

NOV-2022

(2½ Hours)

[Total Marks : 75]

Note – 1. Question no 1 is compulsory

2. Question 2,3,4 and 5 have internal options

3. Each question carry 15 marks

4. Figures to the right , indicate full marks assigned to the question.

Q.1 A) Multiple Choice Questions (any 8)

8

1. 1. At present, Electricity Companies are governed by ____

- a. Electricity Act, 1910
- b. Electricity (Supply) Act, 1948
- c. Electricity Regulatory commission Act, 1998
- d. Electricity Act, 2003

2. Any reduction to market value of current investment from cost on valuation date is debited to _____

- a. Revaluation reserve
- b. profit and loss account
- c. Capital reserve
- d. general reserve

3) Foreign currency is a currency

- a. Used in recording the foreign transactions
- b. Used in presenting the foreign financial statements
- c. Other than the reporting currency of an enterprise
- d. Other than the Indian Rupee

4) The mean of the exchange rates in force during a period is known as

- a. Average Rate
- b. Closing Rate
- c. Reporting Rate
- d. Fair Rate

5) Excess of average profit earned by the firm over and above its normal profit.

- a. Bumper Profit
- b. Super Profit
- c. Normal Returns
- d. Excess Profit

6) Books, Records and Register

- (a) Bye law No.142
- (b) Bye law No.145
- (c) Bye law No.146
- (d) Bye law No.147

7) Any income arising from investment of an ear-marked fund will be credited to

- a. Ear-marked Fund in the balance sheet
- b. Corpus fund in the balance sheet
- c. Income Expenditure Account
- d. Receipts and Payments Accounts

- 8) In the case of such Societies, the land and building do not appear in the balance sheet
- Tenant Co- partnership Societies
 - House Mortgage Societies
 - Tenant Ownership Societies
 - House Construction Societies
- 9) The contingent liability denominated in foreign currency at the balance sheet date is disclosed by using the
- Average Rate
 - Closing Rate
 - Non-monetary Rate
 - Monetary Rate
- 10) The NAV of each scheme should be updated on AMFI'S website _____
- Every quarter
 - every month
 - every hour
 - every day

B) State whether True or False (Any Seven out of Ten)

7

1. Authorised Share Capital of a Co-operative Housing Society is mentioned in the Memorandum of Association of the Society
2. Cash, receivables and payables are examples of non-monetary items.
3. Co-operative society is a corporate body distinct from its members.
4. Foreign exchange transactions are governed by AS 11
5. IFRS 1 was issued in June 2003.
- 6 Insurance charges are divided among the members equally
7. Grant received under APDRP of Ministry of Power is accounted as a liability.
8. In general terms "convergence" means To achieve harmony in relation to IFRS
9. Under the Maharashtra Co-op. Societies Act, a society must maintain a Register of audit objections and their rectifications.
10. Reporting Currency means the Indian Rupee used for financial statements of Indian Companies.

Q.2

15

A)

Find out the fair value of share of Jayashree Ltd from the following information:-

- 1) 5,00,000 equity shares of Rs. 10 each fully paid up – Rs. 50,00,000
- 2) 1,00,000, 10% Preference Shares of Rs. 10 each fully paid Rs. 10,00,000.
- 3) General Reserve – Rs. 20,00,000.
- 4) Profit & Loss Account (Cr) – Rs. 15,00,000
- 5) Creditors – Rs. 17,00,000
- 6) Bank Overdraft – Rs. 9,00,000
- 7) Preliminary expenses – Rs. 5,00,000
- 8) Discount on issue of shares – Rs. 2,00,000
- 9) The profits of the company for the year is Rs. 25,00,000 before tax
- 10) It is expected that profit will increase by 20% in futures years.
- 11) The rate of Income Tax – 50%
- 12) Normal Rate of return – 14%

OR

B)

From the following information calculate the value of goodwill on the basis of 3 years purchase of super profits of the business calculated on the average profit of the last four years (simple average and weighted average):

- (i) Capital employed – Rs. 50,000
- (ii) Trading profit (after tax): 2010 Rs. 12,200; 2011 Rs. 15,000; 2012 Rs. 2,000 (loss); and 2013 Rs. 21,000
- (iii) Rate of interest expected from capital having regard to the risk involved is 10%.
- (iv) Remuneration from alternative employment of the proprietor (if not engaged in business) Rs. 3,600 p.a.

Q.3

15

A)

IYER Ltd has head office at Mumbai and branch at Boston, USA. The branch provides following Trial Balance as on 31st March , 2018.

Debit Balance	US \$	Credit Balance	US \$
Goods Received from HO	11,600	Head Office	12,707
Purchases	3,87,516	Sales	6,10,416
Opening Stock	14,316	Creditors	1,27,977
Plant & Machinery	34,120		
Furniture	16,316		
Cash & Bank Balances	5,130		
Salaries	68,016		
Office Rent	42,340		
Taxes and Insurance	11,672		
Debtors	1,25,430		
Printing & Stationery	12,148		
Postage	11,010		
Legal Expenses	11,486		
	7,51,000		7,51,000

The Branch account in Head office showed a debit balance of Rs.5,84,222 and Goods sent to Branch Account showed a credit balance of Rs. 5,56,800. Plant & Machinery was acquired by the branch as on 31st December, 2017, when one US \$ was equal to Rs. 45. Boston branch acquired furniture on 30th June, 2017 when Rs. 100 was equal to US \$ 2.50. Head Office provides depreciation on Plant & Machinery @ 25% p.a. and on Furniture @ 10% p.a. the Boston Branch reported Closing Stock of US \$ 15,350 on 31st March , 2018.

The Exchange rates were as under:-

Opening Rate US \$ = Rs. 43.50

Closing Rate Rs. 95 = US \$ 2

Average US \$ 1 = Rs. 45.50

You are asked to prepare Converted Trail Balance, Trading and Profit & Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date.

OR

B)

The Kolkata Electricity Company Limited decides to replace one of its old plants with a modern one with a larger capacity. The plant when installed in 1985 cost the company Rs 24 lakhs, the

components of materials, labour and overheads being in the ratio of 5:3:2. It is ascertained that the costs of materials and labour have gone up by 40% and 80% respectively. The proportion of overheads to total costs is expected to remain the same as before.

The cost of the new plant as per improved design is Rs 60 lakhs and in addition, material recovered from the old plant of a value of Rs 2,40,000 has been used in the construction of the new plant. The old plant was scrapped and sold for Rs 7,50,000.

The accounts of the company are maintained under Double Account system. Indicate how much would be capitalised and the amount that would be charged to revenue. Show the ledger accounts.

Q4

15

A)

From the following trail balance as on 31-03-2018, prepare final accounts in the prescribed format as per applicable legal provisions

REVATI CHS LTD			
Trail Balance			
Dr			Cr
Particulars	Rs.	Particulars	Rs.
Share of Samrudhi Co-Op Bank	1,100	Interest on Reserve Fund FD	12,758
Audit Fees	5,000	Addition to Sinking Fund	74,880
Cash in Banks	3,59,272	Dividend	61
Fixed Deposits – Reserve Fund	1,93,519	Interest – Fixed Deposit	413
Fixed Deposits	4,241	Interest – Saving Bank	14,756
Fixed Deposits – Sinking Fund	9,34,807	Interest on Sinking Fund FD	77,240
Housekeeping Charges	38,142	Members Contribution for Building	1,05,40,000
Land and Building	1,05,40,000	Property Tax Refund	1,39,028
MCGM Deposit for Water	11,100	Sinking Fund – Opening	7,15,680
MSEDC Deposit	7,600	Statutory Reserve Fund-Opening	1,60,363
Office Expenses	25,326	Subscribed Capital:-	4,000
Postage	3,416	80 Shares of Rs. 50 each	2,60,736
Property Expenses	2,89,365	Surplus of the last year	-
Subscription of Housing Federation	500	Collection towards property expenses	3,37,200
Conveyance	2,447	Collection towards Establishment Expenses	78,720
	1,24,15,835		1,24,15,835

Additional Information:-

1. Authorized Capital :- 200 shares of Rs. 50 each
2. Subscription to the Education Fund outstanding – Rs. 160.
3. Property Tax refund is for 16-17, payable to members.

OR

B)

Balance Sheet of X Ltd. on 31st March, 2013 was as under:

Liabilities	Rs.	Assets	Rs.
Capital	2,50,000	Land and Building	1,80,000
Creditors	80,000	Machinery	1,10,000
Bills Payable	20,000	Furniture	2,000
		Stock	8,000
		Cash at Bank	50,000
	3,50,000		3,50,000

The profit of the business for the last five years ending 31st March , 2013 is

Year	Profit (Rs.)
2009	40,000
2010	42,000
2011	45,000
2012	50,000
2013	53,000

The assets are revalued as follows – Land and Building – Rs. 19,400 , Machinery – Rs. 1,18,000 and Furniture – Rs. 1,000 . Find out goodwill by capitalization of Super Profit Method

Q.5

- A) Explain methods of Share Valuation ? 8
 B) Explain in details features of financial statements. 7

OR

Write a Short Note (Any **three** out of **five**) 15

1. Creation of Fund
2. Super Profit
3. Rates of Foreign Exchange
4. IFRS
5. Features of Co-Operative Society
