

2014

DDE

M.Com. Part-II Examination

COMMERCE

PAPER—VI

Full Marks : 100

Time : 4 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Write the answer question of each Half in separate books

First Half

(Direct and Indirect Tax)

[Marks : 50]

Answer Q. No. 1 and any two from the rest.

1. Answer any four questions : 5×4

(a) What are the cases in which the assessment year is the same as the previous year ?

(b) Write a short note on residential status of companies.

(Turn Over)

- (c) Under what conditions, depreciation on an asset can be charged by the assessee?
- (d) What do you mean by the term 'person' as per the Income Tax Act?
- (e) Mention the conditions that are to be fulfilled so that assets belonging to foreign repatriates are exempted from tax under the Wealth Tax Act.
- (f) Write down the provisions relating to valuation of self-occupied house property under the Wealth Tax Act.
- (g) What is the difference between:
- exemption and deduction, and
 - heads and sources of income?
2. (a) Show the general format for computing the net wealth of an assessee.
- (b) All forms of assesses are not chargeable to wealth tax. Discuss.
- (c) In which cases 'urban land' is not to be treated as an asset under the Wealth Tax Act? 4+5+6
3. Explain any *three* of the following terms : 5×3
- (a) Registered dealer under the Central Sales Tax Act.
- (b) Inter-State Sale and its types.
- (c) Goods of special importance.
- (d) Declared goods.

4. (a) State and explain the various types of excise duty under the Central Excise Act, 1944.
- (b) Explain the provisions regarding determination of taxable turnover under C.S.T. Act.
- (c) When is a sale or purchase of goods said to take place in the course of import or export? 5+5+5
5. (a) Write a short note on Minimum Alternative Tax.
- (b) What are the general principles governing assessment of business income?
- (c) Mr. Sudhakar Jha, a registered dealer in Kolkata, gives the following information with regard to Inter-State sales made by him during the year ended 31.3.2014 :
- Sales turnover as per books Rs. 37,50,000
- The above figure includes—
- (a) Excise duty Rs. 3,00,000.
- (b) Freight (of this Rs. 20,000 alone is shown separately in sales invoices) — Rs. 90,000.
- (c) Transfer to branch (covered by Form F) Rs. 11,75,000
- (d) Packing charges Rs. 35,000
- (e) Deposit for returnable containers Rs. 2,40,000.

Further, in ascertaining the sales turnover above which includes CST also, the dealer has deducted the following :

1. Turnover relating to goods worth Rs. 15,000 (exclusive of tax) covered by invoice dated 2.7.2013, which were returned on 1.10.2013.
2. Goods worth Rs. 12,000 (including tax) covered by invoice dated 13.5.2013 were rejected by the customer and the dealer received back the goods on 10.10.2013.

The goods are chargeable at VAT of 2% in West Bengal. Under this circumstance, you are required to compute the total turnover, CST and taxable turnover for the financial year 2013-14.

5+4+6

Second Half
(Security Management)

[Marks : 50]

Answer Q. No. 6 and any two from the rest.

6. Answer any four of the following : 5×4
- (a) Distinguish between ordinary speculating and reckless speculation. 5
 - (b) Elucidate 'market risk' as a component of the systematic risk of a security. 5
 - (c) The following data are available from a mutual fund, which are presented below :
(All figures have been given in Rs. lakh)
- | | | |
|-----------------------------|---|----------|
| Value of investments | = | 50.00 |
| Receivables | = | 1.00 |
| Accrued income | = | 0.80 |
| Other current assets | = | 4.00 |
| Liabilities | = | 3.50 |
| Accrued expenses | = | 0.50 |
| Number of outstanding units | = | 1,00,000 |
- Calculate NAV from the above figures. If the maximum sales charge is 2% on the NAV, calculate POP at that level. 3+2
- (d) Discuss the features of a semi-strongly efficient security market. 5
 - (e) discuss in brief any two powers (and functions) of SEBI. 5
 - (f) Write a short note on the Arbitrage Pricing theory. 5

- (g) Discuss the term 'portfolio revision' 5
- (h) Explain the concept of indifference curves in the context of portfolio management. 5
7. (a) Describe options trading with a case of call option in details so as to show profit/loss arising to the buyer or seller.
- (b) How is the risk of security market trading kept minimum using the options trading? Discuss in brief. 10+5
8. Describe any two traditional technical analysis tools and any three modern technical analysis tools for security market investment. 15
9. (a) Explain the term 'efficient frontier'.
- (b) The return of two assets A and B under four possible states of nature is given below :

State of nature	Probability	Return on asset A	Return on asset B
1	10%	5%	0%
2	30%	10%	8%
3	50%	15%	18%
4	10%	20%	26%

You are required to compute the following :

- Standard deviation of asset A.
 - Expected return from both the assets, and
 - Coefficient of correlation between the two securities. 4+3+8
10. Discuss in detail the role of SEBI as the capital market regulator in India. 15