



**MARKANDA NATIONAL COLLEGE,  
SHAHABAD MARKANDA**

Ref. No. ....

Date : .....

**27.02.2023**

**NOTICE**

This is to inform the students of B.Com about the upcoming submission of "Case Studies" as per the following schedule:

Sr No	Class	Topic	Date of Submission	Teacher Incharge
1	B.Com-I	Impact of Demonetization in Indian Economy	March 13 <sup>th</sup> , 2023	Prof SS Kajal
2	B.Com-II	Valuation of Shares	March 15 <sup>th</sup> , 2023	Prof Harish Kumar
3	B.Com-III	Computation of Total Income of Individuals and calculation of Tax Liability	March 17 <sup>th</sup> , 2023	Ms Bhavini Tejpal

Please ensure that your case studies are submitted on time as per the given schedule. Late submissions will not be accepted.

*Ashish Kumar*

Principal

**Sample  
copy**

Case studies

Income Tax

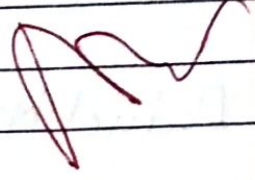
2022-23

Sem III

## Case Study

B

Name - Amandeep Singh  
 Class - B.com final year  
 Roll No. - 120211003019  
 Session - 2022-23  
 Subject - Income tax



⇒ The income of a disabled individual for the Assessment Year 2023-24 consists of the following:

	₹
(1) Income from business	5,47,000
(2) One-third share from an A.O.P.	50,000
(3) One-fourth share in the profit from a firm	42,000
(4) Income from House property (computed)	50,000
(5) Bank Interest on time deposit	20,000
<b>Income</b>	<b><u>7,09,000</u></b>

Compute his tax liability for the Assessment Year 2023-24 if his wife has also a taxable income of ₹ 3,75,000.

Computation of total Income and Tax liability  
(for the Assessment year 2023-24)

Income from House Property	50,000
Income from Business	5,47,000
1/3rd share from an A.O.P	Exempt
1/4th share in profit of a firm	Exempt

Income from Other Source: Bank  
Interest on Time Deposit 20,000

	gross Total Income	6,17,000
Less:	Deduction for disability u/s 80 U	<u>75,000</u>
	Total Income	<u>5,42,000</u>

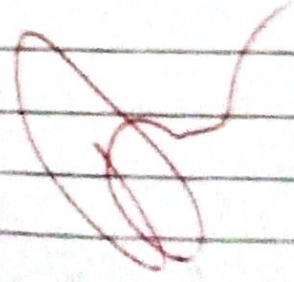
Income tax on 5,42,000:

on 2,50,000	Nil
on 2,50,000 @ 5%	12,500
on 42,000 @ 20%	8,400
Add: Surcharge	Nil

	20,900
Add: Health and Education cess @ 4%	<u>836</u>
Tax Liability	<u>21,736</u>

Rounded off 21,740

- Notes:
- 1 It is immaterial whether the income of wife is taxable or not.
  - 2 Share of income in the firm u/s 10(2)
  - 3 The share in A.O.P shall not be included in the income of a member because a member is liable to pay tax on his income and in such case, the A.O.P. will have to pay tax at the maximum Marginal Rate (Sec. 86)



Case Study

A

Name - Paras  
 Class - B.Com Final Year  
 Roll No - 120211008031  
 Subject - Income Tax  
 Session - 2022-23

Case  
 (Quest 1)

Mr. C.K. Tata is an employee of ~~Yashraj~~ Ltd, a company having its head office at Kanpur. For the assessment year 2023-24 he submitted the following return:

i)	Salary @ 5000 p.m.	60000
ii)	Conveyance Allowance (spent for the performance of duty)	24000
iii)	Education allowance for two children @ ₹ 600 p.m.	7200
iv)	Cost of electricity bills paid by the company	88000
		<u>720000</u>
Less:	a) Entertainment expenditure incurred on the customers	12000
	b) Donation by Gandhi National Memorial Fund	1000
		<u>11000</u>
		<u><u>707000</u></u>

The following particulars are available on record:

i) Mr. Tata has kept in his occupation free of rent half a portion of the company's premises at Kanpur. Annual rent of the building is ₹ 20000.

ii) He has contributed ₹ 60000 to a Recognised Provident Fund and has paid premium amounting to ₹ 5000 on a policy of ₹ 40000 taken in 2017-18.

iii) He took an advance salary of ₹ 1,00,000 in March 2023.

iv) He spent ₹ 15000 on medical treatment of his brother who is a person with a disability and dependent on him for support & Maintenance.

Compute his total income for the Assessment Year 2023-24.

## Computation of Total Income (for the assessment year 2023-24)

	₹
Salary @ ₹50000 p.m.	600000
Conveyance Allowance	Exempt
Education Allowance for children (7200-2400)	4800
Cost of Electricity bills paid by the Company	88800
Value of rent-free accommodation	90720
15% of salary (60000 + 4800)	100000
Advance Salary	<u>884320</u>
<b>Gross Salary</b>	<b>884320</b>
Less: Standard deduction	<u>50000</u>
<b>Net Salary being Gross Total Income</b>	<b><u>834320</u></b>
Less: Reduction u/s 80C (60000 + 4000)	64000
Reduction u/s 80DD	<u>75000</u>
	<u>139000</u>
<b>Total Income</b>	<b><u><u>695320</u></u></b>

10



## Case Study

Name - Pray's Revu  
 Class - B. Com. final year  
 Roll No: 120211003002  
 Subject - Income Tax  
 Session - 2021-22

B

## Case

Mr. Yash provides the following Particulars of his Income for the Previous Year ended on 31st March, 2023:

- (a) Basic Salary ₹ 40,000 P.M.  
 (b) Bonus ₹ 1,00,000.  
 (c) He owns a house property and the same is let out for a monthly rent of ₹ 10,000. Municipal value of the house is ₹ 96,000. Municipal charges paid by him amounted to ₹ 12,000 P.A.  
 (d) He received interest on unlisted debentures ₹ 9,000 and interest on fixed deposits in a bank ₹ 4,4000.  
 (e) He paid a life insurance Premium of ₹ 20,000 on a Policy taken in 2017 (Sum assured being ₹ 2,50,000.)

- (f) He also paid the following donations by cheques:
- (i) Bengaluru Municipal Corporation for promotion of family planning ₹ 65,000.
  - (ii) The Prime Ministers Drought Relief fund ₹ 7,000.
  - (iii) The Prime Ministers National Relief fund ₹ 10,000.
- You are required to compute the total income of Mr. X for the Assessment Year 2023-24.

### Computation of Total Income of Mr. X

Income from Salaries:		
Salary		480000
Bonus		100000
		580000
		50000
		₹ 530000
Less: Statutory Deduction		
Income from House Property		
Gross annual value	120000	
Less: Municipal Taxes	12000	
Annual value	108000	
	32400	
Less: 30% of Annual Value		75600

Income from other sources:

Interest on unlisted Deb.	10000
Bank Dep.	<u>4400</u>
	14400
	G.T. 9. 62000

Less: Deductions:

- (i) 4/s 80 C ₹ 20,000
- (ii) 4/s 80 G: G.A. of Donations 7000
- P.M. Drought Relief fund 10000
- National 17000

Family Planning restricted, to 10% G.T. 1.  
 (620,000 - 20000) 10% of ₹ 600,000 60,000  
 77,600

Deductions

100% of Donation to P.M. National Relief fund and family planning 7000

50% of qualifying Amount of remaining donations of ₹ 7000

~~3500~~ 73500

3500 73500 93500

Total Income 526500

# Case Study

NAME Anam

Class B.Com III

Roll no. 120211003046

Subject Income Tax

Date 1/03/23

Case 1

The following are the particulars of the income of Shri Vinod Kumar who is employed in a textile mill Company at Jaipur for the year ending 31 March 2023

a) Salary of 16,000 per month and travelling allowance for going on tours for the Company. He contributed an equal amount to the Provident fund on interest on his contribution of 4,800.

b) He contributed @ 18% to Recognized Provident fund. which the Company contributed on equal amount. the contributed.

on equal amount of the interest  
of his provident fund  
4,500.

e) He owns two bungalows one of which is let at 2000 p.m and the other is occupied by him for his residence the annual rental value of the same being 1960. He has paid 200 as ground rent and Insurance charged in respect of the first bungalow and 150 in respect of second. The municipal taxes paid by him in respect of two bungalows amounting to 4000 and 1800 respectively and he spent 3000 on white-waste and petty respect of both the bungalows.

id) He received 8500 as interest on Government Sec. and 4,475 as dividend from

c) He has insured his life 2016

pays annual police of 2,000 on his 30,000.

Compute his total income for the Assessment Year 2023-24

Solution

1

Income from Salaries:-

Salary	1,92,000
Employer's Contribution RPF in excess of 12% salary	1,920
	1,93,920
Less: Standard deduction	50,000
	1,43,920

2 Income from house property

Co.A.R (Rent of h. let)	24,000
Less: m. Tax	4,000
Annual tax	20,000

Less 30% A.v	6,000
	14,000
f. value self-acc	Nil
	14,000

3)

### Income from Other Sources

i) Dividends	4,475	
ii) Intra. Govt Sec.	8,500	
		<u>12,975</u>
G.T. Income		1,70,805
Less Deduction u/c (24,960 + 2000)		<u>26,960</u>
		<u>Total Income 1,43,845</u>

### Notes

i) Travelling allowance for tours is exempted 10(14)

2) Interest is not deductible at source interest on govt securities hence, interest has not been grossed up.

(B)

Case Study

NAME = Parninder Kaur  
CLASS = B. Com III<sup>rd</sup> year  
Roll. no. = 120211003055  
Subject = Income tax  
Session = 2022-23

Q. 2. From the following information compute the total income of an individual for the assessment year 2023-24:

- (i) Salary after deduction of Provident fund contribution and Income tax 36700
- (ii) Income tax deducted on Salary 3000
- (iii) His contribution to recognised Provident fund 2000
- (iv) employer's contribution to Provident fund 2000
- (v) Interest Credited to Provident Fund 6200 @ 9.5%



(vi) Dividend received from domestic Company 8950 (Gross)

(vii) Interest on Savings Bank a/c 3000

(viii) Life Insurance Premium Paid 2000

Ans

Computation of total Income

For the assessment year 2023-24

1. Income from Salaries : Salary received

add:- Income tax deducted at Source

Provident Fund Contribution of the employee

Less:- Standard deduction

2. Income from other Sources  
Dividends

Interest on Savings Bank a/c

Less: Deduction u/s 80C (20000 + 2000)

Less: Deduction w/s SOTTA  
deductible up to 10000

Note:- He is entitled to  
a deduction w/s 80C  
for his contribution to  
Provident fund and life  
Insurance premium paid  
by firm



Case Studies

2022-23

Sem I

Topic: Impact of Demonetization on  
Indian Economy

## Case Study

Name - Hemant Kumar  
Class - B.Com I  
Roll No - 1229112003021  
Session - 2022-23  
Subject - IFS (Indian Financial System)

A<sup>+</sup>

Surk

# ⇒ Impact of Demonetization on Indian Economy

→ After the announcement that 500 and 1000 rupee notes were no longer legal tender, people were given 50 days to deposit them in bank accounts or exchange them for few notes at bank and post offices, when only half of indian adults have bank accounts. By withdrawing 86 percent of circulating currency when 70 to 80 percent of transaction are cash-based, the indian government has burned down its economic house in order to eradicate the pest of corruption.

Page: .  
Date: / /

## \* Major impacts :-

### (i) Reduce Government Liability :-

It will reduce the risk and cost of cash ~~handling~~ handling as soft money is safer than hard money. It will also reduce government liability since every note is a liability for the government, the old currency will become worthless for those people, who chose note to disclose their income.

### (ii) Domestic / Household Sector :-

The Logic behind this demonetization is to curb the use of these high value notes in the black money market. Now almost everyone has Rs 1000/500 notes to so now it would become difficult for common people to do their business / household works easily.

### (iii) Drop in industrial output :-

There was a reduction in industrial output as industries

were hit by the cash crisis. The growth in eight crore sectors such as cement, steel and refinery productions (IIP), decreased. The construction industry has been badly hit with significant wage implication for its casual workforce.

(iv) Hawala :-

The brightest spot is the end of Hawala racket and rising property prices. Hawala is the way of transferring money from a different country to India in Indian denominations. Although illegal the people in this racket make their money white through this process in different countries.

Name - Tanish Kumar  
Class - B.com IInd year  
Roll No - 1222112003043  
Subject - IFS  
Session - 2022-23

A+

## Case study

# Impact of Demonetization in india

### (A) Hawala

↳ The brightest spot is the end of hawala racket and rising property prices. Hawala is the way of transferring money from a different country to India in Indian denomination. Although illegal, the people in this respect their money while come 8<sup>th</sup> November 2016 the government the Hawala traders null and void.

### (B) Black Money Hoarders

Only a small portion of black money is actually stored in the form of cash. Usually, black income is in the form of physical assets like gold, land, buildings etc. However, people declaring their income in excess are subject to scrutiny.

## (C) Domestic / Household Sector

The logic behind this demonetization is to curb the use of these high value notes in the black money market. Now almost everyone has Rs 1000/500 notes so now it would become difficult for the common people to be do their business household works easily.

## (D) Business

↳ E-commerce

Companies saw up to a 30% increase



decline in cash on delivery (COD) orders. Several e-commerce companies hailed the demonetization decision as an increase in digital payment. They believe that it would lead to a decline in COD returns, which is expected states point of sales (POS). The goods and services tax (GST) Central Tax.

(E)

## Drop In Industrial

Output ↓

There a small portion of black money is actually stored in the form of cash. Usually, black income is kept in the form. However people declaring their income in excess of bank held limit had significant wage. Traders are using perishable consideration perishable stock.

# Case Study

B+

NAME : Prabhleen Kaur.

Class : B.Com. ~~Final~~ year. Subject : ~~Ind. Econ.~~

Session : 2022-23

Roll no : 1222112003017

Date : 13/3/23

## # Impact Demonetisation.

→ For a Cash - dependent economy like India, the sudden move prompted economies across the world to wake on adverse note of the move. Making matters matters worse the RBI restricted the daily with rowal limit.

Touted to help the Govt deal with benami transactions, underground money laundering, settled Demonetisation settled the local economy and resulted in the Rupee crashing against the US Dollar.

With 86% of the Currency in circulation tendered a state of Cash emerged, severely hitting Cash - reliant sectors such as real estate. Illegal Cash hitting such sectors.

## What economists Said about demonetisation?

Demonetisation was ostensibly implemented to combat Corruption, transaction financing, inflation. But it was poorly designed with scant attention paid to the needs of the market. The demonetisation had very little to with Corruption. It is the poorer people and informal sector which has been hit very adversely. That was non- starter frankly.

— Kaushik Basu, former Chief  
eco adviser of the Govt.

The demonetisation of currency was  
a despotic act as  
that comes with a govt  
broke the promise of  
Compensation that comes with a  
• It undermines the trust of  
entire economy. Only  
on authoritarian Govt can  
calmly cause such misery  
of the people.

— Amartya Sen  
economist and  
nobel laureate

its not something I think should  
be done for a country  
such as India and  
the level of development  
It has Japan has the highest  
GDP per capita, way  
way more than India.  
Domestic product for India was  
10% whereas in Japan  
it 60% that not black  
money & that

— Anita Desai, deputy managing  
director

If lot of money that operates in the shadow economy will never become a part of the banking structure itself. Bank will have a lot more money to support that the economy. • pro private sector investment case  
 So for locking will now get back into the economy. • the bank which were stagnating because of the NIPA problem will have a lot more money to lend for agriculture, infrastructure sector, social sector, trade and industry.

== Arun Jaitley, former finance of India.

this is a useful method of flushing out black ~~money~~ money given that a large percentage of cash holding is these two ideas. the manner which it was implemented is not surprising — such action are implement is not

== Arvind Virmani, former chief economic ad —

Name - Kashish<sup>28</sup>  
Class - 8. Com 1st year.  
Roll no - 122211200328  
Subject - International Bus. FFS  
Session - 2022-23

Date: / /

A+

## Case study

# Impact of Demonetization in india

### (A) Business

E-Commerce Companies saw a  
to a ~~30%~~ decline in cash  
on delivery orders

### (B) Hawala

The brightest spot is the  
end of Hawala racket

Page \_\_\_\_\_  
Date 7/7

and rising Poverty Prices  
Hawala is the way  
of transferring money from  
a different Country to  
India in Indian  
denominations

### (C) Farming and Fishing Industry

Farmers generally deal in  
Cash The poor people  
through middlemen are getting  
their currencies exchanged  
for 25 300 or 400

### (D) Reduce government liab.

It will Reduce risk  
and cost of Cash  
handling money as soft  
is safer  
than hard money  
It will also  
reduce government liability

### (E) Household Set-up

The logic behind this demonetization is to curb the use of these high value notes in the black money market

### (F) Impact on bank deposits

Bank deposits will increase by a huge margin and this will increase their lending activities

### (G) Drop in Industrial Output

There was a reduction in industrial output as industries were hit by the cash crisis



## Case Study

Name — Tamanna  
 Class — B.com II<sup>nd</sup> year.  
 Roll No — 1222112003063  
 Session — 2022-23  
 Subject — IFS (Indian Financial System)

A+

# ⇒ Impact Of DEMONETIZATION ON INDIAN ECONOMY

- After the announcement that 500 and 1,000 rupee notes were no longer legal tender, people were given 50 days to deposit them in bank accounts or exchange them for new notes at banks and post offices, when only half of Indian adults have bank accounts. By withdrawing 86 percent of circulating currency when 70 to 80 percent of transactions are cash-based, the Indian government has burned down its economic house in order to eradicate the pest of corruption.
- India's previously booming economy has now ground to a halt. All indicators sales, trades' incomes, production and employment are down.

## Major Impacts :-

### i) Farming and fishing industry :-

Farmers generally deal in ~~the~~ cash. The poor people through middlemen are getting their currencies exchanged for Rs. 300 or Rs. 400. Farmers have difficulty buying seeds and fertilizer and selling crops and perishable products.

### ii) Drop in industrial output :-

There was a reduction in industrial output as industries were hit by the cash crisis. The growth in eight core sectors such as cement, steel and refinery products, which constitute 38% of the Index of Industrial Production (IIP), decreased.

### iii) Business :-

E-commerce companies saw up to a 30% decline in cash on delivery (COD) orders. Several e-commerce companies hailed the demonetization ~~decision~~ as an impetus to an increase in digital payments.

### iv) Domestic sector :-

The logic behind ~~it~~ this demonetization is to curb the use of these high value notes in

the black money market. Now almost everyone has Rs 1000/500 notes so now it would become difficult for the common people to do their business work easily.

V) Impact on bank deposits :-

Bank deposits will increase by a huge margin and this will increase their lending activities. The banking system will improve as it will slowly head towards a cashless society. Cashless society will increase credit access and financial inclusion.

VI) Impact on IT Industry :-

This step can bring grey market commodities / money lending / money laundries etc, under control which is otherwise unmanageable. The IT industries prefer purchase and sales through banking system only. It won't curb grey channel market but will surely have an adverse effect on the products which are promoted by grey channel.

Case Studies

B Com - II

(2022-23)

## Case Study

Name - Vishakha

Class - B.Com 11th year

Roll No - 1212112003010

Session - 2022-23

Subject - Corporate Accounting

A+

Vishakha

Following is the Balance sheet of Mountain Silk Ltd. as at 31st March 2021 :-

Particulars	NOTE No	₹	₹
<b>I. Equity And liabilities:</b>			
Shareholder's Funds			
Equity Share Capital (50,000 shares of 10)			500,000
General Reserve			250,000
Workmen's Compensation Fund			20,000
Surplus			2,000
Current liabilities			
Trade Payables			50,000
Employee's Saving Fund			100,000
Short term Provision: Provision for Taxation			80,000
<b>Total</b>			<b>12,00,000</b>
<b>II Assets :-</b>			
Non-Current Assets			
Property plant and Equipment		60,000	
less: Depreciation Fund		140,000	46,000

Current Assets		
Inventory		400,000
Trade Receivables		180,000
Cash		80,000
Current/Non current Assets		
Share Issue Expenses		20,000
Total		1200000

All the assets are worth their book value except Property Plant and Equipment which on recent valuation are worth 960000 profits after tax for the last three years were £ 300,000 260,000 and 2,10,000 respectively. The published market price of a share of a company doing similar business is 4 time its paid up value on the basis of 36% dividend. Find out the value of its share on the basis of net Capital Employed.

⇒ Solution :-

For 36% dividend value of shares is 4 time

Therefore the normal rate of return is

$$\frac{36\%}{4} = 9\%$$

Net Capital Employed's	Amount
Property, Plant and Equipment	960,000
Inventory	460,000
Trade Receivables	180,000
Cash	80,000
	<u>1680,000</u>
less: liabilities	
Employee's saving fund	100,000
Trade payables	50,000
Provision for Taxation	80,000
	<u>230,000</u>
Net Capital Employed	<u>1450,000</u>

Average profits  $(300,000 + 260,000 + 310,000) \div 3$   
 $= 290,000$

Rate of Earnings  $= \frac{290,000}{1450,000} \times 100 = 20\%$

Value of per share  $= \frac{20}{9} \times 10 = 22.22$  per share

*Veril*

CASE STUDY

A

Mem

NAME - Mohit Kumar.

CLASS - B. Com Ind year

ROLL NO - 1212112003037

SESSION - 2022-23

SUBJECT - CORPORATE ACCOUNTING

The Balance sheet of X Ltd. as at 31st March, 2021 is as follows :-

Particulars	₹	₹
<b>I. Equity and Liabilities</b>		
Shareholder's funds:		
Equity Share Capital (in share of ₹)		150,000
Reserve and surplus		147,000
<b>CURRENT LIABILITIES</b>		
Trade payments		80,000
Outstanding Expenses		56,000
Provision for taxation		240,000
<b>TOTAL</b>		<u>1968600</u>
<b>II ASSETS</b>		
Non Current Asset		
(a) Property, Plant & equipment and Intangible Assets	2200000	
Less: depreciation	670000	1530000
(b) Investment & Securities		150,000
<b>CURRENT ASSETS</b>		270,000
Current / Non Current Assets		
Share issue expenses		18600
<b>TOTAL</b>		<u>1968600</u>





(iii)  $\text{Rate of Earnings} = \frac{155000}{1474400} \times 100 = 10.53\%$

(iv)  $\text{Value of Shares} = \frac{10.53}{12} \times 10 = 8.78 \text{ ₹}$

टिप्पणियाँ :- इस प्रश्न में सामान्य रूप से  
 दर Net Capital Employed के वा, डब  
 पक्ष से प्रश्न को हल किया  
 गया है

*Utsav*

# CASE STUDY

NAME :- Shubham  
 CLASS :- B.Com 2nd year  
 Roll No :- 1212112003049  
 Session :- 2022-23  
 Subject :- Corporate Accounting

(B)  
 Kevin

## CASE =

Given below is the Balance sheet of Mohan Ltd. as at 31st March 2018. you are required to ascertain the intrinsic value, market value and fair value of the shares.

## BALANCE SHEET

Particulars	₹	₹
<b>I. Equity and Liabilities:</b>		
Share holder's Fund:		
Equity share capital (75,000 sh. of ₹100 each) <small>fully paid</small>	750000	
Reserve and surplus:		
Reserve Fund	75000	
Profit & loss Balance (opening)	25000	
Current year's Profit	790000	
Current liabilities		
Trade payables		
Short term provision:		93000
Provision for Doubtful debts		85000
<b>TOTAL</b>		<b>1858000</b>
<b>ASSETS :</b>		

Non-Current Assets	325000	
Building at cost		
less: Depreciation fund	50000	275000
Furniture at cost	5000	
less: Depreciation fund	1000	4000
Goodwill at cost		85000
Investment in Govt. Sec.		250000
Current Assets		
Inventory at cost		850000
Trade Receivables		335000
Cash at Bank		51000
		<u>1858000</u>
<b>TOTAL</b>		

The company is expected to maintain its profits earning capacity for the next year. The average annual yield of companies in similar line of trade is 20% on market value of their shares. The goodwill of the company is worth four times the amount shown in the books. The other assets are worth value stated in the Balance sheet less respective provisions and reserves created against them. The Net income received from investment during the year ended 31st March 2018 was ₹ 13000.



SOLUTION:-

(i) Net Assets Method:

Calculation of net Assets:

Goodwill (85000 x 4)	340000
Building (325000 - 50000 deprec.)	275000
Furniture (5000 - 1000 deprec.)	4000
Investment	258000
Inventory	850000
Trade Rece. (335000 - 25000)	310000
Cash at Bank	51000
	<u>2088000</u>
Less: Trade Payables	<u>93000</u>
Net Assets available	1995000
For equity shareholders	<u>                    </u>

$$\text{value of sh.} = \frac{1995000}{75000 \text{ sh.}} = ₹26.60 \text{ per sh.}$$

(ii) Earning Capacity Method

Step 1. Calculation of Net Capital Employed:

Goodwill (85000 x 4)	340000
Building (325000 - 50000 deb.)	275000
Furniture (5000 - 1000 deb.)	4000
Inventory	850000
Trade Receivable (335000 - 25000)	310000
Cash at Bank	51000
	<u>1830000</u>
(-) Trade Payables	<u>93000</u>
Net Capital Employed	<u>1737000</u>



Step 2. Calculation of Profit after Tax : 790000

Profit of Current year	13000
(-) Income from Investment	777000
	388500
(-) Income Tax (Say 50%)	<u>388500</u>

Step 3. Rate of earning =  $\frac{\text{Profit}}{\text{Net Capital Employed}} \times 100$

$$= \frac{388500}{1737000} \times 100 = 22.37\%$$

Step 4. Value of share =  $\frac{\text{Rate of Earning} \times \text{Paid up Capital}}{\text{Normal Rate of Return}}$

$$= \frac{22.37\% \times 10}{20\%} = ₹ 11.18$$

(iii) Fair Value =  $\frac{\text{value as per Net Assets Method} + \text{value as per Earning Capacity Method}}{2}$

$$= \frac{26.60 + 11.18}{2} = 18.89 \text{ per share}$$

Answer

Case Study

Name - Aryan  
 Class - B.Com 2nd year  
 Roll No - 1912112003038  
 Session - 2022-23  
 Subject - Corporate Accounting

(A)

Write

Following is the Balance sheet of Shiva Ltd. as at 31st March 2012:-

Particulars	₹
<b>I EQUITY AND LIABILITIES:</b>	
Shareholder's funds:	
Equity share capital (Face of ₹100)	1000000
Reserves	250000
Non Current liabilities	
10% Debentures	1000000
Current liabilities	
other liabilities	250000
<b>TOTAL</b>	<b>2500000</b>
<b>II ASSETS:</b>	
Non Current Assets	
Land and Building	1200000
Plant and Machinery	500000
Goodwill	200000
Current Assets	
Government securities	350000
Trade Receivable	150000
Cash at Bank	30000
Current/Non Current Assets	
Miscellaneous Expenses	20000

Total	2500000
-------	---------

Market Value of land and Building is ₹1400000 and Plant and Machinery ₹320000. Goodwill is Valued at ₹300000. All other assets are Valued at their Book values. Average earning of the company are ₹650000 p.a. after interest on debentures but before tax which may be taken at 50%. Normal rate of return in similar companies is 10%. Ascertain the Value of equity shares.

Solution:

Method for Valuing the shares is not clearly stated in the question. As such, it should be proper to value the share according to any two methods and then averaged to obtain the fair value.

(A) Net Assets Method:	₹	
land and Building	1400000	
Plant and Machinery	320000	
Goodwill	300000	
Inventories	350000	
Trade Receivables	150000	
Cash at Bank	80000	
Total Assets	2600000	



less: liabilities		
10% Debentures	1000000	
other liabilities	250000	1250000
Net Assets		1350000

Value of each equity share =  $\frac{1350000}{10000} = 135$  per share

(B) Earning Capacity Method:	₹
profits after interest but before tax	650000
less: Income tax at 50%	<del>325000</del>
profit after interest and after tax	325000
Add: Interest on Debentures	100000
profit before int and after tax	425000

Net Capital employed = Total Asset - other liabilities  
 $2600000 - 250000 = 2350000$

Rate of earning =  $\frac{425000}{2350000} \times 100 = 18.09\%$

Value of shares =  $\frac{18.09}{10} \times 100 = 180.90$

(c) Fair Value (Average Value) =  $\frac{135 + 180.90}{2}$

Case Study

A

Memorandum

Name - Khushboo  
Class - B.Com 2nd year  
Roll No - 1212112003063  
Session - 2022-23  
Subject - Corporate Accounting

Following is the Balance sheet of M/s Victory Machines Ltd. as at 31st March, 2019:-

Balance Sheet

Particulars	₹	₹
<b>I Equity and Liabilities</b>		
Shareholder's funds		
30,000 Equity Shares of 10₹ each fully paid		3,00,000
Reserve and surplus :-		
General reserve	1,54,500	
Capital reserve	40,000	
Profit & loss Balance	1,20,000	3,14,500
<b>Current Liabilities</b>		
Trade Payables		93,700
Income tax Payable		11,500
Provision for Income tax		82,000
		<u>8,01,700</u>
<b>II Assets:</b>		
Non-current Assets		

Freehold property	1,20,000
Plant	50,000
Current Assets	
Inventory	3,10,000
Trade Receivables	2,03,000
Bank	1,17,000
Cash	1,700
	<u>8,01,700</u>

Net profit for the last three years are:  
 Year ended 31st March, 2017 ₹ 1,40,000; 31st March, 2018 ₹ 1,70,000 and 31st March, 2019 ₹ 2,10,000, Freehold property was valued early in 2019 at ₹ 1,60,000, Average yield in this type of Business is 15 percent on Capital employed. you are required to find out the value of each Equity Share on basis of above mentioned facts.

Solution: -

I Computation of Net Capital Employed: -		₹
		1,60,000
Freehold Property		50,000
Plant		3,10,000
Inventory		2,03,000
Trade Receivables		1,17,000
Bank		
Cash		1700
		<u>8,41,700</u>

Less: Liabilities -

Trade Payables	93,700	
Income Tax Payable	11,500	
Provision for Income Tax	82,000	1,87,200
Net capital employed		<u>6,54,500</u>

II Calculation of Average profits: -

Since there is continuous rise in profits, it will be appropriate to calculate weight average

Year	Profit	Weight	Products
31st March, 2017	1,40,000	1	1,40,000
31st March, 2018	1,70,000	2	3,40,000
31st March, 2019	2,10,000	3	6,30,000
		<u>6</u>	<u>11,10,000</u>

Average profit =  $\frac{11,10,000}{6} = 1,85,000$

Less: Income tax (say 5%)	92,500
Average profit after tax	<u>92,500</u>

Rate of Earning =  $\frac{92,500}{6,54,500} \times 100 = 14.13\%$

Value of Share =  $\frac{14.13}{15} \times ₹10 = ₹ 9.42 \text{ per Share}$

*Verin*

MARKANDA NATIONAL COLLEGE, SHAHABAD(M)

Assessment : Case Study

Subject: Valuation of Shares

Class: Blom II

Incharge: Mr. Harish Kumar

S.No.	Class R.No.	Name	Assessment
1	120211003035	MANANBEWEJA	B
2	120211003039	NIKHIL	B
3	1212112002046	NITYAMGAUR	B+
4	1212112003001	MOHIT KUMAR	A+
5	1212112003002	SAKSHI DEVI	A
6	1212112003003	ANJALI	A
7	1212112003004	SIMRAN	A+
8	1212112003005	AYAANKHAN	B+
9	1212112003007	MOHMMADANAS	B
10	1212112003008	AMIT	B
11	1212112003009	SAKSHAMSHARMA	B+
12	1212112003010	VISHAKHA	A+
13	1212112003011	SARIKA	B
14	1212112003012	PALAK RANI	B
15	1212112003013	AANCHAL VERMA	B+
16	1212112003015	PARAS	A+
17	1212112003018	DIKSHA	A
18	1212112003019	MANNAT SINGH	A
19	1212112003020	AANCHAL	A
20	1212112003021	KASHISH	A+
21	1212112003022	MANDEEP SINGH	B+
22	1212112003023	AARTI	B
23	1212112003024	TAMANA	B
24	1212112003026	SWAPANDEEP SINGH	A+
25	1212112003028	SAGAR	A
26	1212112003029	JASWINDERSINGH	B
27	1212112003031	YASHVI	B+
28	1212112003032	DHRUV RANA	B+
29	1212112003034	MUSKAN	B
30	1212112003036	KALPANA DEVI	A
31	1212112003037	MOHIT KUMAR	A
32	1212112003038	ARYAN	A
33	1212112003039	ANJALI	A
34	1212112003040	GURPREET SINGH	A+

S.No.	Class R.No.	Name	Assessment
35	1212112003041	MAYANK	B+
36	1212112003042	RITESH	B+
37	1212112003043	ASHWANI	B
38	1212112003044	VARUN	A+
39	1212112003046	RITIKA	A+
40	1212112003048	SHIVANI SAINI	A
41	1212112003049	SHUBHAM	B
42	1212112003050	SAJAN	B+
43	1212112003051	BALINDERSINGH	B
44	1212112003053	DEVINDERSINGH	A+
45	1212112003054	DAKSHRAJ ARORA	A+
46	1212112003055	VAIBHAV	B+
47	1212112003057	SHIVAM	B
48	1212112003058	KUSUM	B
49	1212112003060	HARSH	B+
50	1212112003061	BUNTY	B+
51	1212112003062	MUSKAAN	A
52	1212112003063	KHUSHBOO	A

*Verin*

*Ashwani*

Principal  
Markanda National College  
Shalabed Markanda (Haryana)

MARKANDA NATIONAL COLLEGE, SHAHABAD(M)

Assessment : Case Study

Subject: *Impact of Demonetization on Indian Economy*

Class: *B. Com I*

Incharge: *Prof. SS kajal*

S.No.	Class R.No.	Name	Assessment
1	1222112003001	PALAK	A
2	1222112003003	KHUSHPREET	A
3	1222112003004	MAYANKSAINI	A <sup>+</sup>
4	1222112003005	MAHAKRANI	A <sup>+</sup>
5	1222112003006	MICHAEL	A <sup>+</sup>
6	1222112003008	SUNEHA	B
7	1222112003009	NEHA	B
8	1222112003011	MAHAK	B
9	1222112003012	NIKHIL	B <sup>+</sup>
10	1222112003013	SIMRAN	B <sup>+</sup>
11	1222112003014	ANUSHKA	A <sup>+</sup>
12	1222112003015	PRAYAGSHARMA	A
13	1222112003016	AASTHA	A <sup>+</sup>
14	1222112003017	PRABHLEENKAUR	B <sup>+</sup>
15	1222112003019	MANPREETKAUR	B
16	1222112003021	HEMANTKUMAR	A <sup>+</sup>
17	1222112003022	MEHAKSHARMA	A
18	1222112003023	ARMAANSINGH	A
19	1222112003024	ANKUSH	B <sup>+</sup>
20	1222112003025	KESHAV	B <sup>+</sup>
21	1222112003026	GURLEENKAUR	B
22	1222112003028	KASHISH	A <sup>+</sup>
23	1222112003029	KARANSAINI	A
24	1222112003030	DHARMANSHUSHARMA	A
25	1222112003031	RITIK	A <sup>+</sup>
26	1222112003032	ANSHUL	A <sup>+</sup>
27	1222112003034	NITINKUMAR	B <sup>+</sup>
28	1222112003035	JASBIR SINGH	B <sup>+</sup>
29	1222112003036	TANU	B
30	1222112003037	DEVANSHI	A <sup>+</sup>
31	1222112003038	ANKITADEVI	A <sup>+</sup>
32	1222112003039	HARSHMANSINGH	A
33	1222112003040	SAHIL	B
34	1222112003041	MEHTABSINGH	B <sup>+</sup>

*SS*

S.No.	Class R.No.	Name	Assessment
35	1222112003042	SUNIL	B <sup>+</sup>
36	1222112003043	TANISHKUMAR	A <sup>+</sup>
37	1222112003044	AMITSINGH	A <sup>+</sup>
38	1222112003045	NIKITA	A
39	1222112003046	SHOYABKHAN	A
40	1222112003047	PRINCE	A
41	1222112003048	PARAS	A <sup>+</sup>
42	1222112003049	SUKHWINDER SINGH	A <sup>+</sup>
43	1222112003050	MUKUL PUNIA	B <sup>+</sup>
44	1222112003051	PARUL	B <sup>+</sup>
45	1222112003052	INDERPREETSINGH	B
46	1222112003056	MUSKAN	B
47	1222112003057	SARANGSINGLA	A
48	1222112003059	AMANDEEP	A
49	1222112003061	GOURAVKUMAR	A <sup>+</sup>
50	1222112003063	TAMANNA	A <sup>+</sup>
51	1222112003064	NEERAJ	A <sup>+</sup>
52	1222112003065	RAHUL	B <sup>+</sup>
53	1222112003066	SAHIL KUMAR	B <sup>+</sup>
54	1222112003068	NINAKSHI	B <sup>+</sup>
55	1222112003069	PALAK	B
56	1222112003070	SANIYA	B
57	1222112003071	KAMAL SAINI	A <sup>+</sup>
58	1222112003072	VANSHI ALIAS VANSHIT	A <sup>+</sup>
59	1222112003073	TARANSHER SINGH	B
60	1222112003074	RAGHAVBANSAL	B
61	1222112003075	VANSH	B
62	1222112003076	PARAS	B <sup>+</sup>
63	1222112003077	SUMITKUMAR	A
64	1222112003078	KESHAV	A <sup>+</sup>
65	1222112003079	CHIRAG	A
66	1222112003082	VANSHIKA	B

*[Handwritten signature]*

*[Handwritten signature]*

Principal  
 Markanda  
 Shalimar Markanda (Haryana) College



MARKANDA NATIONAL COLLEGE, SHAHABAD(M)

Assessment : Case Study


Subject: *Computation of Total Income of Individual*

Class: *BCom III*

Incharge: *Bhavini Tejpal*

S.No.	Class R.No.	Name	Assessment
1	120081003020	ANKITA	A
2	120167003142	INDERJEET SINGH	A
3	120211003001	DIKSHA	A <sup>+</sup>
4	120211003002	ANJURANI	B
5	120211003003	POOJA RANI	B
6	120211003004	HIMANSHU	B <sup>+</sup>
7	120211003005	YAMANDEEP	A <sup>+</sup>
8	120211003006	AMISHA DEVI	A
9	120211003007	PALLAVI	B
10	120211003008	MOHIT KUMAR	B <sup>+</sup>
11	120211003009	TANU	B
12	120211003010	SANAMDEEP SINGH	A
13	120211003011	JASHANPREET SINGH	A
14	120211003012	JASWINDERSINGH	A <sup>+</sup>
15	120211003014	SUNAINA	B
16	120211003015	PUNEET	B
17	120211003016	DEEPAK MAKANIA	B <sup>+</sup>
18	120211003017	KARANDEEP SINGH	A <sup>+</sup>
19	120211003018	SONIA	A
20	120211003019	AMANDEEP SINGH	B
21	120211003020	RAJNI	B <sup>+</sup>
22	120211003021	VARSHA	B
23	120211003022	VIKAS	A
24	120211003023	MUSKAN	A <sup>+</sup>
25	120211003024	GEETA	A <sup>+</sup>
26	120211003025	SAKSHI	A
27	120211003026	NANCY	B <sup>+</sup>
28	120211003028	PRINCE	B
29	120211003029	RITIKA	B
30	120211003030	SACHIN	A
31	120211003031	PARAS	A

S.No.	Class R.No.	Name	Assessment
32	120211003032	JASPREET SINGH	B
33	120211003033	NEERAJ KUMAR	B <sup>+</sup>
34	120211003034	SONAM	A
35	120211003036	RAINU	B
36	120211003037	SAHIL	B <sup>+</sup>
37	120211003038	SAGAR	A
38	120211003040	GOURAV	A <sup>+</sup>
39	120211003041	RAJ KUMAR	B
40	120211003042	JASKARANSINGH	B
41	120211003043	SUNIL KUMAR	B
42	120211003044	AMANKUMAR	A <sup>+</sup>
43	120211003045	KAMALJEET SINGH	B
44	120211003046	SONAM	B <sup>+</sup>
45	120211003047	PARTAP SINGH	B
46	120211003048	MUSKAN	A <sup>+</sup>
47	120211003049	PUSHPINDERSINGH	A
48	120211003050	MANSI RANI	B <sup>+</sup>
49	120211003051	RAMANDEEP SINGH	B <sup>+</sup>
50	120211003052	VINAY KUMAR	A
51	120211003053	AVINASHMAHLA	A
52	120211003054	AKSHAY KUMAR	A <sup>+</sup>
53	120211003055	PARVINDERKAUR	B
54	120211003056	YASHIKA RANI	B <sup>+</sup>
55	120211003057	SHOBHIT VERMA	A
56	120211003058	MANPREET SINGH	B
57	120211003059	SAMEERKHAN	B <sup>+</sup>
58	120211003060	SAHIL	A <sup>+</sup>




Principal  
Markanda National College  
Shalabhad Markanda (Haryana)