

Dr. Babasaheb Ambedkar Open University
Term End Examination January-2013

Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

Subject : Basics of Accounting (DAA-01)

Date : 27/01/2013

Time : 11.00 to 2.00

N.B. : All Questions carry equal Marks

Total Marks : 70

Q.1 Explain the importance of Accounting standards. (14)

OR

Write note on Periodicity concept and Dual aspect concept.

Q.2 Explain Accounting Standard-3. Cash flow statements. (14)

OR

Explain Accounting Standard-4. Contingencies and Events Occurring.

Q.3 Explain Accounting Standard-6. Depreciation Accounting. (14)

OR

Explain Accounting Standard-10. Accounting for Fixed Assets.

Q.4 Discuss the Accounting Standard-12. Government Grants. (14)

OR

Explain the Accounting Standard-16. Borrowing costs.

Q.5 Write short note(Any Two) (14)

1. Materiality Concept.
 2. Entity Concept.
 3. Going Concern Concept.
 4. Accrual Concept.
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Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

Subject : Analytical Accounting (DAA-02)

Date : 27/01/2013

Time : 03.00 to 06.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Write short note(Any Two) (14)

1. Describe Speciment of Cash Flow statement.
2. Utility and limitation of Cash Flow analysis.
3. Formate of vertical Fund Flow statement.
4. Difference between Cash Flow and Fund Flow statement.

Q.2 From the following details of Amar Ltd. Calculate the cash inflow from operations for the year 2011-12 profit during the year 2011-12 Rs. 90,000. **(14)**

	31/03/2011 Rs.	31/03/2012 Rs.
Debtors	39,000	36,000
Creditors	17,000	22,000
Bills receivable	8,000	10,500
Bills payable	6,000	5,000
Outstanding expenses	1,200	1,600
Accrued revenue	1,500	1,700
Stock	25,000	30,000

OR

- (a) Utility of Funds Flow statement.
- (b) Format of changes in Working capital.

Q.3 Write a note on Cash Flow from Operating activities and Investment activities. **(14)**

OR

From the flowing Financial Statement of Mr. A. Prepare a cash Flow Statement.

Balance Sheet					
Liabilities	31/03/2012	31/03/2011	Assets	31/03/2012	31/03/2011
Capital	2,10,000	1,50,000	Property	2,35,000	2,60,000
Secured loan	60,000	1,30,000	Furniture	10,000	12,000
Creditors	20,400	35,600	Stocks	22,000	15,000
Bills payble	59,600	28,700	Debtors	45,000	30,000
			Cash	15,600	7,500
			Bank	22,400	19,800
	3,40,000	3,44,300		3,40,000	3,44,300

Other Information

1. There are no purchases or sales of Fixed assets.
2. Mr. A has withdrawn Rs. 30,000 during the year.

Q.4 Harsh Ltd. furnishes the following statement.

(14)

Balance sheet as on 31.03.2012

Liabilities	Rs.	Assets	Rs.
3000 equity shares of Rs. 10 each fully paid up	30,000	Land & Bulding	30,000
12% Debentures	20,000	Plant	13,000
Sundry Creditors	10,000	Good Will	20,000
General reserve	8,000	Mark Stable Securities	3,000
P & L A/c	15,000	Sundry Debtors	10,000
Provision for tax	8,000	Stock	10,000
Bank Overdraft	4,000	Cash on hand	9,000
	95,000		95,000

Other information for the year ended 31/03/2012 Sales Rs. 3,50,000, Net Margin Rs. 14,000, Gross Margin Rs. 35,000, Provision for tax Rs. 5,000 you are required to arrange the balance sheet in the vertical form.

OR

From above information calculate following Ratio and Comment upon it.

- (1) Acid Test Ratio (2) Working Capital Ratio (3) Return on Equity
(4) Gross and Net Profit Ratio (5) Current Ratio.

Q.5 Write a note on Utility and Limitation of Ratio.

(14)

OR

Write Short note (Any Two).

(14)

1. Current Ratio.
 2. Gearing Ratio.
 3. Net Profit Ratio.
 4. Debtors Ratio.
 5. Gross Profit Ratio.
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Dr. Babasaheb Ambedkar Open University

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Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

Subject : Accounting in Special situation for companies (DAA-03)

Date : 29/01/2013

Time : 11.00 to 02.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 What is holding company, subsidiary company and minority interest? State documents to be attached by holding company for subsidiary company. (14)

OR

How final accounts of subsidiary company are presented by holding company.

Q.2 How following points are dealt with while preparing consolidated balance sheet of the group company. (14)

- Interest of holding company in subsidiary company.
- Capital profit and Revenue profit of subsidiary company.

OR

How following points are dealt with while preparing consolidated balance sheet of the group company.

- Goodwill or Capital Reserve.
- Dividend.

Q.3 Write short note(Any Two) (14)

- Minority Interest.
- Revaluation of Assets and Liabilities of Subsidiary Company.
- Bonus issued by subsidiary company.
- Inter company Transactions between holding company and subsidiary company.

Q.4 Balance Sheet of A Ltd. And B. Ltd. as on 31-03-2012. (14)

Liabilities	A ltd.	B ltd.	Assets	A ltd.	B ltd.
Share Capital of Rs.10 each	2,50,000	60,000	Fixed assets	1,95,000	60,000
General Researve	36,000	12,000	4000 Shares of B Ltd.	5,000	-
Profit & Loss A/C	24,000	18,000	Current Assets	1,00,000	40,000
Creditors	35,000	10,000			
	3,45,000	1,00,000		3,45,000	1,00,000

On the date of acquisition B Ltd. had profit of Rs.10,000. Out of per acquisition profits Rs. 6,000 was distributed as dividend by B Ltd. Prepare consolidated Balance sheet as on 31/03/2008.

OR

P.T.O.

A Ltd. acquired 20,000 shares of B Ltd. On 31/03/2011. On the date of acquisition the B Ltd. had reserves of Rs. 5,00,000 and profit of Rs. 2,00,000. B Ltd. issued bonus shares at 1 for every 5 shares held out of post acquisition profits. Balance sheet of both companies on 31/03/2010 were as follows. Prepare consolidated balance sheets.

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share Capital of Rs. 100 each	90,00,000	25,00,000	Fixed Assets	65,00,000	20,00,000
General Reserve	20,00,000	5,00,000	Current Assets	50,00,000	25,00,000
P & L A/c	15,00,000	10,00,000	20000 shares of B Ltd.	30,00,000	-
Creditors	20,00,000	5,00,000			
	145,00,000	45,00,000		145,00,000	45,00,000

OR

Esha Ltd. acquired 12,000 shares of Rs. 100 each out of Rs. 16,000 shares of Rucha Ltd. on 01/01/2011. The Profit of Rucha Ltd. for last four years were Rs. 2,00,000, Rs. 2,40,000, Rs. 1,80,000 and Rs. 2,24,000. There was a credit balance of Rs. 1,20,000 of profit & loss A/c and general reserve of Rs. 40,000 on 01/01/2011 in the books of Rucha Ltd. Rucha Ltd. declared dividend at 10%, 12.5%, 9% and 10% respectively for these years. The financial year of Rucha Ltd. ends on 31st December. How will you show the annual accounts of Esha Ltd. on 31/03/2012 and the profit of Rucha Ltd. dealt with and not dealt with in accordance with section 212 of Companies Act.

Q.5 Balance sheet of D Ltd. and R. Ltd. as on 31/03/2012. **(14)**

Liabilities	D Ltd.	R Ltd.	Assets	D Ltd.	R Ltd.
Share Capital	6,00,000	2,40,000	Sundry Assets	3,60,000	1,20,000
General Reserve	1,20,000	60,000	60% Shares of R Ltd.	1,94,880	-
Creditors	96,000	72,000	Current Assets	2,61,120	2,44,800
			Preliminary Exp.	-	7,200
	8,16,000	3,72,000		8,16,000	3,72,000

On 31/03/2012 R Ltd. revaluated its fixed assets at Rs. 1,32,000. Prepare consolidated balance sheet as at 31/03/2012.

OR

Following are the balance sheet of A Ltd. and B. Ltd. as on 31/03/2012.

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share at Rs.10 each	4,20,000	1,40,000	Fixed assets	2,59,000	1,01,500
General Reserve	1,05,000	56,000	70% Shares in B Ltd.	1,82,000	-
P & L A/c	49,000	35,000	Current Assets	1,96,000	1,60,300
Creditors	63,000	42,000	Discount on issue of Shares	-	11,200
	6,37,000	2,73,000		6,37,000	2,73,000

A Ltd acquired shares of B Ltd. on 30th June 2011. On 01/04/2011 B Ltd had balance of general Reserve and P & L A/c Rs. 42,000 and Rs. 14,000 respectively. Prepare Consolidated Balance Sheet as on 31/03/2012.

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Subject : Developments of Accounts (DAA-04)
Date : 29/01/2013
Time : 03.00 to 06.00
N.B. : All Questions carry equal Marks **Total Marks : 70**

Q.1 Discuss types of Amalgamations. (14)

OR

Explain the pooling of Interests Technique.

Q.2 How would you pass entries in the books buying body corporate? (14)

OR

Explain treatment of goodwill arising on Amalgamation.

Q.3 Amar Ltd. takes over Sunny Ltd. carrying on similar business. The share capital of Sunny Ltd. consist of 6,000 fully paid equity shares of Rs. 500 each and 1,300 debentures of Rs. 500 each. Amaar Ltd. agrees to discharge the purchase price as follows:- (14)

- (1) Rs. 90 in cash for each share in Sunny Ltd.
 - (2) 4 Shares of Rs. 100 each paid (Quoted in the Market at Rs. 140) for each share in Sunny Ltd.
 - (3) One debenture of Rs. 600 each in exchange of every debenture of Sunny Ltd.
- Calculate Purchase consideration by Consideration Technique.

OR

Discuss the Disclosure.

Q.4 Write short note(Any Two) (14)

1. Share holder's information.
2. Directors Report.
3. Auditor's Report.
4. Chairman's Statement.

Q.5 Balance sheet of XY Ltd. as on 31/03/2012. (14)

Liabilities	Rs.	Assets	Rs.
2,00,000 equity Shares each of Rs. 10 fully paid up	20,00,000	Land and Building	10,00,000
General reserves	2,50,000	Plant & Machinery	15,00,000
Div-Equalisation reserve	2,00,000	Furniture & Fittings	25,000
P & L Appr A/c	51,000	Stock	6,00,000
12% Debentures	10,00,000	Work in progress	3,00,000
Gold dry creditors	3,00,000	Gold dry debtors	2,50,000
		Cash	1,26,000
	38,01,000		38,01,000

The body corporate is absorbed by AB Ltd. on 31/03/2012. The consideration for the absorption is discharge of debentures at a premium of 5% taking over the liability in respect of the Gold dry creditors and a payment of Rs. 7 in cash and one share of Rs. 5 in AB Ltd. at the market price of Rs. 8 per share in XY Ltd. The cost of liquidation of Rs. 15,000 is to be met by the buying body corporate.

Close the books of XY Ltd.

OR

Pass Journal entries in the books of AB Ltd. in above example.