

Dr. Babasaheb Ambedkar Open University
Term End Examination January-2014

Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

Subject : Basics of Accounting (DAA-01)

Date : 29/01/2014

Time : 11.00 to 2.00

N.B. : All Questions carry equal Marks

Total Marks : 70

- Q.1** (A) Explain dual aspect concept with illustration. (14)
(B) Explain going concern concept.

OR

Explain the need of accounting concepts and principles.

- Q.2** (A) Explain entity concept. (14)
(B) Explain Periodicity concept with illustration.

OR

(A) Explain accrual concept with illustration.

(B) Explain disclosure concept with illustration.

- Q.3** Write note accounting standard-6 (AS-6) Depreciation accounting. (14)

OR

Write note accounting standard-13 (AS-13). Accounting for investment.

- Q.4** Write note accounting standard-1 (AS-1). Disclosure of accounting policies. (14)

OR

Write note accounting standard-16 (AS-16). Borrowing cost.

- Q.5** Write note accounting standard-9 (AS-9). Revenue Recognition. (14)

OR

Write note accounting standard-12 (AS-12). Government Grants.

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Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

Subject : Analytical Accounting (DAA-02)

Date : 29/01/2014

Time : 03.00 to 06.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Write a short note on the various accounts needed to prepare fund flow statement. (14)

OR

Define fund and describe the concept of fund flow statement.

Q.2 Describe the concept of cash flow statements and state how it differs from fund flow Statement. (14)

OR

From the following details of shyam Ltd. calculate the cash in flow from operations for the year 2011-12.

Profit during the year 2011-12 Rs. 90,000

	31-03-2011	31-03-2012
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
Stocks	25,000	1,30,000

Q.3 Prepare a statement of cash flow from the following balance sheet. (14)

Liabilities	31/03/2011	31/03/2012	Assets	31/03/2011	31/03/2012
Capital	4,35,000	3,87,000	Fixed Assets	3,26,500	3,80,000
Creditors	46,000	67,000	Debtors	1,20,200	42,300
			Cash balance	4,800	5,700
			Stocks	29,500	26,000
	4,81,000	4,54,000		4,81,000	4,54,000

Other Information:

1. Depreciation 20% was provided on fixed assets.
2. Deawing during the year were Rs. 35,000

OR

Write a note on cash flow from operating activities and financing activities.

Q.4 Ajay Ltd. furnished the following statement balance sheet as at 31/03/2012.

(14)

Liabilities	Rs.	Assets	Rs.
30,000 Equity share of Rs. 10 each fully paid up	3,00,000	Land and Bulilding	3,00,000
12% Debenture	2,00,000	Plant	1,30,000
General Reserve	80,000	Goodwill	2,00,000
Sundry Creditors	1,00,000	Securities	30,000
P&L A/c	1,50,000	Sundry Debtors	1,00,000
Provisional for tax	80,000	Stocks	1,00,000
Bank overdraft	40,000	Cash on hand	90,000
	9,50,000		9,50,000

Other information for the year ended 31/03/2012 sales Rs. 3,50,000, Net Morigin Rs. 14,000, Gross Margin Rs. 35,000, Provision for tax 5,000 You are required to

(1) Arrange the balance sheet in the vertical form.

OR

Form the above information calculate following ratio and comment uo of it.

- (1) Gross and Net Profit ratio
- (2) Current ratio
- (3) Return on equity
- (4) Acid test ratio
- (5) Working capital ratio

Q.5 Write a note on utility and limitation of ratio.

(14)

OR

Explain with illustrate

1. Gross Profit ratio.
 2. Net Profit ratio
 3. Gearing ratio
 4. Debtors ratio
 5. Current ratio
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Course : Diploma in Advance Accounting (DAA)

Roll No.: _____

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

Date : 30/01/2014

Time : 11.00 to 02.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Explain the meaning of holding company and state legal provision relating to accounts of holding company u/s 212. (14)

OR

Explain the meaning of subsidiary company and minority interest.

Q.2 Describe the procedure of Preparing consolidated Balance sheet. (14)

OR

How the accounting treatment is given regarding following while preparing consolidated balance sheet?

- i) Revaluation of Assets and liabilities of Subsidiary Co.
- ii) Inter company Transactions.

Q.3 How the amount of (i) Revenue Profit and capital profit and (ii) capital reserve or goodwill is calculated? Explain with illustrations. (14)

OR

How will you deal with (i) Dividend from pre – acquisition profit (ii) Dividend from post – acquisition profit and (iii) Proposed dividend while preparing consolidated balance sheet.

Q.4 A Ltd. acquired 2,400 shares of Rs. 100 each out of 3,200 shares of B Ltd. on 01/01/2012. The profits of A Ltd. for the last four years were Rs. 40,000, Rs. 48,000, Rs. 36,000 and 44,800 respectively. In the books of B Ltd. There was profit and general Reserve of Rs. 24,000 and Rs. 8,000 respectively on 01/01/2012 B Ltd. declared dividends at 10%, 12.5%, 9% and 10% respectively for last four years. Accounting year ends on 31st Dec. How will you show in the annual accounts of A Ltd. on 31/12/2012 the profit of B Ltd, “dealt with” and “Not dealt with” in accordance with section 212 of Indian companies Act? (14)

OR

Nihar Ltd. acquired all shares of Puri Ltd. 01/04/2012. The balance sheets of both companies on the date of acquisition were as under:

Liabilities	Nihar Ltd.	Purvi Ltd.	Assets	Nihar Ltd.	Purvi Ltd.
Share capital	75,000	45,000	Sundry assets	90,000	97,000
General Reserve	37,500	22,500	Shares of		
P & L A/c	37,500	15,000	Purvi Ltd.	82,500	-
Creditors	22,500	15,000			
	1,72,500	97,500		1,72,500	97,500

Prepare consolidated balance sheet.

Q.5 Sonu ltd. acquired 6,000 shares of Rs. 100 each of Nigam Ltd. on 30/06/2012 at a price of Rs. 10,40,000 out of total 8000 shares. There was general reserve of Rs. 5,00,000 and profit and loss account (Credit balance) of Rs. 40,000 in the books of Nigam ltd. on that date. Nigam ltd. issued bonus shares at the rate of 1 share for every 2 shares held out of its general Reserve. The credit balance of Profit and loss A/c on 31/12/2012 was Rs. 1,20,000 in books of Nisam Ltd.

- Calculate (i) Revenue Profit (14)
- (ii) Capital Profit
- (iii) Goodwill or Capital Reserve
- (iv) Minority Intrest

OR

Balance sheet of H Ltd. and S Ltd. on 31/03/2012

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share Capital of Rs. 10 each	2,50,000	1,00,000	Fixed Assets	1,50,000	50,000
General Reserve	50,000	25,000	60% shares in S Ltd.	81,200	-
creditors	40,000	30,000	Current Assets	1,08,800	1,02,000
			Oreliminary expenses	-	3,000
	3,40,000	1,55,000		3,40,000	1,55,000

On 31/03/2012 S ltd. revalued its fixed assets at 10% more than book value. Prepare consolidated balance sheet on 31/03/2012.

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Subject : Developments of Accounts (DAA-04)
Date : 30/01/2014
Time : 03.00 to 06.00
N.B. : All Questions carry equal Marks **Total Marks : 70**

Q.1 What is Amalgamation of companies? Discuss the purpose of Amalgamation. (14)

OR

Explain Amalgamation in the the nature of merger as per Accounting Standard-14.

Q.2 Discuss the Disclosure. (14)

OR

Explain the pooling of Interest Teachnique.

Q.3 A Ltd. takes over B Ltd. carrying on similar business. The share capital of B Ltd. consists of 6000 fully paid equity shares of Rs. 500 each and 1300 debentures of Rs. 500 each A Ltd. agree to dischsrge the purchase price as follow. (14)

- (1) Rs. 90 in cash for each share in B ltd.
- (2) 4 shares of Rs. 100 each paid (quoted in the market at Rs. 140) for each share in B ltd.
- (3) One Debenture of Rs. 600 each in exchange of every debenture of B Ltd.

Calculate purchase consideration by consideration technique.

OR

Explain entries in the book of buying body corporate in above case.

Q.4 Balance sheet of AB Ltd. as on 31/03/2010 (14)

Liabilities	Rs.	Assets	Rs.
2,00,000 equity shares each of Rs. 10 fully paidup	20,00,000	Land & Building	10,00,000
General Reserve	2,50,000	Plant-Machinery	15,00,000
Dividend & Equalization Reserve	2,00,000	Furniture	25,000
P & L appro A/c	51,000	Stock	6,00,000
12% Debentures	10,00,000	Working progress	2,50,000
Golddry creditors	3,00,000	Golddry debtors	2,50,000
		Cash	1,26,000
	38,01,000		38,01,000

The body corporate is absorbed by XY ltd. on 31/03/2010. The considerate for the absorption is discharge of debeuture at premium of 5% taking over the liability in respect of the golddry creditors and 9 payment of Rs. 7 in cash and one share of Rs. 5 in XY ltd. at the market price of Rs. 8 per share in AB ltd. The cost of liquidation of Rs. 15,000 is to be met by the buying body corporate close the books of AB ltd.

OR

Pass Journal entries in the book of XY ltd. in above case.

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

1. Types of Amalgamation
2. Chairman's Statement
3. Auditor's Report
4. Format layout and get up of financial statement.