

- 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 ‘Suresh Ltd’ and ‘Sunil Ltd’ as on 31<sup>st</sup> March, 2018 were as under:

**(15)**

Liabilities	Suresh Ltd Rs	Sunil Ltd Rs	Assets	Suresh Ltd Rs.	Sunil Ltd Rs
Equity Share Capital (Face Value Rs.10 each)	8,00,000	2,00,000	Fixed Assets	7,80,000	2,80,000
Reserve Fund	2,00,000	80,000	Investments	2,40,000	Nil
Profit & Loss A/c On 1.4.2017	1,20,000	30,000	Inventories	2,40,000	50,000
Current year	2,00,000	80,000			
Creditors	80,000	40,000	Debtors	1,40,000	1,00,000
<b>Total</b>	<b>14,00,000</b>	<b>4,30,000</b>		<b>14,00,000</b>	<b>4,30,000</b>

Additional Information:

- Suresh Ltd purchased on 1<sup>st</sup> October, 2017, 16,000 shares in Sunil Ltd @ Rs.15 per share.
- Creditors of Sunil Ltd include Rs.20,000 due to Suresh Ltd.
- Stock in Sunil Ltd includes Rs. 30,000 worth of goods purchased from Suresh Ltd. The Company sells goods at 25% above cost.

Prepare Consolidated Balance Sheet as on 31<sup>st</sup> March, 2018.

**OR**

Q.1 The Summarized Balance Sheet of ‘A Ltd’ and ‘B Ltd’ as on 31<sup>st</sup> March, 2018 were as under:

**(15)**

Liabilities	A Ltd Rs.	B Ltd Rs.	Assets	A Ltd Rs.	B Ltd Rs.
Equity Share Capital (Face Value Rs.10 each)	10,00,000	3,00,000	Freehold Premises	4,50,000	1,20,000
General Reserve	4,00,000	1,25,000	Plant & Machinery	3,50,000	1,60,000
Profit & Loss A/c	3,00,000	1,75,000	Furniture	80,000	30,000
Creditors	1,00,000	70,000	Investments (20,000 Shares in B Ltd)	2,60,000	Nil
			Inventories	3,20,000	1,60,000
			Debtors	3,00,000	1,70,000
			Bank	40,000	30,000
<b>Total</b>	<b>18,00,000</b>	<b>6,70,000</b>		<b>18,00,000</b>	<b>6,70,000</b>

Additional Information:

- A Ltd. acquired shares of B Ltd as on 1-4-2017 when the balances in their Profit and Loss Account and General Reserve were Rs.75,000 and Rs.80,000 respectively.
- Included in Debtors of A Ltd Rs.15,000 due from B Ltd.
- Stock of Rs.1,60,000 held by B Ltd consists of Rs. 60,000 goods purchased from A Ltd, who charges profit at 25% on cost.

You are required to prepare a Consolidated Balance Sheet as on 31<sup>st</sup> March, 2018.

**(15)**

Q.2 M/s Laxman Ltd began construction of a new building on 1<sup>st</sup> April, 2017. It obtained Rs. 6,00,000 special loan to finance the construction of the building on 1<sup>st</sup> April, 2017 at an interest rate of 12% p.a. The company's other outstanding two non-specific loans were:

Amount (Rs)	Rate of Interest
12,00,000	10% p.a.
22,00,000	14% p.a.

The expenditure that were made on the building project were as follows:

Date	Amount (Rs.)
April, 2017	6,00,000
July, 2017	7,00,000
December, 2017	11,00,000
March, 2018	3,00,000

Building was completed on 31<sup>st</sup> March, 2018. Following the principles prescribed in IND AS 23 "Borrowing Cost", calculate the amount of interest to be capitalized and pass Journal Entry for capitalizing the cost and borrowing in respect of the building.

**OR**

Q.2 The Balance Sheet of Seema Ltd as on 31<sup>st</sup> March, 2018 is as follows:

**(15)**

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs.10 each	10,00,000	Land & Building	10,00,000
10% Preference Shares of Rs.100 each	2,00,000	Plant & Machinery	6,00,000
General Reserve	2,00,000	Stock	1,20,000
Profit & Loss Account	1,00,000	Debtors	1,00,000
Creditors	2,20,000	Bank	1,00,000
Provision for Income Tax	80,000		
Proposed Dividend	1,20,000		
Total	19,20,000		19,20,000

The profits of the company after charging depreciation but before income tax @ 40% were as follows for last five years:

Year	Profit (Rs.)
2018	3,60,000
2017	3,40,000
2016	3,20,000
2015	2,80,000
2014	2,00,000

Additional Information:

Reasonable Return on equity funds in this line of business is considered to be 10%. Land and Buildings revalued at Rs.12,00,000 and Plant and Machinery revalued at Rs. 5,00,000.

Find out the value of an Equity Share under:

- Intrinsic Value Method after valuing Goodwill on the basis of Five Year's purchase of Super Profits.
- Ascertain the Value of Business.

Q.3 The Balance Sheet of Kajal Company as at 31<sup>st</sup> March, 2018 was as follows: (15)

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs.100 each	4,00,000	Land & Building	2,20,000
General Reserve	80,000	Plant & Machinery	2,60,000
Profit & Loss Account	64,000	Patents and Trademarks	40,000
Creditors	2,56,000	Stock	96,000
Provision for Income Tax	1,20,000	Debtors	1,76,000
		Bank	1,04,000
		Preliminary Expenses	24,000
Total	9,20,000		9,20,000

The Profits of the company have been as follows:

Year	Profits (Rs.)
2015-16	1,60,000
2016-17	1,80,000
2017-18	2,12,000

The company follows the practice of transferring 25% of Profits to General Reserve. Similar type of companies earn at 10% of the value of their shares.

The expert valued the Land and Building at Rs.4,32,000. Goodwill at Rs. 3,20,000 and Plant and Machinery at Rs. 2,21,000. Out of the total debtors, it is found that debtors of Rs. 16,000 are bad. Patents and Trademarks are valued at Book value.

Ascertain the value of the company's shares as under:

- Break Up Value Method
- Market Value Method
- Fair Value Method

Ignore Taxation and Depreciation on revalued assets.

**OR**

Q.3 A) Manisha Ltd has 6 Operating Segments namely U, V, W, X, Y and Z. The Profits/Losses of respective segments for the year ended 31<sup>st</sup> March, 2018 are as follows: (8)

Segment	Profit/Loss (Rs)
U	2,00,000
V	4,00,000
W	(25,000)
X	(40,000)
Y	5,00,000
Z	1,00,000

Determine reportable segments as per Ind AS 108.

Q.3 B) Dhoni Ltd obtained a loan for Rs. 2.80 Crores on 15<sup>th</sup> April, 2017 from PQR Bank to be utilized as under: (7)

Particulars	Rs.
Construction of Factory Shed	1,00,00,000
Purchase of Machinery	80,00,000
Working Capital	60,00,000
Advance for Purchase of Truck	40,00,000

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. 36,40,000 was charged by the bank for the financial year ending 31<sup>st</sup> March, 2018.  
 Show the treatment of interest under IND AS 23 and also explain the nature of Assets.

Q.4 A) Match the followings

(8)

Column A	Column B
i. Legal Compliance	a) Earnings Per Share
ii. IFRS enhances	b) is a component of an entity
iii. IND AS 33	c) Corporate Governance
iv. Operating Segment	d) Recognition of Tax Liability
v. Diluted Earnings	e) Uniformity in Accounts
vi. IND AS 12	f) Excess of FMP over normal profit
vii. Super Profit	g) Excess of Normal Profit over FMP
viii. Unrealized Profit	h) Due to potential factors
	i) Deducted from stock

Q.4 B) State Whether the following statements are True or False:

(7)

- i. The information should be objective.
- ii. A core group is constituted by MCA.
- iii. Direct borrowing cost should be capitalized.
- iv. Segment reporting includes reporting about segment revenue.
- v. Dilution is a reduction in earnings per share.
- vi. P/E ratio is a relationship between Market Price and EPS.
- vii. Goodwill is excess of cost of investment over value of investment.

OR

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

(15)

- a) IND AS 16 – Accounting for Fixed Assets
- b) Audit Report
- c) Non- Controlling Interest
- d) IND AS 108- Operating Segment
- e) Intrinsic Value Method of Valuation of Shares

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