

23

Time: 2:30 Hours

75 Marks

All Questions are Compulsory:

Q.1. [A] Multiple choice Questions (Any Eight)

[08]

1. Opening stock is valued at rate in foreign branch
 - a) Opening rate
 - b) Closing rate
 - c) Average rate
 - d) None of the above
2. ----- = F.M.P. - Normal Profit
 - a) Maintainable Profit
 - b) Super Profit
 - c) Average Profit
 - d) None of the above
3. Capital Employed = - Outside Liabilities
 - a) Share Capital
 - b) Reserves
 - c) Tangible Trading Assets
 - d) None of the above
4. Sales are valued at rate in foreign branch
 - a) Opening rate
 - b) Closing rate
 - c) Average rate
 - d) None of the above
5. Electricity Companies are governed by
 - a) Electricity Regulation Commission Act, 1998
 - b) Electricity (Supply) Act, 1948
 - c) Electricity Act, 1910
 - d) Electricity Act, 2003
6. Tangible Trading Assets does not include....
 - a) Goodwill
 - b) Investment
 - c) Fictitious Assets
 - d) All of the above
7. Electricity traffics are fixed
 - a) Appropriate commissions
 - b) under Electricity (supply) act 1948
 - c) Under Electricity act 1910
 - d) under electricity regulatory commissions act, 1998
8. Capital of a cooperative society is in the form of...
 - a) share capital
 - b) ear-mark fund
 - c) corpus fund
 - d) none of the above
9. IFRS 1 was issued in
 - a) January 2013
 - b) June 2003
 - c) June 2010
 - d) January 2004
10. Under the Maharashtra cooperative societies act the term member includes in addition to a person duly admitted as a member
 - a) only an active member
 - b) only and associate member
 - c) only a nominal member
 - d) all of above

Q.1. [B] State the statement whether true or false. (Any Seven)

[07]

1. Total number of international accounting standards IAS are 33
2. Parking charges are divided among the members equally.
3. Super Profit is results when normal profit is more than FMP
4. NRR stands for Net Realizable Returns.
5. Under the Maharashtra Co-op. Societies Act, every Society shall transfer 40% of the profit to the Reserve Fund

6. Entrance fees are treated as Capital receipts.
7. IFRS 1 deals with first time adoption of international financial standards
8. IFRS 13 deals with fair value measurement
9. IFRS 14 deals with regulator re deferred accounts
10. IFRS 9 deals with financial instruments

Q. 2. The trial balance of DANI Electric supply Ltd. For the year ended 31st March, 2019 is as below: [15]

Particulars	Dr.Rs ('000)	Cr. Rs. ('000)
Share Capital:		
40,00,000 Equity shares of Rs.10 each		40,000
Patents and Trademarks	1,000	
14% Debentures		10,000
11% Term Loan		9,000
Land	6,200	
Building	17,000	
Power plant	29,000	
Electrical Instruments	12,800	
Capital Reserve		3,600
Contingency Reserve		6,000
Transformers	9,200	
Net Revenue Account		3,400
Inventories	5,800	
Trade Receivables	3,200	
Contingency Reserve Investments	6,000	
Bank Balance	1,200	
Public Lamps	1,600	
Depreciation Fund		12,000
Trade Payables		3,000
Propose Dividend		6,000
	93,000	93,000

Prepare Balance Sheet of DANI Electric Supply Ltd. As on 31st March, 2019.

OR

Q. 2. From the following Trial Balance of Suhana Consumers Co-operative Society Ltd. as on 31st March, 2019. Prepare the final accounts in the prescribed format. [15]

Trial Balance

Particulars	Dr. Rs.	Cr. Rs.	Particulars	Dr. Rs.	Cr. Rs.
Share Capital		80,000	Purchase	10,05,000	
Deposit from Members		50,000	Customer	30,000	
Sales		12,50,000	Carriage Inwards	5,000	

Purchase Returns		5,000	Sales Return	2,000	
Suppliers		10,000	Rent	10,000	
Interest on Investments		12,000	Audit Fees	2,000	
Rebate Received		3,000	Sales Tax	3,000	
Common Good Fund		4,000	Staff Salary	50,000	
Price Fluctuation Fund		8,000	Printing & Stationery	10,000	
Reserve Fund		20,000	Investments	2,00,000	
Cash in Hand	400		Stock in Trade	30,000	
Cash at Bank	86,000		Interest Paid	2,600	
Furniture	6,000				
				14,42,000	14,42,000

Adjustments:

1. Authorised Capital 10,000 share of Rs. 10 each.
2. Value of Closing Stock on 31st March, 2019 was Rs. 60,000.
3. Depreciation on Furniture @ 10% p.a.
4. Interest accrued on deposits Rs. 1,500 and Interest accrued on Investment Rs. 6,000.
5. Outstanding Salary of Rs. 3,000.
6. Outstanding Sale Tax of Rs. 1,000.

Q. 3. The Following is the summarised Balance Sheet of Virendra Ltd. As on 31st March 2019:

[15]

LIABILITIES	Rs.	ASSETS	Rs.
50,000 Equity Shares of Rs.20 each Fully paid up	1,000,000	Machinery	480,000
Securities premium	200,000	Furniture	200,000
General reserve	478,800	Stock	1,240,000
Profit & Loss a/c	314,000	Debtors	412,000
Sundry Creditors	818,000	Cash in Hand	6,800
Provision for Taxation	396,000	Cash AT Bank	868,000
	3,206,800		3,206,800

The company transfers 20% of its profits (after tax) to General reserve. Net profits before taxation for the last three years have been as follows:

For the year ended 31st March 2017 Rs. 5,44,000

For the year ended 31st March 2018 Rs. 7,32,000

For the year ended 31st March 2019 Rs. 7,88,000

machinery is valued at Rs. 6,37,200

Average yield in the type of business is 20%. The rate of tax is 50%. Use simple average.

Calculate the values of one equity share on the basis of a) Intrinsic value b)

Yield value.

OR

- Q. 3.** Chocolate, Ice-cream and Brownie are partners in a firm sharing profits and losses in the ratio of 10:4:2. The partnership deed provides that in the event of retirement or death of partner goodwill is to be valued at three years purchase of Average Future Maintainable profits over a period of four years, in excess of 12.5% of Capital Employed in the business at the time of retirement /death. On 31stMarch, 2019Ice-cream retired. The Balance Sheet of the firm was as follows:-

Liabilities	Rs.	Assets	Rs.
Capitals:		Fixed Assets	9,00,000
Chocolate	8,00,000	Net current assets	4,00,000
Ice-cream	2,50,000		
Brownie	2,50,000		
	13,00,000		13,00,000

[15]

Sales during the year ended 31stMarch, 2019 totalled Rs. 1 crore and were at a gross margin of 10%. The expenses amount to 30% of gross profit. It is expected that sales will increase at 20% cumulative rate of growth every year. Gross Profit margin percentage being reduced to 9%. The expenses would continue to be at 30% of Gross Profit. Calculate goodwill which is to be credited to Ice-cream.

- Q. 4.** Snehal Ltd. has a branch in Georgia. As on 31st March, 2019, the trial balance of the branch was as follows:

[15]

Particulars	Dr. \$	Cr. \$
Opening Stock	8,500	
Furniture	9,000	
Cash in box	600	
Bank Balance	1,050	
Head Office Account	-	18,500
Sales	-	61,000
Goods from Head Office	54,000	-
Outstanding Expenses	-	800
Salaries	2,800	-
Rent	1,000	-
Insurance	350	-
Sundry Debtors	3,000	-
	80,300	80,300

The branch account in head office shows debit balance Rs. 5,68,000 and goods sent to branch credit balance of Rs. 26,25,000.

Depreciate furniture @ 10% p.a.

Stock at branch 31st March, 2019 was \$ 8,000.

Furniture was purchased in 2015 when one \$ = Rs. 50.

Exchange Rates were:

On 1-4-2018 1\$ = Rs. 56

On 31-3-2019 1\$ = Rs. 60

Average Rate 1\$ = Rs. 58

You are required to prepare Branch Trial Balance by converting in Rupees and Prepare Branch Trading and Profit & Loss A/c for the year ended 31-3-2019, and Balance Sheet as on that date.

OR

Q. 4. The firm Roderick and Co. with its H.O. in Mumbai has a Branch in USA. At the end of each year (December 31) a Trial Balance send by the Branch in USA dollar currency is converted into Rupee Currency at the head office. [15]

The following trial balance for the year has been compiled at branch as on 31st December, 2018.

Particulars	Dr. \$	Cr. \$
Bills Receivables	3,500	-
Sundry Debtors	2,800	-
Sundry Creditors	-	1,100
Purchase	14,580	-
Sales	-	23,880
Furniture and Fixtures	1,340	-
Opening Stock	2,000	-
Establishment Expenses	2,000	-
Salaries	700	-
Rent, Rates and Taxes	1,100	-
Sundry Expenses	1,450	-
Depreciation on Furniture & Fixture	128	-
Remittances to H.O.	1,502	-
Head Office Account	-	6,920
Cash on Hand at Bank	800	-
	31,900	31,900

1. The stock in hand on December 31st, 2018 was \$ 3,000. The rates of exchange were:
From December 31st, 2017 to June 30th, 2018 1\$ = Rs. 64.

From 1st July, 2018 to 31st December, 2018 1\$ = Rs. 66.

2. In the Mumbai Books the balance of the USA branch account and the remittances from USA branch account appears as Rs. 3,38, 000 and Rs. 74,000 respectively. The original Furniture and Fixture were bought when the rate of exchange was \$1 = Rs. 60. Convert the above trial balance into rupees currency and prepare the final accounts of the branch.

- Q. 5. A] What are the purposes and objectives of financial statements?
B] Explain various Methods of Calculating Shares.

[07]
[08]

OR

Q. 5. Write short Notes (Any Three)

[15]

1. Accounting for grant under APDRP
2. Electricity act 2003
3. Accounts of cooperative housing society
4. Conversion of foreign branch trial balance
5. Yield value Method
