

Dr. Babasaheb Ambedkar Open Univrsity
Term End Examination January-2016

Course	: Diploma in Advance Accounting (DAA)	Numerical Code: 0024
Subject	: Basics of Accounting (DAA-01)	Roll No.: _____
Date	: 28/01/2016	Numerical Code: 0159
Time	: 11.00 to 2.00	
N.B.	: All Questions carry equal Marks	Total Marks: 70

Q.1 Discuss Accounting Standard AS-10 : For Fixed Assets. (14)

OR

Discuss Accounting Standards 11 : For the Effects of Changes in Foreign Exchange rates.

Q.2 Discuss Capital Approach vs. Revenue Approach. (14)

OR

Discuss Accounting Standards-13 : Accounting for Investments.

Q.3 Explain the Techniques of Accounting for Amalgamations. (14)

OR

Write a Short note on periodicity Concept and Objectivity Concept.

Q.4 Explain AS-1 Disclosure of Accounting Policies. (14)

OR

Explain AS-3 Cash Flow Statements.

Q.5 Discuss Different types of Construction Contracts. (14)

OR

Discuss AS-10 : Accounting for fixed Assets in detail.

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Course : Diploma in Advance Accounting (DAA)

Numerical Code: 0024

Subject : Analytical Accounting (DAA-02)

Roll No.: _____

Date : 28/01/2016

Numerical Code: 0160

N.B. : All questions carry equal Marks.

Time : 03.00 to 06.00

Total Marks : 70

Q.1. Write a Objectives and utility of fund flow statement. (14)

OR

Explain the Adjusted profit and loss Account.

Q.2. From the Following Balance-Sheets of Sunil Ltd., Make out cash flow Statement. (14)

Balance Sheets

Liabilities	31.03.99 Rs.	31.03.2000 Rs.	Assets	31.03.99 Rs.	31.03.2000 Rs.
Equity Share Capital	3,10,000	4,00,000	Goodwill	1,50,000	90,000
8% Redeemable Preference Share Capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Machineries	80,000	2,00,000
Profit and Loss A/C	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash on Hand	12,000	10,000
Provision for Taxation	40,000	50,000	Bank Balance	13,000	8,000
	6,87,000	8,17,000		6,87,000	8,17,000

Additional Information:

- (1) During the year 1999-2000 depreciation Changed was Rs. 10,000 on machineries and Rs. 20,000 on hand & building.
- (2) Interim dividend paid during 1999-2000 summed to Rs. 20,000.
- (3) Taxation paid during the year 1999-2000 was Rs. 35,000.

OR

State the limitations of Cash Flow Statements.

Q.3 Prepare a Cash Flow Statement after taking into account the balance sheets and additional information given for Sujal Ltd. Below. All the Calculations done by you are to be shown as part of you answer: (14)

Balance Sheets

Liabilities	31/03/99 Rs.	31/03/2000 Rs.	Assets	31.03.99 Rs.	31.03.2000 Rs.
Equity Share Capital	2,00,000	2,51,000	Goodwill	30,000	27,000
Share Premium	10,000	15,000	Land & Building	90,000	1,40,000
General Reserve	35,000	40,000	Machinery	1,30,000	1,50,000
Profit & Loss A/C	25,000	90,000	Patents	50,000	45,000
6% Debentures	1,00,000	1,00,000	Furniture and Fixtures	15,000	13,500
Creditors	30,000	40,000	Sundry Debtors	45,000	70,000
Provision for Taxation	18,000	15,000	Cash & Bank Balance	5,800	8,000
			Stock	50,000	96,000
			Debenture Discount	1,200	1,000
			Preliminary Expenses	1,000	500
	4,18,000	5,51,000		4,18,000	5,51,000

Additional Information :

1. Depreciation Written off : Land & Buildings Rs. 9,000; Machinery Rs. 13,000; Patents Rs. 5,000; Furniture & Fixtures Rs. 1,500
2. During the year Machinery of Rs. 20,000 was sold at Rs. 15,000
3. During the year taxes and dividend paid were Rs. 8,000 and 20,000 respectively.

OR

Write a short note on Accounting Standards-3 (AS-3). Cash Flow Statements.

Q.4 Explain about Utility and Limitation of Ratio Analysis. (14)

OR

Explain various types of revenue ratios.

Q.5 The Following are the summarized balance sheets of Rehan Ltd. for two years you are required to rearrange it in the form suitable for computing ratios : (14)

Balance Sheets:

Liabilities	1997 Rs.	1998 Rs.	Assets	1997 Rs.	1998 Rs.
Share Capital :			Fixed Assets		
Equity Shares of Rs.			Less: Depreciation	3,50,000	4,90,000
100 each	1,00,000	1,50,000	Current Assets: Stock	1,60,000	60,000
8% Pref. Shares of Rs.			Debtors	40,000	35,000
100 each	50,000	50,000	Cash	10,000	5,000
Reserves	2,00,000	1,50,000			
6% Debentures	1,00,000	1,00,000			
Current Liabilities	90,000	1,20,000			
Bank Overdraft	20,000	20,000			
	5,60,000	5,90,000		5,60,000	5,90,000

From the above information you are required to calculate the following ratios and comment on the financial position of body corporate.

- (1) Current Ratio (2) Liquid Ratio (3) Acid-Test Ratio
 (4) Proprietary Ratio (5) Long term Funds to Fixed Assets Ratio

OR

Explain Various types of Balance Sheet ratio.

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Course : Diploma in Advance Accounting (DAA)

Numerical Code: 0024

Roll No.: _____

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

Numerical Code: 0161

Date : 29/01/2016

Time : 11.00 to 02.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1. Explain about the Holding Company.

(14)

OR

Sita Ltd. acquired all shares of Rina Ltd. on 1/04/2001 The Balance sheet of both the corporates as on 31/03/2002 are as follows:

Liabilities	Sita Ltd. Rs.	Nita Ltd. Rs.	Assets	Sita Ltd. Rs.	Nita Ltd. Rs.
Share Capital	1,00,000	60,000	Sundry Assets	1,20,000	1,30,000
General Reserve (1/4/2002)	50,000	30,000	Shares of Nita Ltd. (at Cost)	1,10,000	
Profit and Loss A/C	50,000	20,000			
Creditors	30,000	20,000			
	2,30,000	1,30,000		2,30,000	1,30,000

On 01/04/2001 the P & L A/C of Nita Ltd. Showed a Credit Balance of Rs. 6,000.

Prepare a Consolidate Balance Sheet as on 31st March.

Q.2. Balance Sheets as at 31st March 1987.

(14)

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital:			Sundry Assets 100%		
Shares of Rs.10 each fully Paid	5,00,000	2,00,000	Shares in S Ltd. Acquired on 31 st March 1989 (Cost)	4,26,000	3,04,000
Reserve	1,00,000	50,000	Preliminary Expenses	2,54,000	6,000
Creditors	80,000	60,000			
	6,80,000	3,10,000		6,80,000	3,10,000

Prepare a Consolidated Balance Sheet as at 31st March 1987.

OR

Balance Sheets as at 31st March. 2013

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital:			Sundry Assets 100%		
Shares of Rs.10 each fully Paid	5,00,000	2,00,000	Shares in S Ltd. (at Cost)	4,90,000	2,60,000
Reserve	1,00,000			1,90,000	
Creditors	80,000	60,000			
	6,80,000	2,60,000		6,80,000	2,60,000

Prepare a Consolidated Balance Sheets as 31st March, 2013.

- Q.3.** Bharat Ltd. acquired 80% of Shares of Dhuru Ltd. on 01/04/2001. The Balance Sheets of both the Corporates as at 31st March, 2002 are given below: (14)

Liabilities	Bharat Ltd. Rs.	Dhuru Ltd. Rs.	Assets	Bharat Ltd. Rs.	Dhuru Ltd. Rs.
Share Capital: Equity Shares of Rs. 10 each	3,00,000	1,00,000	Shares of Dhuru Ltd. Stock	95,000	-
6% Pref. Shares of Rs. 100 each	-	40,000	Debtors Due. From Dhuru Ltd.	35,000 20,000 4,500	30,000 35,000 -
Share Premium	12,000	-	Bank Balance	27,500	19,000
General Reserve	30,000	20,000	Debentures of Dhuru Ltd. (Cost)	25,000	-
P & L A/C	15,000	10,000			
12% Debentures	50,000	30,000			
Current Liabilities	50,000	10,000			
Paid to Bharat Ltd.	-	4,000			
	4,57,000	2,14,000		4,57,000	2,14,000

Prepare Consolidated Balance Sheet of both the Corporates as on 31/03/2002 after considering the following Information:

- Profit of Dhuru Ltd. for the year ending 31st March, 2002 but there has been no increase in the reserve since 01/04/2001.
- Dhuru Ltd. has dispatched a Cheque of Rs. 500 to Dhuru Ltd. on 25/03/2002 to Bharat Ltd. Which the latter receiving on 02/04/2002.
- Preference Shareholders have no voting rights and are not entitled to take part in additional profit. No Provision for dividend on these shares has been made for the year ending on 31/03/2002.

OR

Aarti Ltd. acquired 4500 Shares of Rs. 10 each of Kirti Ltd. on 01/04/2001. The Balance Sheets of both the Corporates as on 31/03/2003 are as follows.

Balance Sheets as on 31/03/2001

Liabilities	Aarti Ltd. Rs.	Kirti Ltd. Rs.	Assets	Aarti Ltd. Rs.	Kirti Ltd. Rs.
Share Capital: Shares of Rs.10 each	1,00,000	60,000	Sundry Assets Stock	1,20,000 30,000	1,10,000 20,000
General Reserve	50,000	30,000	Shares in Kirti Ltd.	80,000	-
P & L A/C	50,000	20,000			
Creditors	30,000	20,000			
	2,30,000	1,30,000		2,30,000	1,30,000

When Shares were acquired by Aarti Ltd. in Kirti Ltd. on 1st April, 2000 Kirti Ltd. had Rs. 20,000 General Reserve and Rs. 12,000 Credit balance in Profit and Loss A/C
From the above Information, Prepare Consolidated Balance Sheets as at 31st March, 2001.

- Q.4.** Heena Ltd. acquires all the Shares of Shilpa Ltd. on 31st March, 1987. On Which date the balance sheets of the two corporations are as under: (14)

Liabilities	Heena Ltd. Rs.	Sheetal Ltd. Rs.	Assets	Heena Ltd. Rs.	Sheetal Ltd. Rs.
Share Capital: Shares of Rs.10 each fully paid	5,00,000	2,00,000	Sundry Assets 100% shares in Sheetal Ltd.	4,80,000 2,00,000	2,60,000 -
Reserves	1,00,000	-			
Creditors	80,000	60,000			
	6,80,000	2,60,000		6,80,000	2,60,000

Prepare a Consolidated Balance Sheet as at 31st March, 1987.

OR

- Q.5.** Discuss Legal Provisions Relating to Accounts (sec 214)
Write about the Method of Preparation of Consolidate Balance Sheets. (14)

OR

Following are the balance sheets of Ursh Ltd. and its Subsidiary Nita Ltd. as at 31st March, 1987.

Liabilities	Ursh Ltd. Rs.	Nita Ltd. Rs.	Assets	Uesh Ltd. Rs.	Nita Ltd. Rs.
Share Capital: Shares of Rs.10 each fully paid	6,00,000	2,00,000	Machinery Furniture	3,00,000 70,000	1,00,000 45,000
General Reserves	1,50,000	70,000	70% Shares in Nita Ltd. at cost	2,60,000	-
Profit & Loss A/C	70,000	50,000	Stock	1,75,000	1,89,000
Creditors	90,000	60,000	Debtors	55,000	30,000
			Cash at Bank	50,000	30,000
			Preliminary Exp.		6,000
	9,10,000	3,80,000		9,10,000	3,80,000

Ursh Ltd. acquired the shares of Nita Ltd. on 30th June, 1986. On April, 1986. Nita Ltd's General Reserve and P & L A/C Stood at Rs. 60,000 and Rs. 20,000 respectively. No Part of Preliminary Expenses was Written of during the True endear 31st March, 1987.

Prepare the Consolidated balance sheet of Ursh Ltd. and its Subsidiary Nita Ltd. as at 31st March, 1987.

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Numerical Code: 0024

Subject : Developments of Accounts (DAA-04)

Roll No: _____

Date : 29/01/2016

Numerical Code: 0162

N.B. : All Questions carry equal Marks

Time : 03.00 to 06.00

Total Marks : 70

Q.1. Discuss about Amalgamation. (14)

OR

Discuss about Absorption.

Q.2. Write the entries in the books of vendor body corporate. (14)

OR

Star Ltd. has assets worth Rs. 7,00,000 and its liabilities summed to Rs. 1,72,000, its shares capital being dividend into 4800 Equity Shares of Rs. 100 each as on 31/03/2002.

Gold Ltd. has total assets worth Rs. 18,00,000 and its creditors are Rs. 50,000. Its Share capital consisted of 14,000 Equity share of Rs. 100 each.

Gold Ltd. agrees to absorb Star Ltd. the purchase consideration to be satisfied by issue of 5 Equity shares of Gold Ltd. in exchange for every 6 shares of Star Ltd. on the basis of intrinsic value of Shares and the balance in cash.

Draft Journal entries in the books of Gold Ltd. and State what a shareholder holding 6 shares in Star Ltd. will get in shares and in cash.

Q.3. Write about Index Page. (14)

OR

Write about Balance Sheets and Auditor's Report.

Q.4 The Following in the Balance Sheets of Nila Ltd. as at March 31, 1987. (14)

Liabilities	Rs.	Assets	Rs.
65,000 Equity Shares of Rs. 10 each	6,50,000	Furniture and Fitting	85,000
2000 12% Preference Shares of Rs. 100 each	2,00,000	Stocks	7,20,000
10% Debentures	1,50,000	Debtors	1,07,000
Bank Overdraft	5,000	Expenses of Issue of Deb.	7,500
Gold dry Creditors	2,25,000	Profit and Loss A/C	3,10,500
Preference Dividend in Arrears for 3 years			
	12,30,000		12,30,000

P Ltd. takes over body corporate on the terms that it would:

- 1) Take Furniture and Fittings after depreciating the same by 10%, stock at Rs. 6,86,850 and Debtors subject to a Provision for Bad Debts @ 5%
- 2) Take 10% Debentures.
- 3) Discharge the purchase consideration by allotment of 20,000 equity shares of Rs. 10 each at an agreed value of Rs. 12 each to S Ltd. and by the payment of the balance in cash.
- 4) Bear the expenses of Liquidation which come to be Rs. 18,000

Preference shareholders of Niki Ltd. agreed to accept Rs. 1,80,000 in full settlement of their total claim. close the books of Niki Ltd. and pass Journal entries in the books of P Ltd.

OR

Write a short note on Director's Report.

Q.5 Write short note (Any Two)

(14)

1. The Pooling of Interest Technique.
 2. Treatment of Goodwill arising on Amalgamation.
 3. Shareholder's Information.
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