

(3 Hours)

(Total Marks : 100)

- N.B. :**
- (1) Questions Nos 1 and 2 are **compulsory**
 - (2) Attempt **any three** questions from the remaining.
 - (3) **Working notes** should form **part of your answer**.
 - (4) Use of **simple calculator** is **allowed**.
 - (5) **Figures to the right** indicate **full marks**.

Q.1 The following is the summarized Balance sheet VT Ltd. and CT Ltd. As on 31-03-2019 :

(20)

Liabilities	VT Ltd. (Rs.)	CT Ltd. (Rs.)	Assets	VT Ltd. (Rs.)	CT Ltd. (Rs.)
Share capital	1,00,000	25,000	Sundry Assets	90,000	60,000
Reserve	15,000	5,000	Shares in CT Ltd.	1,15,000	-----
Profit and Loss A/c on 1-4-2018	30,000	15,000	Cash at bank	10,000	5,000
Profit for the year	20,000	5,000			
Sundry Creditors	50,000	15,000			
Total	2,15,000	65,000	Total	2,15,000	65,000

VT Ltd. acquired 80% of the shares in CT Ltd. on 01-10-2018. Included in this assets of VT Ltd. there is Rs.15,000 loan to CT Ltd. Shown as creditors in CT Ltd. Sundry assets of CT Ltd. include furniture and fitting of Rs.20,000 to be valued at Rs.25,000 being over depreciated at 01st October ,2018.

Prepare consolidated balance sheet of VT Ltd. as at 31st March , 2019.

Q.2 A) State whether the following statements are True or False

(10)

- 1) US GAAP are Issued by FASB
- 2) Dividend declared but not claimed is unclaimed dividend
- 3) NPA stand for Non Production Assets.
- 4) Human Capital is an important Asset of an organization.
- 5) Average clause is introduced to discourage over insurance.
- 6) The aim of co-operative society is to care for minority community.
- 7) The person whose risk is insured is an Insured.
- 8) EVA shows the value added to shareholders wealth.
- 9) Surplus on revaluation should be treated as Capital Reserve.
- 10) Earning is the Net Profit available to Debenture.

Q.2 B) Match the column

(10)

Group A	Group B
1. CARO	a) Schedule 9
2. Fixed Asset	b) Opened by Businessman
3. AS-16	c) Listed in Stock exchange
4. Substantial Period	d) Intangible Asset
5. AS-11	e) Foreign currency conversion
6. Other Assets	f) Schedule 10
7. Quoted Shares	g) Capital Cost
8. Goodwill	h) Audit Report
9. Advance	i) Schedule 08
10. Current Account	j) Borrowing cost
	k) 12 Months
	l) Schedule 11

Q.3 The following trail balance of Meena Bank Ltd. as on 31-03-2019 :

(20)

Particulars	Debit Rs.	Credit Rs.
Share Capitals 15,000 shares of Rs.10 each	-----	1,50,000
Statutory Reserve		2,00,000
Deposit:		
Fixed		1,39,000
Saving		2,25,000
Current		1,87,000
Cash in hand	1,45,000	-----
Cash in Reserve Bank Of India	2,10,000	-----
Interest and Discount	-----	1,50,000
Commission and brokerage	-----	25,000
Interest on Fixed deposit	15,000	
Interest on saving deposit	10,000	
Interest on Current deposit	6,250	
Salaries (including Rs.6,000 to manager)	65,500	
Rent, insurance and taxes	2,000	
Postage and Telegram	450	
Printing and stationery	3,500	
Audit fees	2,000	
Depreciation	1,650	
Investment in shares	42,000	
Loans , cash credit and overdraft	2,45,000	
Bills discounted and purchased	90,000	
Government bond	80,000	
Furniture	20,000	
Premises	1,50,000	
Branch Adjustment account		12,350
Total	10,88,350	10,88,350

Additional information:

1. Rebate on bills discounted Rs.13,500.
2. Create reserve for bad and doubtful debts Rs.5,500.
3. Acceptances on behalf of customers Rs. 40,000.

You are required to prepare Profit and loss account for the year ended 31-03-2019 and Balance sheet as on that date.

Q.4 KBC Computers Ltd. has Head Office at Mumbai and branch at New York. The branch submits the following Trial Balance as on 31st March, 2019 : (20)

Particulars	Dr. US \$	Cr. US \$	Particulars	Dr. US \$	Cr. US \$
Head Office Account	-	11,606	Salaries	26,619	-
Goods received from H.O.	12,725	-	Office Rent	12,500	-
Purchases & Sales	4,44,444	5,55,555	Taxes and Insurance	13,500	-
Stock (1-4-2004)	10,000	-	Debtors & Creditors	2,22,222	3,33,333
Plant & Machinery	25,000	-	Printing & Stationery	13,000	-
Furniture & Fixtures	16,000	-	Postage & Telegrams	14,300	-
Cash in hand	24,000	-	Freight	14,784	-
Cash at Bank	40,000	-	Conveyance	11,400	-
			Total	9,00,494	9,00,494

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

Plant and Machinery was acquired when US \$ = Rs. 46. Furniture was acquired by the branch on 1st January, 2019 when Rs. 100 was equivalent to US \$ 2.50. Head Office charges depreciation on Plant & machinery @ 20% and on furniture and fixture @ 10% p.a. The closing stock as on 31st March, 2019 at the branch was US \$ 12,500. The exchange rate was as under.

- 1st April 2018 US \$ 1 = Rs. 38.50
 31st March 2019 Rs. 100 = US \$ 2.50
 Average US \$ 1 = Rs. 44

Convert the Branch Trial Balance into Rupees and prepare Branch Profit & Loss A/c for the year ended 31st March, 2019.

Also prepare Balance Sheet of New York Branch of KBC Computers Ltd. as on 31st March, 2019. The foreign operation is in the nature of an integral operation.

Q.5 From the following Trial Balance of “Varun Co-operative Consumers Society Ltd.”, Maharashtra as on 31st March, 2019, Prepare Trading & Profit & Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date after considering the adjustments given :

(20)

Trial Balance

Particulars	Dr. Rs.	Cr. Rs.	Particulars	Dr. Rs.	Cr. Rs.
Share Capital		80,000	Commission	8,700	
Calls in Arrears	5,0000		Rent, Rates and Taxes	10,000	
Reserve Fund		7,500	Postages	6,050	
Common Good Fund		2,500	Land	4,500	
Opening Stock of Consumer Goods	55,000		Interest on Investment		5,000
Furniture	24,000		Equipment	10,000	
Education Fund		4,000	Purchases	8,20,000	
Sundry Creditors		10,000	Investments	50,000	
Sundry Debtors	15,000		Sales		10,30,250
Commission Payable		2,000	Cash in Hand	12,500	
Salaries	35,500		Cash at Bank	85,000	
				11,41,250	11,41,250

Adjustments:

1. Outstanding rent payable on 31-3-2019 was Rs. 500.
2. Charge 2.5% depreciation on Furniture.
3. Closing Stock of consumer goods is valued at cost Rs. 70,000.
4. Interest accrued on investment Rs. 1,000.
5. Outstanding salary on 31-3-2019 was Rs. 1,000 and Rs. 1,500 paid in advance.
6. Authorised Capital 10,000 share of Rs. 10 each.

Q6. Prepare Revenue Account in proper form for the year ended 31st March, 2019, from the following particulars related to Sandeep General Insurance Co. for the year ended 2018-19:

(20)

Particulars	Related to Direct Business (Rs.)	Related to Reinsurance (Rs.)
Premiums:		
Amount received	27,00,000	2,40,000
Receivable at the beginning	1,00,000	25,000
Receivable at the end	2,75,000	50,000
Amount Paid	-	3,50,000
Payable at the beginning	-	50,000

Payable at the end	-	1,00,000
Claims:		
Amount Paid	19,85,000	1,40,000
Payable at the beginning	75,000	25,000
Payable at the end	1,50,000	40,000
Amount recovered	-	2,00,000
Receivable at the beginning	-	30,000
Receivable at the end	-	50,000
Commission:		
Amount Paid	95,000	25,000
Amount Received	-	20,000

Additional Information:

- Interest, dividend and rent received – Rs. 50,000
- Management expenses including Rs. 15,000 related to legal expenses regarding claims – Rs. 75,000.
- The net premium income of the company during the year 2017-18 was Rs. 20,00,000 on which reserve for unexpired risk @ 50% and additional reserve @ 2% was created. This year the balance to be carried forward is 50% of net premium on reserve for unexpired risk and 5% on additional reserve.

Q7. Following is the Balance Sheet of RJ LIMITED as on 31st March, 2019: (20)

Liabilities	Rs.	Assets	Rs.	Rs.
Share Capital (8,000 share of Rs. 100 each)	8,00,000	Goodwill		1,00,000
Reserve Fund	2,00,000	Land and Building (Cost)	4,00,000	
		Less: Depreciation	40,000	3,60,000
Workmen Compensation Fund	50,000	Plant & Machinery (at cost)	5,00,000	
		Less: Depreciation	50,000	4,50,000
Workmen Profit Sharing Fund	60,000	Investment for replacement of Plant & Machinery		1,60,000
Profit & Loss Account	3,00,000	Books Debts	4,00,000	
		Less: R.B.D	60,000	3,40,000
Creditors	2,50,000	Stock		2,00,000
Other Liabilities	1,00,000	Cash at Bank		1,00,000
		Preliminary expense		50,000
Total	17,60,000	Total		17,60,000

Further Information:

- a) The profit earned by the company for the past three years were as under:
 Year ended 31st March 2017 Rs. 4,00,000

Year ended 31 st March 2018	Rs. 3,00,000
Year ended 31 st March 2019	Rs. 3,50,000

The profits given are profits before tax, which was 50% throughout.

b) Z Ltd. had been carrying on business for the past several years. The company is to be taken over by another company and for this purpose you are required to value goodwill by “Capitalization of Future maintainable profits method”. For this purpose following additional information is available

c) The new company expects to carry on business with its own board of directors, without any addition. The director fees paid by Z Ltd. to its directors amounted to Rs. 25,000 per year, no more payable in future.

d) The new company expects a large increase in volume of business and therefore will have to pay extra rent of Rs. 30,000 per year.

e) As on 31st March, 2019 land and buildings were worth Rs. 3,00,000 whereas plant and machinery were worth only Rs. 2,00,000 there is sufficient provision for doubtful debts. There is no fluctuation in the value of investments and stock.

f) Liability under workmen compensation fund was only Rs. 10,000.

g) The expected rate of return on similar business may be taken at 12%.

You are required to value goodwill according to the above instructions. All your working should form part of your answer (Take average Capital employed, the same as closing employed for your calculations).