

[Time: 2.30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory
 2. Figures to the right indicate full marks.
 3. Working note are the part of your answer.
 4. Use of simple calculator is allowed.

1. A. State whether the following statements are true or false and rewrite the statement again: (Any 8) (8)

1. Goodwill depends on personal reputations of the enterprise.
2. Investments are non-trading assets.
3. Rental of meter is shown in P & L statement.
4. Balance of P & L Statement is carried to Balance Sheet.
5. A housing society need not maintain Cash Book.
6. List of members is maintained in 'B' Form.
7. Fixed assets should be translated at the rate on the date of the transaction.
8. Contingent liability is translated at opening rate.
9. Current liabilities are primarily held for trading.
10. IFRS enhances uniformity in the accounting principles.

B. Fill in the blanks and rewrite the sentence again: (Any 7) (7)

1. A core group is constituted by ____.
2. Financial statements based on IFRS become ____.
3. Any exchange difference arising due to translation is charged to ____.
4. Cost of tangible assets is translated at the exchange rate on the date of ____.
5. Entrance fees received from the members is to be ____.
6. Income & Expenditure A/c is to be prepared in ____ form.
7. Fixed assets are shown at cost in ____.
8. Depreciation is shown in ____.
9. Super Profit is excess of FMP over ____.
10. Any expenses likely to be incurred should be ____ from average profit.

Q2. Ms. Hardeep intendent to invest Rs.150000 in the Equity share of Amar Ltd. And seek your advice as to the maximum number of shares she can expect to acquire on the basis of Intrinsic and yield value of share for that the following information is available :

[15]

Equity share Rs.20 each	900000
9% Preference share capital	650000

Average profit before tax of the business was Rs.375000. it was observed that the fixed assets are undervalued to the extent of Rs.250000 and stock is over-valued Rs.30000. all other liabilities are correctly value except Bill payable which is unrecorded Rs.25000. Normal yield is 10% in case of equity share.

Q. P. Code: 38920

Compute the value of Goodwill based on 4 years purchase of super profit, if any. Tax rate @ 30%, consider the closing capital employed as average capital employed.

OR

Q2. The following information is pertaining to Qureshi Ltd. As on 31st March, 2018 [15]

- i. Share capital:
1,00,000 Equity share of Rs.10 each
2,00,000 12% Preference share of Rs.100 each
- ii. Fictitious asset Rs.150000
- iii. Reserve and Surplus Rs.200000
- iv. Equity shareholder expected rate of return @ 20%
- v. The average net profit before tax for the past 3 years was Rs.20 lakhs, which is anticipated that due to favorable market condition, it will increase by 30%.
- vi. Investment as per Balance sheet are under value by Rs.700000.
- vii. The company transfer 25% profit to Debenture Redemption Reserve.
Compute Fair Value of Share of Qureshi Ltd.
- viii. Corporate tax rate is 30%

Q.3. KFC Ltd. has head office at Mumbai and branch at California. The branch submits the following Trial Balance as on 31st March 2018. [15]

Particulars	Dr. US \$	Cr. US \$
Head Office A/c	-	11,606
Goods received from head office	12,725	-
Purchases and Sales	5,06,323	7,87,777
Stock on 1 st April 2017	13,100	-
Plant and Machinery	27,650	-
Furniture and Fixture	18,220	-
Bank Balance	60,180	-
Cash Balance	3,233	-
Salaries	71,130	-
Office Rent	44,316	-
Taxes and Insurances	13,655	-
Debtors and Creditors	1,17,117	1,57,617
Printing and Stationary	37,119	-
Postage	16,303	-
Freight	14,784	-
Conveyance	1,145	-
Total	9,57,000	9,57,000

Additional Information:

- a. The Branch Account in Head Office showed a debit balance of Rs. 5,11,100 and Goods sent to Branch Account showed a credit balance of Rs. 5,66,600.
- b. Plant and Machinery was acquired when US \$ = Rs. 46 and Furniture and Fixture was acquired when US \$ = Rs. 40. Head office charges depreciation on Plant and Machinery @20% p.a. and on Furniture and Fixture @10% p.a.
- c. The closing stock as on 31st March 2018 at the branch was US \$ 16,550.

Q. P. Code: 38920

d. The exchange rates were as under:

01-04-2017 US \$ = Rs. 38.50

31-03-2018 US \$ = Rs. 40

Average US \$ = Rs. 44

Convert the Branch Trial Balance into Rupees and Prepare Branch Trading A/c , Profit & Loss A/c and Balance sheet as on 31st March 2018.

OR

Q.3. From the following Trial Balance of Sahadev CHS Ltd., Prepare Final Account in the prescribed format as per applicable legal provisions. [15]

Particulars	Dr. Rs.	Particulars	Cr. Rs.
1 share of MDC Co-op Bank	200	Collection from Members	6,87,250
1 share of MDCH Federation	200	Dividend	12
Accrued interest on FD	3,38,816	Income and Expenditure Account	6,19,038
Audit Fees	2,000	Interest – Fixed Deposits	1,40,358
BEST Deposit	5,200	Interest – Savings Bank	3,654
BMC Deposit for water	10,982	Members Contribution for Building Fund	18,87,000
Cash in Bank	20,910	Security Deposits from Members	37,600
Cash in hand	2,328	Sinking Fund-Opening	6,93,548
Fixed Deposits	22,28,232	Statutory Reserve Fund-Opening	8,93,570
Furniture and Fittings	6,416	Subscribed Capital:	
Land and Building	18,87,000	200 shares of Rs. 50 each	10,000
Property Taxes and Expenses	1,75,900		
Salaries	1,16,872		
Housekeeping charges	31,460		
Subscription to the Education Fund	4,800		
Water Charges	1,40,714		
	49,72,030		49,72,030

Adjustments:

- Details of collection from members :
Property Taxes and Expenses Rs. 3,84,850
Establishment Expenses Rs. 2,59,200
Contribution to Sinking Fund Rs. 43,200
Rs. 6,87,250
- Authorised Capital: 3,000 shares of Rs. 50 each
- Depreciate Furniture and Fixture @ 10%
- Outstanding Water Charges Rs. 23,920

Q. P. Code: 38920

Q.4: The Trial Balance of Dakshata Electric Supply Ltd. for the year ended 31st March, 2018 is as below:

Particulars	Dr. Rs ('000)	Cr. Rs ('000)
Share Capital		
Equity Shares of Rs 10 each		20,000
14% Preference Shares of Rs 100 each		6,000
Patents and Trademarks	1,001.60	
15% Debentures		9,880
16% Term Loan		6,120
Land	4,980	
Building	14,053.60	
Plant and Machinery	22,823.20	
Mains	1,809.60	
Meters	1,260	
Electrical Instruments	612	
Office Furniture	980	
Capital Reserve		1,608
Contingency Reserves		4,812
General Reserves		400
Transformers	6,576	
Opening Balance of Profit and Loss Account		140
Profit for the year 2017-18 subject to Adjustments		2,000
Stock in hand		
Sundry Debtors	4,820	
Contingency Reserve Investment:	2,498	
- SBI Bonds-2025		
Other Investments	4,004	
Cash and Bank	800	
Public Lamps	1,302.00	
Depreciation Fund	1,216	
Sundry Creditors		10,326.40
Proposed Dividend		2,609.60
		4,840
	68736.00	68,736.00

Q. P. Code: 38920

During 2017-18, 40,000, 14% Preference Shares were redeemed at a premium of 10% out of proceeds of fresh issue of Equity Shares of necessary amounts at a premium of 10%. Required to prepare for the above period general balance sheet as on 31st March, 2018 as per Schedule III of the Companies Act, 2013.

Adjustments: Fig. (000)

1. Transfer to Contingency Reserve Rs 68. and to General Reserve Rs 80.
2. Loss on Contingency Reserve Investment Rs 4.
3. Make a Provision for Debts considered doubtful of Rs 405.6

OR

Q. 4. The following is the Balance sheet Salman Ltd. as on 31-12-2018.

[15]

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 10 each Rs. 7.50 paid	3,00,000	Goodwill	64,000
10% of Preference shares of Rs. 10 each	80,000	Building	1,90,000
General Reserve	1,00,000	Machinery	1,40,000
Profit and Loss A/c	31,500	Employee Provident fund investment	25,000
Employee Accident Compensation Fund	25,000	Stock	1,04,500
Employee Profit Sharing Fund	14,000	Debtors 90,000 Less: Bad Debts reserve 2,000	88,000
Employee Provident Fund	25,000	Cash and Bank	62,000
Creditors	45,000	Prepaid Expenses	5,000
Outstanding expenses	3,000	Preliminary Expenses	5,000
Depreciation provision: Building 30,000 Machinery 30,000	60,000		
	6,83,500		6,83,500

Additional Information:

- i) Building has been valued at Rs. 2,70,000
 - ii) Goodwill of the company has been valued at Rs. 67,500
 - iii) Liability under employee accident compensation fund was only Rs. 5,000
 - iv) The dividend on preference shares for the year is to be provided.
 - v) Expected rate of return is 15%
 - vi) Average Profit of the company after deducting tax at 50% is Rs. 59,750
- Calculate intrinsic and yield value of equity share.

Q. P. Code: 38920

Q5. Answer the following

- A. What are the framework provided for the concepts that are applicable for preparation and presentation of financial statement for outside Users? [8]
- B. Describe the exemption in application of IFRS? [7]

OR

Q5. Write Short Note (Any 3)

[15]

- I. Different point to be considered for determination of FMP.
 - II. Methods of valuation of shares.
 - III. Main features of Electricity Act 2003.
 - IV. Non-integral foreign operation.
 - V. challenges in first time adoption of IFRS by Indian corporates.
-