

BACHELOR OF COMMERCE (CBCS - 2018 COURSE)
T. Y. B. Com. Sem-VI :SUMMER- 2022
SUBJECT : AUDITING & TAXATION-II

Day : Thursday

Time : 11:00 AM-02:00 PM

Date : 7/7/2022

S-18190-2022

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 account of Amit for the year ended (12) 31/03/2020.

Particular	Amount	Particular	Amount
To salaries	33,000	By gross profit	1,72,500
To advertisement	13,500	By dividend from domestic company	6,000
To stationary	4,500	By bad debts recovered	5,250
To bad debts	4,000	By house rent	18,000
To provision for bad debts	9,000	By other income (business)	2,250
To donation to private temple	3,000		
To interest on loan	4,000		
To telephone expenses	3,750		
To income tax	7,500		
To wealth tax	4,500		
To L.I.C. premium	3,300		
To loss on sale of machinery	4,500		
To electricity bill	2,700		
To interest on capital	8,000		
To preliminary expenses	5,000		
To depreciation	9,500		
To sales tax	5,250		
To net profit	79,000		
	2,04,000		2,04,000

Other information :

1. Salaries include payment of salary to domestic employees Rs. 3,000.
2. Telephone expenses include a private expense of Rs. 750.
3. Wealth tax includes a municipal tax on let-out house property of Rs. 1,800.
4. Total preliminary expenses are Rs. 40,000 to be written off within 10 years.

Compute the total income of Amit for the Assessment year 2020-2021.

OR

Explain primary and secondary objectives of Auditing.

PTO

- Q.2** The following is the profit and loss account for the year ended 31/03/2020 (12) furnishing by the Suraj.

Profit and loss account

Particular	Amount	Particular	Amount
To salary	48,000	By gross profit	4,28,400
To advertisement	18,000	By interest on fixed deposit	22,800
To repairs and insurance	38,600	By dividend	7,200
To depreciation	43,000	By debts recovered	18,000
To rent and rates	15,600	By commission	30,000
To wealth tax	10,800	By sundry receipts	3,600
To sales tax	30,000		
To legal charges	15,000		
To R.D.D.	6,000		
To banking cash tax	9,600		
To interest on capital	9,000		
To bad debts	10,800		
To net profit	2,55,600		
	5,10,000		5,10,000

Other information :

1. Salary includes Rs. 3,600 paid to a domestic servant.
2. Repairs include 4200 as repairing for the residential home.
3. Allowable depreciation amount as per income tax rule Rs. 38,400.
4. Sales tax includes Rs. 3,600 as penalty.
5. Bad debts recovered were written off in the year 2018-19 and admitted by the assessment year 2020-21.

You are required to compute taxable income from business of Suraj for the year 2020-2021.

OR

What is vouching? Explain the certification and valuation of assets and liabilities.

- Q.3** Discuss the provisions related to appointment, removal and reappointment of the company auditor. (12)

OR

- a) What are the safeguards for the application of test-checking? (06)
- b) Explain the difference between valuation and verification. (06)

- Q.4** Answer **ANY TWO** of the following : (12)

- a) Explain qualified and clean audit report.
- b) What are the qualifications of the company auditor?
- c) Explain audit certificate.

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

- a) Tax audit
- b) Vouching
- c) Rights and duties of an company auditor
- d) Conditions of audit u/s 44-AB
- e) Types of audit report