

Total Number of Questions : 35

Time : 3.00 Hours

Max. Marks : 150

1. What is clear profit ? How will you calculate clear profit ? (3 Marks)
2. Best Power Ltd. received Rs. 1,00,000 as security deposit from its consumers on 1st October 2020. RBI interest rate as on 1st April 2020 was 10%.
Pass the journal entries in the book of Best Power Ltd. for the year ended 31st March 2021. (3 Marks)
3. Distinguish between Single account system and Double account system. (3 Marks)
4. What is Accelerated Power Development and Reforms Programme ? (3 Marks)
5. 'Even though both right issue and bonus issue of shares increase the number of shares and the amount of paid up share capital, they are not the same'. Do you agree with this statement ? Explain. (3 Marks)
6. How will you disclose the following items while preparing the Balance Sheet of a company as per Schedule III to the Companies Act, 2013 ? (3 Marks)
 - 1) Proposed dividend
 - 2) Calls in advance
 - 3) Calls in arrear
 - 4) Outstanding expense
 - 5) Provision for tax
 - 6) Advance tax paid.
7. What is buy back of shares ? What are its objectives ? (3 Marks)
8. What is Profit/Loss prior to incorporation ? What are the purposes for which pre-incorporation Profit can be used ? (3 Marks)
9. Write a note on Intrinsic value of shares. (3 Marks)
10. What are the different methods of accounting for amalgamation in the books of the acquirer company ? (3 Marks)
11. Who is a dissenting shareholder ? How the shares of dissenting shareholders are acquired by the transferer company ? (3 Marks)
12. What are the different situations of Inter company holdings ? (3 Marks)
13. Write a short note on contributory. (3 Marks)
14. What is deficiency account ? (3 Marks)

15. How will you treat Goodwill appearing in the Balance sheet of Subsidiary Company ? (3 Marks)
16. Briefly explain the accounting treatment of issue of Bonus shares by Subsidiary Company. (3 Marks)
17. The profit volume ratio of A Ltd. is 50% and the margin of safety is 40%. You are required to calculate the net profit if the sales volume is ₹ 1,00,000. (3 Marks)
18. What is a cost driver ? Give two examples. (3 Marks)
19. What is ERP ? What are the core sub systems of ERP ? (3 Marks)
20. What is Target costing ? What are the techniques used for Target costing ? (3 Marks)
21. Define accounting standard. What are its objectives ? (5 Marks)
22. What is Ind AS ? What are the benefits of adopting Ind AS ? (5 Marks)
23. The following details were collected from the books of New Generation Electricity Company. You are required to calculate the reasonable return. (5 Marks)

	Rs. in lakh
Loan from Electricity Board	1,000
Reserve fund investment at par (5%)	2,000
Development Reserve	500
10% Debentures	1,000
Contingency reserve investment at par (4%)	2,000
Capital base of the company	10,000
Bank rate	8%

24. What are the main features of The Electricity Act, 2003 ? (5 Marks)
25. Liabilities and Assets of X Ltd. and Y Ltd. are given below as at 31st March, 2017. (5 Marks)

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share Capital (₹10)	2,00,000	4,00,000	Sundry Assets (no Goodwill)	3,10,000	6,00,000
Reserves & Surplus	40,000	1,00,000	Loan of Y Ltd.	30,000	-
7% debentures (₹100)	1,00,000	-	Investments :		
Loan from X Ltd.	-	30,000	5000 shares in Y Ltd.	50,000	
Other Liabilities	50,000	70,000			
	3,90,000	6,00,000		3,90,000	6,00,000

Y Ltd. takes over X Ltd. on the following terms :

- a) Y Ltd. will issue sufficient number of shares at ₹11 each and pay 50 paise cash per share held by members of Z Ltd.
- b) 7% debentures of X Ltd. are taken over by Y Ltd. along with other liabilities of X Ltd.

You are required to calculate the amount of purchase consideration as per Net Asset Method.

26. Pass Journal entries for the following transactions. (5 Marks)

- i) Conversion of 2 lakh fully paid equity shares of ₹10 each into stock of ₹1,00,000 and balance has 12% fully convertible debentures.
- ii) Consolidation of 40 lakh fully paid equity shares of ₹2.50 each into 10 lakh fully paid equity share of ₹10 each.
- iii) Sub division of 10 lakh fully paid 11% preference shares of ₹50 each into 50 lakh fully paid 11% preference shares of ₹10 each
- iv) Conversion of 12% preference shares of ₹ 5,00,000 into 14% preference shares of ₹3,00,000 and remaining balance as 12% Non cumulative preference shares.

27. MN Ltd. went into liquidation with the following liabilities : (5 Marks)

Secured Creditors	₹ 40,000 (securities realised ₹50,000)
Preferential creditors	₹ 1,200
Unsecured creditors	₹ 61,000
Liquidation expenses	₹ 500

The Liquidator is entitled to a remuneration of 3% on the amount realised (including securities in the hands of secured creditors) and 1½% on the amount distributed to unsecured creditors. The various assets (excluding the securities in hands of the secured creditors) realised are ₹ 52,000. Prepare the Liquidator's statement of Account showing the payment made to the unsecured creditors.

28. A Liquidator is entitled to receive remuneration @ 2% of the assets realised and 3% of the amount distributed among the unsecured creditors. The assets realised ₹ 25,00,000 against which payment was made as follows : (5 Marks)

Liquidation expenses	₹ 25,000
Preferential creditors	₹ 75,000
Secured creditors	₹ 10,00,000

Calculate the remuneration payable to the Liquidator.

29. A company has a fixed cost of ₹ 2,00,000. It sells two products – X and Y in the ratio of 2 : 1. If contribution of X is ₹ 10 per unit and of Y is ₹ 20 per unit, how many units of each X and Y would be sold at Break Even Point ? (5 Marks)

30. In a factory, works overhead are absorbed at 60% of labour cost and office overheads at 20% of works cost. Prepare (5 Marks)
- i) Cost sheet
 - ii) Profit and Loss Account and
 - iii) Reconciliation statement if total expenditure consists of Material ₹ 2,00,000; Wages ₹ 1,50,000; Factory Expenses ₹ 1,00,000 and Office expenses ₹ 85,000. 10% of the output is stock at the end and sales are ₹ 5,20,000.
31. Following balances are extracted from the books of Green Electricity Co. Ltd. as on 31st March 2021. (8 Marks)

	Rs. in lakh
Debit Balances	
Capital Expenditure on 31-3-2020	2,60,000
Capital Expenditure during 2020 – 21	20,000
Sundry Debtors for current supplied	10,000
Other Debtors	1,000
Stores in hand	2,000
Cash in hand	2,000
Cost of generation of electricity	8,000
Cost of distribution of electricity	1,000
Rent, Rates and Taxes	2,000
Management Expenses	4,000
Depreciation	6,000
Interest on Debentures	4,000
Interim dividend	5,000
Credit Balances	
Equity Shares	1,50,000
Debentures	50,000

Sundry Creditors for open accounts	1,000
Depreciation Fund	75,000
Sale of current	40,000
Meter rent	2,000
Balance of Net Revenue A/c as on 1-4-2020	7,000

Prepare :

- Capital Account
- Revenue Account
- Net Revenue Account and
- General Balance Sheet

32. Raja Ltd. offered for public subscription 10,000 shares of Rs. 10 each at Rs. 11 per share. Money payable as follows. (8 Marks)

On application – Rs. 3 (including premium)

On allotment – Rs. 4

On first and final call – Rs. 4

Applications were received for 11,000 shares and the directors made pro-rata allotment.

All calls were made and all money were received except the following.

Ajin to whom 100 shares were allotted could not pay the allotment money and call money. Balu, the holder of 200 shares failed to pay the call money.

All these shares were later forfeited. Out of the forfeited shares, 150 shares (the whole of Ajins shares being included) were re-issued at Rs. 9 per share.

Pass journal entries for the above transactions.

33. Following is the extract of Balance Sheet of SISCO Ltd. as on 31st March, 2020. (8 Marks)

Liabilities	₹	Assets	₹
Equity share capital	15,00,000	Land and Buildings	10,00,000
Profit and Loss A/c	2,00,000	Plant and Machinery	5,00,000

General Reserve	3,00,000	Investments	2,00,000
Debentures	2,00,000	Stock	3,00,000
Creditors	3,00,000	Debtors	4,00,000
		Bank	1,00,000
	25,00,000		25,00,000

SISCO Ltd. was absorbed by Dreamers Ltd. on the above date on the following terms.

- Purchase consideration ₹ 19,60,000 to be given in the form of 14,000 equity shares of ₹ 100 each at a premium of ₹ 40 per share.
- Dreamers Ltd. to take over all assets except debtors which realised ₹ 1,00,000.
- Dreamers Ltd. to take over debentures and creditors.

Show Realisation and Equity share holders account in the books of SISCO Ltd.

34. Ventures Ltd. went into voluntary liquidation and the proceedings commenced on 2nd July 2014. Certain creditors could not receive payment out of the realisation of assets and out of the contributions from the contributories of the 'A' list. Following details of share transfers are made available to you. (8 Marks)

Name of the transferer share holder	No. of shares transferred	Date of the transferer ceasing to be a member	Creditors remaining unpaid and outstanding at the time of the transferer ceasing to be a member (₹)
P	1,000	01-03-2013	6,000
Q	1,250	15-08-2013	8,000
R	500	01-10-2013	10,750
S	2,000	01-12-2013	13,000
T	250	01-04-2014	15,000

All the shares were of ₹ 10 each, on which ₹ 5 per share had been paid up. Ignoring other details like liquidator's expenses etc., you are required to work out the liability of the individual contributories listed above.

35. Following are the data of product New Magic for next year Budget. (8 Marks)

Activity	Cost Driver	Cost Driver Volume/year	Cost pool (₹)
Purchasing	Purchase orders	1,500	75,000
Setting	Batches produced	2,800	1,12,000

Materials Handling	Movement	8,000	96,000
Inspection	No. of batches	2,800	70,000
Machining cost	Machine Hours	50,000	1,50,000

Purchase orders – 25

Output – 15,000 units

Production Batch size – 100 units

Materials movement per batch – 6

Machine Hours per unit – 0.1

Required :

- i) Calculate the budgeted overhead cost using Activity Based Costing.
 - ii) Calculate the budgeted overhead cost using absorption costing.
 - iii) How can the company reduce the ABC for product New Magic ?
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