

(REVISED COURSE)

QP Code : CR-5374-5375

(3 Hours)

[Total Marks : 100

N.B. : (1) Question no.1 and 2 are compulsory.

(2) Attempt any three from Question No. 3 to 7.

(3) Figure to the right indicate full marks.

(4) Give working notes and state clearly the assumptions made by you whenever necessary.

1. From the following balances of State Bank Ltd., Thane on 31.03.2013, Prepare profit and loss account for the year ended 31.03.2013 and balance sheet as on that date. 20

Particular	Debit ₹	Credit ₹
Equity share capital of Rs. 100 each Rs. 50 paid up	-	8,00,000
Profit and loss account on 1.4.2012	-	3,20,000
Current deposit account	-	27,28,000
Fixed deposit account	-	31,20,000
Saving account	-	20,52,000
Directors fees	36,000	-
Audit fees	8,000	-
Furniture (Cost Rs. 8,00,000)	696,000	-
Interest and Discount received	-	16,80,000
Commission and Exchange	-	8,00,000
Reserve Fund	-	2,80,000
Printing and stationary	32,000	-
Rent and taxes .	68,000	-
Salary	5,60,000	-
Building (Cost Rs. 24,00,000)	18,00,000	-
Law charges	12,000	-
Cash-in-hand	1,28,000	-
Cash with RBI	28,00,000	-
Cash with other bank	26,00,000	-
Investment at cost	9,60,000	-
Loans Cash Credit and Overdraft	24,00,000	-
Bills Discounted and purchased	11,20,000	-
Internet paid	12,00,000	-
Borrowings from Bank	-	16,00,000
Branch Adjustment Account	-	10,40,000
Total	1,44,20,000	1,44,20,000

Following additional information is available :

- (i) The bank has accepted on behalf of the customers bills worth Rs. 12,00,000 against the securities of Rs. 15,20,000 lodged with the bank.
- (ii) Rebate on bills discounted Rs. 44,000.
- (iii) Provide depreciation on building 10% and furniture 5% on cost.
- (iv) Provide Rs. 12,000 for bad and doubtful debts.

2. (a) Choose the most appropriate alternative from those given below and rewrite the full sentences :- 10

- (1) Preference share owned by minority share holders are
 - (i) added to minority interest
 - (ii) deucted from minority interest
 - (iii) ignored in deciding minority Interest
 - (iv) All of the above
- (2) A Banking Company must hold a licence issued by
 - (i) RBI
 - (ii) SBI
 - (iii) Central Government
 - (iv) State Government
- (3) NPA stand for
 - (i) Non privilege assets
 - (ii) Non performing assets
 - (iii) Net performing assets
 - (iv) None of the above
- (4) Bonus is declared on
 - (i) Premium paid
 - (ii) Sum assured
 - (iii) Claim paid
 - (iv) Non of the above
- (5) The currency of the enterprise preparing account is called.....
 - (i) Foreign currency
 - (ii) Home currency
 - (iii) Reporting currency
 - (iv) Own currency
- (6) Corporate Governance is mandatory for
 - (i) Firms
 - (ii) Companies
 - (iii) Cooperatives
 - (iv) Proprietors
- (7) Direct borrowing cost should be
 - (i) Capitalised
 - (ii) Considered as revenue expenditure
 - (iii) Ignored
 - (iv) None of the above
- (8) A business segment is a component of an
 - (i) Organisation
 - (ii) Entity
 - (iii) Enterprise
 - (iv) None of the above

- (9) Basic EPS used the net profit attributable to
- (i) Both equity and preference share holders
(ii) Equity share holders only
(iii) Preference share holder only (iv) Debenture holder only
- (10) As per Indian GAAP financial statements are presented at
- (i) Market value (ii) Historical cost
(iii) Fair value (iv) Replacement value

(b) Match the following :

10

Group 'A'	Group 'B'
(1) Profit upto the date of acquisition	(a) Segment reporting
(2) AS-20	(b) Adjusted average profit
(3) AS-17	(c) IASB
(4) FMP	(d) N. Form
(5) IFRS	(e) Borrowing cost
(6) Insurance company	(f) Form B schedules 13 to 18
(7) Average rate	(g) The company Act, 1956
(8) P&L A/c & B/S of co-operative society	(h) AS-11
(9) P&L A/c of banking company	(i) EPS
(10) Annual Report	(j) Capital profit
	(k) IRDA
	(l) All transaction during certain period

3. The Tom Co. Pvt. Ltd. is to be absorbed by the Jerry Co. Pvt. Ltd. in order to decide upon the purchase consideration, it is necessary, among other things to value the goodwill attaching to the business of Tom Co. Pvt. Ltd. The two companies agree that the basis of the average annual super profits, the net profit being averaged over five years and subject to adjustment considered necessary.

The profit of the TOM Co. Pvt. Ltd. for the first five years (before charging income tax @ 55% on income) are as follows.

Year	-	Profit (₹)
2009	-	1,00,000
2010	-	1,30,000
2011	-	90,000
2012	-	1,10,000
2013	-	1,50,000

The directors of TOM Co. Pvt. Ltd. (three in number) will be appointed on the Board of Jerry Co. Pvt. Ltd. on absorption and it is considered that their services have been (and will be in the future) worth Rs. 10,000 each per annum. There has never been made any charge against the profit of TOM Co. Pvt. Ltd. for such services. The average capital invested in net tangible assets over the period is Rs. 3,60,000 and it is considered that the normal return to be expected form the particular type of business carried on by TOM Co. Pvt. Ltd. is 10%.

Calculate the goodwill of TOM Co. Pvt. Ltd. base on the above information.

4. Arihant & company has head office at Washington D.C. (USA) and Branch at Pune (India). Pune branch furnishes you with its trial balance on 31st March, 2013 and the additional information given thereafter.

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Particular	Debit ₹	Credit ₹
Stock on 1-4-2012	6,00,000	-
Purchases	16,00,000	-
Sales	-	24,00,000
Sundry Creditors	-	6,00,000
Sundry Debtors	8,00,000	-
Bills of Exchange	2,40,000	4,80,000
Wages and Salaries	11,20,000	-
Rent, Rates and Taxes	7,20,000	-
Sundry charges	3,20,000	-
Computers	4,80,000	-
Bank balance	8,40,000	-
Washington D.C. office A/c	-	32,40,000
Total	67,20,000	67,20,000

Additional information :-

- (1) Computers were acquired from a remittance of US \$12,000 received from Washington D.C. head office and paid to the suppliers. Depreciate at 60% for the year.
- (2) Unsold stock of Pune branch was worth Rs. 8,40,000 on 31st March, 2013.

(3) The rates of exchange may be taken as follows :

- (i) on 1-4-2012 @ Rs. 40 per US \$
- (ii) on 31-3-2013 @ Rs. 42 per US \$
- (iii) Average exchange rate for the year @ Rs. 41 per US \$
- (iv) Conversion in \$ shall be made upto two decimal accuracy

You are asked to prepare in US dollars the revenue statement for the year ended 31st March, 2013 and the Balance sheet as on that date of Pune branch as would appear in the books of Washington D.C. head office Airhant & Company. You are informed that Pune branch account showed a debit balance of US \$ 79218.36 on 31.3.2013 in Washington D.C. books and there were no items pending reconciliation. The foreign operations is in the nature of an intergral operation.

5. The following are the summarised Balance Sheet of H Ltd and S Ltd. as at 31st March, 2013. 20

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share capital	2,00,000	50,000	Sundry assets	1,80,000	1,20,000
Reserves	30,000	10,000	Shares in S Ltd.	2,30,000	-
Balance of Profit and Loss A/c on 1.4.2012	60,000	30,000	Cash at bank	20,000	10,000
Profit for the year	40,000	10,000			
Creditors	1,00,000	30,000			
	4,30,000	1,30,000		4,30,000	1,30,000

H Ltd. acquired 80% of the shares in S Ltd. on 01-10-2012. Included in the assets of H Ltd. there is Rs. 30,000 loan to S Ltd. Shown as creditors in S Ltd. Sundry assets of S Ltd. include furniture and fitting of Rs. 40,000 to be revalued at Rs. 50,000 being over depreciated as at 1st October, 2012.

Prepare consolidated balance sheet fo H Ltd. as at 31st march, 2013.

6. In the case of Fire Insurance Company Limited the following are the balances as on 31-12-2012. Draw up the revenue account for the year ended 31-12-2012. 20

Particular	Amount ₹
Commission on re-insurance accepted	1,86,458
Commission on direct business	1,95,172
Depreciation on furniture	630
Depreciation on library	118
Depreciation on motor car	6,290
Loss on sale of motor car	12,074
General Manager's Salary	24,000
Postage, telegram & telephone	10,250
Rent	62,500
Office salary & bonus	1,50,000
Travelling	25,600
Motor car expenses	85,000
Printing & stationary	35,550
Papers and periodicals	14,062
Law charges	15,500
Provident fund contribution	10,875
Audit fees	2,500
Accountants fees	1,500
Professional tax	250
Miscellaneous expenses	2,375
Bad debts written off	1,206
Claim under policies less re-insurance paid during the year	1,52,920
Total estimated liability in respect of outstanding claims as on 31-12-2011 whether due or intimated	1198
Reserve for unexpired risk as on 31-12-2011	3,66,594
Additional reserve made in 2011 for unexpired risk on 31-12-2011	45,824
Premium's received less re-insurance	9,89,980
Commission on re-insurances ceded	3,41,208

You are required to make 40% of the net premiums received as reserve for unexpired risk as on 31-12-2012 and 10% of the net premiums as additional reserve for the same.

7. From the following Trial Balance of Jyoti Credit Co-operative Society; Thane prepare final accounts for the year ended 31-03-2013. 20

Trial Balance

Particular	Amount in ₹	Particular	Amount in ₹
Loans to member's	14,00,000	Share capital	4,00,000
Contribution to Provident Fund	960	Reserve Fund	36,000
Insurance	2,080	Members deposits	10,80,000
Conveyance	6,840	Unpaid deridend	800
Printing and stationary	1,920	Staff provident fund	9,600
Salary to M.D.	24,000	Profit and loss A/c 2011-12	14,000
Staff salary	54,400	Interest	1,72,000
Interest on loans	3,840	Renewal fees	1600
Interest on Deposits	38,400	Sundry Income	1,280
Furniture	3,360	Development fund	8,000
Fixed deposits with Bank	1,20,000	Eduction fund	2,400
Cash	8,720		
Bank	61,160		
	17,25,680		17,25,680

Adjustments :

- (1) Interest due on members deposits Rs. 4,000.
- (2) Interest due but not received Rs. 9,600.
- (3) Salary due Rs. 2,400.
- (4) Audit fees due Rs. 1,600.
- (5) Depreciate furniture by 5%.
- (6) Directors propose to pay dividend of 5%.
- (7) Transfer Rs. 200 to education fund Rs. 4,000 to dividend equalisation fund.
- (8) Appropriation out of profits of the year 2011-2012 were approved as follows.
Reserve fund Rs. 4000
Dividend Rs. 4000

[TURN OVER

(OLD COURSE)

(3 Hours)

[Total Marks : 100

N.B. : (1) Question no.1 are compulsory.

(2) Attempt any four from Question No. 2 to 9.

(3) Figure to the right indicate full marks assigned to each question.

(4) Give working notes and state clearly the assumptions made by you whenever necessary.

1. From the following balances of State Bank Ltd., Thane on 31.03.2013, Prepare profit and loss account for the ended 31.03.2013 and balance sheet as on that date. 20

Particular	Debit ₹	Credit ₹
Equity share capital of Rs. 100 each Rs. 50 paid up	-	8,00,000
Profit and loss account on 1.4.2012	-	3,20,000
Current deposit account	-	27,28,000
Fixed deposit account	-	31,20,000
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Directors fees	36,000	-
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Borrowings from Bank	-	16,00,000
Branch Adjustment Account	-	10,40,000
Total	1,44,20,000	1,44,20,000

Following additional information is available :

- (i) The bank has accepted on behalf of the customers bills worth Rs. 12,00,000 against the securities of Rs. 15,20,000 lodged with the bank.
- (ii) Rebate on bills discounted Rs. 44,000.
- (iii) Provide depreciation on building 10% and furniture 5% on cost.
- (iv) Provide Rs. 12,000 for bad and doubtful debts.

2. The following balance sheet, receipts and payment account and adjustment relates to Aadarshya Academy. Prepare the Income and expenditure account for the year ended 31.03.2013 and the balance sheet as on that date. 20

Balance Sheet as on 31.03.2012

Liabilities	Amount ₹	Assets	Amount ₹
Capital Fund	3,60,000	Premises	2,40,000
Equipment Fund	40,000	Furniture	60,000
Scholarship Fund	8,000	Books	32,000
Creditors	12,000	Fixed Deposits	40,000
		Prepaid salaries	4,000
		Bank	44,000
	4,20,000		4,20,000

Receipts of payments A/c for the year ended 31.03.2013

Receipts	Amount ₹	Payments	Amount ₹
To. OP. Bank Balance	44,000	By Salaries	1,44,000
To Fees received	2,40,000	By Scholarship awarded	6,000
To Interest	8,000	By Purchase of equipments	16,000
To Sundry receipts	4,000	By Payments to creditors	12,000
		By Misc. Expenses	50,000
		By Purchase of books	28,000
		By Closing bank	
		Balance c/f	40,000
	2,96,000		2,96,000

Adjustments :

- (1) Depreciate furniture by 20% and books by Rs. 20,000/-.
- (2) Provide for outstanding salaries - Rs. 12,000/-.

3. The Tom Co. Pvt. Ltd. is to be absorbed by the Jerry Co. Pvt. Ltd. in order to decide upon the purchase consideration, it is necessary, among other things to value the goodwill attaching to the business of Tom Co. Pvt. Ltd. The two companies agree that the basis of the average annual super profits, the net profit being averaged over five years and subject to adjustment considered necessary. 20

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Calculate the goodwill of TOM Co. Pvt. Ltd. base on the above information.

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Sundry charges	3,20,000	-
Computers	4,80,000	-
Bank balance	8,40,000	-
Washington D.C. office A/c	-	32,40,000
Total	67,20,000	67,20,000

Additional information :-

- (1) Computers were acquired from a remittance of US \$12,000 received from Washington D.C. head office and paid to the suppliers. Depreciate at 60% for the year.
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- (8) Appropriation out of profits of the year 2011-2012 were approved as follows.
Reserve fund Rs. 4000
Dividend Rs. 4000

- 7: (a) What are the notes to accounts ? 10
(b) Explain difference types of audit report. 10
8. (a) What is Inflation accounting ? What are the various approaches to Inflation accounting ? 10
(b) What is segment reporting ? 10
9. (a) Write a short note (any four) :- 20
(i) FAIR value of shares
(ii) Human resources accounting
(iii) Non-performing assets
(iv) Rebate on bills discounted
(v) Cost of control
(vi) Object of Inflation-accounting
-