

BACHELOR OF COMMERCE (CBCS-2016 COURSE)

T.Y. B.Com. Sem-VI : WINTER :- 2021

SUBJECT: AUDITING & TAXATION-II

Day : Friday
Date 21-01-2022

W-14459-2021

Time : 10:00 AM-01:00 PM
Max. Marks: 60

N.B.

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non – programmable **CALCULATOR** is allowed.

- Q.1** The following is the Profit and Loss A/c of Mr. Umesh Calculate his business income. (12)

Profit and Loss Account for the year ending 31st March 2020

Particulars	Rs.	Particulars	Rs.
To Salaries(including Rs. 42,000 to self)	90,000	By Gross Profit	4,02,500
To Office expenses	20,000	By Dividends	18,000
To Reserve for discount	15,000		
To Fire Insurance Premium	5,000		
To Bad debts	6,000		
To Rent	40,000		
To Advertisement	15,000		
To Income Tax	12,000		
To Discount	10,000		
To Loss on sale of furniture	2,000		
To Interest on bank overdraft	6,000		
To Interest on capital	7,500		
To Depreciation	12,000		
To Net Profit	1,80,000		
Total	4,20,500	Total	4,20,500

Other information

- a) Depreciation allowable as per Income – tax Rules is Rs. 18,000.
- b) During the previous year he was incurred a capital expenditure of Rs. 25,000. for the purpose of carrying on a scientific research related to his business. This expenditure is recorded in Profit and Loss A/c.
- c) The entire rent was paid in cash in one instalment on 25th January 2020.
- d) Advertisement expenses include entertainment expenses of Rs. 5,000.

- Q.2** Explain the valuation and verifications of various assets of a company. (12)

OR

- a) Which points are covered in audit certificate? (06)
- b) State the various rights of an auditor. (06)

- Q.3** Describe the qualification and disqualification of an auditor. (12)

OR

- a) Which points are covered in audit report? (06)
- b) Distinguish between vouching and verification. (06)

P.T.O.

Q.4 Distinguish between audit report and audit certificate. **(12)**

OR

a) Explain the process of appointment of an auditor. **(06)**

b) Which income is treated as fully exempted income under income from other sources? **(06)**

Q.5 Write short notes on any **THREE** of the following: **(12)**

- a)** Cost improvement
- b)** Advantages of test checking
- c)** Features of Tax consultancy
- d)** Exemption on capital gain u/s 54
- e)** Concept of tax audit

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