

Q. P. Code: 39816

Time: 2 Hours

Marks: 60

- NB: 1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Working notes should form part of your answers.
 4. Use of Simple Calculator is allowed.

Q.1 The Summarized Balance Sheet of 'Raj Ltd' and 'Karan Ltd' as on 31st March, 2018 were as under:

(15)

Liabilities	Raj Ltd(Rs)	Karan Ltd (Rs)	Assets	Raj Ltd (Rs)	Karan Ltd (Rs)
Equity Share Capital (Face Value Rs.10 each)	4,00,000	1,00,000	Land and Buildings	1,20,000	Nil
Reserve Fund	60,000	20,000	Plant & Machinery	4,00,000	Nil
Profit & Loss A/c On 1.4.2017	80,000	40,000	Investments (6,000 Shares in Karan ltd)	1,30,000	Nil
Current year	1,00,000	50,000			
Bills payable	30,000	Nil	Inventories	80,000	1,70,000
Creditors	60,000	60,000	Debtors	20,000	60,000
Bank Overdraft	40,000	Nil	Bank	20,000	20,000
			Bills Receivable	Nil	20,000
Total	7,70,000	2,70,000		7,70,000	2,70,000

Additional Information:

- Raj Ltd purchased the shares in Karan Ltd as on 1st October, 2017.
- Bills Receivable of Rs.20,000 held by Karan Ltd are accepted by Raj Ltd.
- Included in the Sundry Debtors of Karan Ltd is a sum of Rs.12,000 owing by Raj Ltd in respect of goods supplied.

Prepare the Consolidated Balance Sheet as on 31st March, 2018.

OR

Q.1 Ajay Ltd acquired 1,600 Equity shares of Vijay Ltd as on 31st March, 2018. The summarized Balance Sheets of two companies as on 31st March, 2018 are given below:

(15)

Liabilities	Ajay Ltd (Rs)	Vijay Ltd (Rs)	Assets	Ajay Ltd (Rs)	Vijay Ltd (Rs)
Equity Share Capital (Face Value Rs.100 each)	5,00,000	2,00,000	Land and Buildings	1,50,000	1,80,000
General Reserve	2,40,000	1,70,000	Plant & Machinery	2,40,000	1,59,400
Profit & Loss A/c	57,200	36,000	Investments in Vijay Ltd	3,40,000	Nil
Bank Loan (Term)	80,000	Nil	Stock	1,20,000	36,000
Bills payable (including Rs.3,000 to Ajay Ltd)	Nil	8,400	Bills Receivable(including Rs.3,000 from Vijay Ltd)	15,800	Nil
Creditors	47,200	9,000	Debtors	44,000	40,000
			Bank	14,600	8,000
Total	9,24,400	4,23,400		9,24,400	4,23,400

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Additional Information:

- i.. The directors have decided to revalue Land & Buildings and Plant & Machinery of Vijay Ltd at Rs.2,00,000 and Rs.1,49,400 respectively.
- ii. Creditors of Ajay Ltd include Rs.12,000 due to Vijay Ltd.
- iii. Vijay Ltd made a bonus issue on 31st March, 2018 of One Equity share for every Four Equity shares held by its shareholders. This has not been accounted for.

Prepare a Consolidated Balance Sheet as at 31st March, 2018.Q.2 Following is the Balance Sheet of Reshma Ltd as on 31st March, 2018.

(15)

Liabilities	Rs.	Assets	Rs
1,00,000 Ordinary Shares of Rs.10 each	10,00,000	Goodwill	1,00,000
Reserve Fund	2,00,000	Land & Building	8,00,000
10% Debentures	8,00,000	Plant & Machinery	5,00,000
Profit & Loss A/c	50,000	Investments	2,00,000
Sundry Creditors	1,00,000	Inventories	3,00,000
Bills Payable	50,000	Sundry Debtors	1,80,000
		Bank	1,20,000
Total	22,00,000		22,00,000

The Company sets aside 10% of Profits for General Reserves. The fair rate of return in the industry may be taken at 10%.

For the last Five Years, the company's profits after tax were as follows:

Year	Profits (Rs)
2018	2,78,000
2017	2,20,000
2016	1,92,000
2015	1,80,000
2014	1,70,000

Find out the value of business and the Equity Share on the basis of Earning Capacity Method.

OR

Q.2 A) Vishwas Ltd has 5 Operating Segments namely P, Q, R, S and T. The Profits/Losses of respective segments for the year ended 31st March, 2018 are as follows:

(8)

Segment	Profit/Loss (Rs)
P	5,00,000
Q	10,00,000
R	(6,00,000)
S	(8,00,000)
T	15,00,000

Determine reportable segments as per Ind AS 108.

(7)

Q.2 B) Balance Sheet of Sangeeta Ltd shows a Building costing R.8,00,000. It is depreciated over 50 years as per Original Cost Method. It has no residual value. The Company follows Revaluation model. At the beginning of Year 2, the Building was revalued at Rs.9,20,000.

Show the treatment as per Ind AS 16.

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(15)

Q.3 Mr. Tendulkar intends to invest Rs.1,00,000 in Equity Shares of ABC Ltd and seeks your advice regarding maximum number of shares he can expect to purchase with that amount on the basis of the following information and based on the Fair Value, Market Value and Net Asset Value of shares respectively.

Particulars	Rs
Authorised Capital:	
Equity Share Capital (Face Value Rs.10 Each)	50,00,000
6% Preference Share Capital (Face Value Rs.10 Each)	30,00,000
Issued and Paid up Capital:	
6 % Preference Shares Capital	10,00,000
Equity Shares Capital	6,00,000

Additional Information:

- Average Net Profit of the business is Rs.1,10,000.
- Expected Normal Yield is 8% in case of such Equity Shares.
- Total Tangible Assets are Rs. 18,98,000 and Total Outside Liabilities are Rs.1,90,000.
- Goodwill is valued at 5 years Purchase of Super Profits. Ignore Income Tax. Consider Closing Capital Employed as Average Capital employed for the purpose of Goodwill Valuation.

OR

Q.3 A) Sunil Ltd obtained a loan for Rs. 1,40,00,000 on 15th April, 2017 from KBL Bank to be utilized as under: (8)

Particulars	Rs.
Construction of Factory Shed	50,00,000
Purchase of Machinery	40,00,000
Working Capital	30,00,000
Advance for Purchase of Truck	20,00,000

In March, 2018, construction of the factory shed was completed and machinery, which was ready for its intended use, was installed. Delivery of Truck was received in the next financial year.

Total Interest of Rs. 18,20,000 was charged by the bank for the financial year ending 31st March, 2018.

Show the treatment of interest under IND AS 23 and also explain the nature of Assets.

Q.3 B) Raj Kumar Ltd provides the following information: (7)

Particulars	Rs
Cost of Machinery	30,00,000
Accounting Depreciation	4,80,000
Depreciation as per tax law	7,50,000
Tax rate = 25%	

Calculate Tax Base, Temporary Differences and resulting Deferred Tax Asset/Liability.

Q.4 A) State Whether the following statements are True or False: (8)

- Accounting Standard Board is established in 1970.
- IFRS will override company law.
- Ind AS 23 is applicable to Biological Assets.
- Deferred tax is a tax on permanent difference.
- Ind AS 16 prescribes accounting treatment for property.
- FMP is considered in Valuation of Goodwill.
- Intrinsic value is also known as Net Asset Value.
- Pre acquisition profit is capital profit.

Q.4 B) Match the followings

(7)

Column A	Column B
i. Annual Report	a) Non- Taxable Income
ii. IFRS issued by	b) Consolidated Financial Statements
iii. Fair Value	c) Taxable Income
iv. Ind AS 1	d) Net Profit as per records
v. Basic earnings	e) Presentation of Financial Statements
vi. Income Tax	f) Present Realizable value of assets
vii. Ind AS 110	g) IASB
	h) Mandatory for companies

OR

Q. 4. Write Short notes on **any three** of the followings:

(15)

- IND AS 33 – Earning Per Share
- Yield Value Method of Valuation of Shares
- Holding Company and Subsidiary Company
- IND AS 12- Income Taxes
- Super Profit Method of Goodwill
