Write short note on LIC and OTCEI.

**SECTION B — (4 × 15 = 60 marks)****Answer any FOUR questions.**

9. Discuss the role of Merchant bankers. Explain the present and future scope of Merchant banking in India.
10. What is a mutual fund? What are the advantages of investing in mutual funds?



11. Define credit rating. Explain the functions and benefits of credit rating.
  12. Examine the causes for the failure of UTI.
  13. What are the institutions created by the ICICI for playing different roles?
  14. Describe the role of SEBI in monitoring security markets.
  15. Explain the functions concerning public and private placement of capital issues.
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DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

GLOBAL FINANCIAL MANAGEMENT

(2005 onwards)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. How is international financial management linked with foreign exchange market?
2. What do you understand by special drawing rights? Discuss its significance in international finance.
3. Write a brief note on :
  - (a) Irrevocable letter of credit
  - (b) IDA.
4. Explain Foreign Exchange Rate Risk.
5. How does global financial market differs from domestic financial market?
6. Explain the different exposures techniques used in international finance.
7. Discuss about the various theories of Exchange Rate Determination.
8. Enumerate on the short term and medium term financial market instruments.

## SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. Briefly discuss about the centralised cash management system with its merits and demerits.
  10. Explain the theory of comparative advantage as a motive for foreign trade. What is the logic behind this theory?
  11. Discuss about the working and usefulness of IBRD in facilitating and promoting long term investment.
  12. Discuss in detail about the importance of international working capital management.
  13. Enumerate the role of foreign exchange derivatives in Forex management.
  14. Describe in detail, the various instruments used in international financing.
  15. Point out the major benefits arising out of internationalisation of financial system.
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## DISTANCE EDUCATION

M.Com. (F &amp; C) DEGREE EXAMINATION, MAY 2018.

## TAXATION AND TAX PLANNING

(2005 onwards)

Time : Three hours

Maximum : 100 marks

## SECTION A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Define Income. Explain the features of Income.
2. Write short note on Basic conditions and Additional conditions while identifying the residential status of an individual.
3. Mr. Muthukumar is employed in ABC Ltd., Bangalore. He gets the following emoluments.

Basic Salary – Rs. 12,500 p.m

DA [forms part] – Rs. 6,000 pm.

Bonus – Rs. 5,000

Fees – Rs. 1,000

2% commission on turnover achieved [turnover achieved Rs.1, 50,000]

HRA – Rs. 7,250 p.m. [Rent paid Rs. 6,400 p.m.]

EA – Rs. 4,000 p.m

Calculate gross salary

4. How to treat partly let out and partly self occupied houses? Explain with suitable example.
5. Brief about “under-valuation and over-valuation of stock” with suitable example.
6. What are the incomes that can be taxed under the head income from other sources?
7. Differentiate deductions u/s 80 G with limitations and without limitations.
8. Write short notes on clubbing of income.

SECTION B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. Explain agricultural income and the procedures regarding how it should be taxed.
10. Explain the various types of allowances.
11. How to calculate gross annual value and net annual value while calculating income from house property?
12. From the following P and L A/c calculate Income from Business.

	Rs.		Rs.
To rent	40,000	By gross profit	2,50,000
To salary to employees	25,000	By house property income	1,50,000
To depreciation	10,000	Income from other sources	2,00,000
To donation	8,000		
To net profit	5,17,000		
	<u>6,00,000</u>		<u>6,00,000</u>

- (a) Deprecation to be allowed as per income tax provision Rs. 8,000
- (b) Business income of Rs. 12,000 is not shown in the P and L A/c
- (c) Rs. 8,000 of the rent is of personal nature.

13. Explain the expenses expressly disallowed u/s 40 while calculating income from business.
  14. Explain the interest income, which are fully exempt from other sources of income.
  15. Bring out various deductions available from GTI while calculating taxable income.
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