

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

Course : Diploma in Advance Accounting (DAA)

Numerical Code: 0024

Roll No.: _____

Subject : Basics of Accounting (DAA-01)

Numerical Code: 0159

Date : 23/07/2014

Time : 11.00 to 2.00

N.B. : All Questions carry equal Marks

Total Marks : 70

Q.1 State the usefulness and scope of accounting standards. (14)

OR

Explain the concept of conservatism and cost.

Q.2 Write a note on Accounting standard-1 Disclosure of Accounting Policies. (14)

OR

Explain the Accounting Standard-7 Accounting for construction Constructing contracts.

Q.3 Explain the Accounting Standard-9 Revenue Recognition. (14)

OR

Explain Accounting Standard-13. Accounting for Investment.

Q.4 Explain the Accounting Standard-3. Cash flow statements. (14)

OR

Explain the Accounting Standard-14. Amalgamation.

Q.5 Write a note on the following (Any two) (14)

1. Entity concept
2. Matching cost with Revenue
3. Objectivity Concept
4. Periodicity concept

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Course : Diploma in Advance Accounting (DAA)

Numerical Code: 0024

Subject : Analytical Accounting (DAA-02)

Roll No.: _____

Numerical Code: 0160

Date : 23/07/2014

Time : 03.00 to 06.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Describe the concept of fund statement. (14)

OR

Write difference between cash flow and fund flow statement.

Q.2 State the utilities and limitation of cash flow statements. (14)

OR

From the following details of Axay Ltd. Calculate the cash inflow from operation for the year 2011-12. Profit during the Year ₹ 1,80,000

	31-03-2011	31-03-2012
Debtors	80,000	72,000
Creditors	32,000	44,000
Bills receivable	16,000	21,000
Bills Payable	12,000	10,000
Outstanding Expenses	2,400	3,200
Accrued Revenue	3,000	3,400
Stocks	50,000	60,000

Q.3 Calculate cash flow from operating activities from the following details. (14)

	01-04-2011	31-03-2012
Profit & Loss A/c	60,000	70,000
General reserve	20,000	30,000
Provision for depreciation on plant	60,000	70,000
Expenses outstanding	10,000	6,000
Good will	40,000	20,000
Debtors	80,000	70,000

One item of plant costing ₹ 40,000 having book value ₹ 28,000 was sold for ₹ 36,000 during year.

OR

Write a short note on the various accounts needed to prepare fund flow statement.

Q.4 Write about the usefulness and limitation of Ratio Analysis. (14)

OR

Explain various type of Balance sheet Ratio.

Q.5 Akash Ltd. Furnishes the following statement Balance sheet at 31st March 2011.

(14)

Liabilities	Rs.	Assets	Rs.
30,000 Equity share of Rs. 10 each fully paid up	30,000	Land and Bulilding	30,000
12% Debenture	20,000	Plant and Machinery	13,000
Sundry Creditors	10,000	Goodwill	20,000
General Reserve	8,000	Marketable Securities	3,000
P&L A/c	15,000	Sundry Debtors	10,000
Provisional for tax	8,000	Stocks	10,000
Bank overdraft	4,000	Cash on hand	9,000
	95,000		95,000

Other information for the year ended 31st March 2011.

Sales ₹ 3,50,000

Gross Margin ₹ 35,000

Net Margin ₹ 14,000

Provision for taxes ₹ 5,000

You are required to arrange the Balance sheet in the vertical form.

OR

Form the above balance sheet and otue information calculate.

1. Acid test Ratio
 2. Return on Capital employed
 3. Working capital Ratio
 4. Proprietary Ratio
 5. Return on equity
 6. Gross and net Profit 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 : 24/07/2014

Time : 11.00 to 02.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Amar Ltd. Acquired 3000 shares of ₹ 100 each of Axay Ltd. On 30-06-2011 at a price of ₹ 5,20,000 out of total of 4000 shares. There was general reserve of ₹ 2,50,000 and Profit and Loss account of ₹ 20,000 in the books of Axay Ltd. On that day Axay Ltd. issue bonus share at Rate of 1 share for every 2 share held out of general reserve. The credit balance of profit and loss account on 31-12-2011 was ₹ 60,000.

Show necessary details for preparing consolidated balance sheet.

(14)

OR

Radha Ltd. Acquired 3000 shares of ₹ 100 each out of 4000 shares of Krishna Ltd. On 01-01-2012. The Profit of A Ltd For the last four years were ₹ 50,000, 60,000, 45,000, 56,000

There was Credit balance of ₹ 30,000 of P & L account and General reserve of ₹ 10,000 on 01-01-2012 in the books of Krishna Ltd. Krishna Ltd. had declared dividend at 10%, 12.5%, 9% and 10% respectively for these years. The Financial year of Krishna Ltd ends on 31st December.

How will you show in the annual accounts of Niki Ltd. on 31-03-2012 the profit of Krishna Ltd. "Dealt with" and "Not dealt with" in accordance with section 212 of Indian Companies act.

Q.2 A Ltd. acquired all shares of B Ltd. on 01-04-2011 the balance sheet of both the company as on 31-03-2012 are as under. **(14)**

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share capital	1,00,000	60,000	Sundry assets	1,20,000	1,30,000
General Reserve(1/4/12)	50,000	30,000	Shares of B		
P & L A/c	50,000	20,000	Ltd. (at cost)	1,10,000	-
Creditors	30,000	20,000			
	2,30,000	1,30,000		2,30,000	1,30,000

On 01-04-2011 the profit and loss Account of B Ltd Showed a credit balance of ₹ 6,000 Prepare a consolidated Balance sheet as on 31-03-2012

OR

X Ltd. acquired all the shares of Y Ltd on 31st March 2011 on which date the balance sheet of the two corporates are as under.

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share capital ₹10 each	1,00,000	60,000	Sundry assets	1,20,000	1,10,000
General Reserve	50,000	30,000	Stocks	30,000	20,000
Creditors	50,000	20,000	Shares of Y		
P & L A/c	30,000	20,000	Ltd.	80,000	-
	2,30,000	1,30,000		2,30,000	1,30,000

When share were acquired by X ltd in B ltd. on 1st April 2010 Y Ltd has ₹ 20,000 General reserve and ₹ 12,000 Credit balance in profit and loss A/c.

From the above information prepare consolidated balance sheet as at 31-3-2011.

Q.3

Balance sheets as at 31st March 2011

(14)

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Equity Share of ₹ 10 each fully paid	5,00,000	2,00,000	Sundry assets	4,90,000	2,60,000
Reserve	1,00,000	-	100% Share in B Ltd. (at cost)	1,90,000	-
Creditors	80,000	60,000			
	6,80,000	2,60,000		6,80,000	2,60,000

Prepare a consolidated balance sheet as at 31-03-2012

OR

Balance sheet as at 31st March 2010

Liabilities	M Ltd.	N Ltd.	Assets	P Ltd.	N Ltd.
Share of ₹ 100 each full paid	5,00,000	2,00,000	Fixed Assets	4,26,000	3,04,000
Reserve	1,00,000	50,000	100% shares in N Ltd. Acquired on 31-03-2012	2,54,000	-
Creditors	80,000	60,000	Preliminary expenses	-	6,000
	6,80,000	3,10,000		6,80,000	3,10,000

Prepare a consolidated balance sheet as at 31-03-2010.

Q.4

Balance sheet as at 31-03-2011.

(14)

Liabilities	M Ltd.	N Ltd.	Assets	P Ltd.	N Ltd.
Share Capital each ₹ 10 each full paid	10,00,000	4,00,000	Sundry assets	6,00,000	2,00,000
Reserve	2,00,000	1,00,000	60% Share Q Ltd.	3,24,800	-
Creditors	1,60,000	1,20,000	Current assets	4,35,200	4,08,000
			Preliminary expenses	-	12,000
	13,60,000	6,20,000		13,60,000	6,20,000

On 31-03-2011 Q Ltd revaluated its fixed assets at ₹ 2,20,000 prepare the consolidated balance sheet of P Ltd. and its subsidiary Q Ltd. as at 31-03-2011.

OR

Balance sheet as at 31-03-2011.

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share capital each ₹ 10	2,50,000	10,00,000	Fixed Assets	1,50,000	50,000
General Reserve	50,000	25,000	Buy Shares in B Ltd at cost	81,200	-
P & L A/c	30,000	12,500	Current assets	1,38,800	1,19,500
Creditors	40,000	30,000	Preliminary expenses	-	3,000
	3,70,000	1,72,500		3,70,000	1,72,500

A Ltd. acquired the shares on 01-04-2009 on which date general reserve and P & L A/c of B Ltd. Showed balance of ₹ 20,000 and ₹ 4,000 respectively. No part of preliminary expenses was written off during year ending 31-03-2011 prepare the consolidated balance sheet of A Ltd and its subsidiary B Ltd. as at 31-03-2011.

Q.5 Balance sheet as at 31-03-2011.

(14)

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share of ₹ 10 each fully paid	5,00,000	2,00,000	Fixed Assets	3,00,000	1,00,000
General Reserve	1,00,000	50,000	60% shares in Y Ltd. (at cost)	1,62,400	-
P & L A/c	60,000	35,000	Preliminary expenses	-	6,000
Creditors	80,000	60,000	Current Assets	2,77,600	2,39,000
	7,40,000	3,45,000		7,40,000	3,45,000

X Ltd. acquired the shares on 1-4-09 on which date general reserve and profit and loss account of Y Ltd. showed balances of ₹ 40,000 and ₹ 8,000 respectively no part of preliminary expenses was written during the year ending 31st March 2011.

Prepare the consolidated balance sheet of A Ltd. and B Ltd. as at 31-03-2011.

OR

Following are balance sheet of X ltd. and Y led. As 31-12-2009 A Ltd. had purchased 8000 share of ₹ 10 each of B Ltd. on 1-1-2008.

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share Capital of ₹ 10 each	1,20,000	1,00,000	Land-Building	80,000	1,20,000
General Reserve(1-1-2005)	24,000	20,000	Shares of B Ltd.	10,4000	-
Creditors	20,000	6,000	Stocks	24,000	30,000
Proposed dividend	-	10,000	Debtors	20,000	40,000
Profit & Loss A/c	68,000	56,000	Bank Balance	4,000	2,000
	2,32,000	1,92,000		2,32,000	1,92,000

The credit balance of Profit and loss Account at B Ltd. as on 1-1-2008 was ₹ 16,000 B ltd. has paid 10% dividend during the year for the year 2007 A Ltd. has Credited dividend received by it to its profit and loss account. A Ltd has not made any entry for the proposed dividend of B ltd. at 10%.

Prepare consolidated balance sheet as on 31-12-2008.

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Course : Diploma in Advance Accounting (DAA) **Numerical Code: 0024**
Subject : Developments of Accounts (DAA-04) **Roll No** : _____
Date : 24/07/2014 **Numerical Code: 0162**
Time : 03.00 to 06.00
N.B. : All Questions carry equal Marks **Total Marks : 70**

Q.1 (A) Explain the meaning of (i) Amalgamation (ii) Absorption. (14)
 (B) What is purchase consideration.

OR

How would you pass entries in the books buying body corporate.
Q.2 Narrate(A) Treatment of reserves of Amalgamation. (14)
 (B) Treatment of goodwill arising on amalgamation.

OR

How would you close the books of the vendor body corporate. (14)

- Q.3**
- S.S. Ltd. has assets worth ₹ 7,00,000 and its liabilities are ₹ 1,72,000.
 - Share capital ₹ 4,800 equity share each of ₹ 100 on 31-3-2012.
 - G.G. Ltd. has assets worth ₹ 18,00,000, Creditors ₹ 50,000.
 - Share capital ₹ 14,000 equity share each of ₹ 100.
 - G.G. Ltd agree to absorb S.S. Ltd. the purchase. Consideration to be satisfied by issue of 5 equity share of G.G. Ltd. for every 6 shares of S.S. Ltd. on the basis of intrinsic value of share and the balance in cash. Draft journal entries in the books of G.G. Ltd. and state what I would get in share and cash if I hold 6 share of S.S. Ltd.

OR

Pass Journal entries in the books of G.G. Ltd. in above case
Q.4 The pavan Ltd. tack over the business of the Aman Ltd. with effect from 31-10-2012. The following of the Aman Ltd. as of the date. (14)

Liabilities	Rs.	Assets	Rs.
12,000 equity shares of ₹ 50 each fully paid up	6,00,000	Land & Building	1,80,000
Reserve	1,20,000	Plant	1,00,000
P & L A/c	65,000	Furniture	25,000
Creditors	75,000	Stock	2,50,000
		Debtors	2,80,000
		Cash at bank	25,000
	8,60,000		8,60,000

The purchaser took over all the assets and liabilities of the vendor body.

Corporate accept a sum of ₹ 10,000 to provide for the cost of liquidation and payment to dissmient share holders if any. The purchase price was discharged by the allotment to the share holders of the vendor body corporate of one share of ₹ 100 (₹ 90 Paid up) of the pavan Ltd. for every two share in the Aman Lt.d The expenses of liquidation sumed to 6000 dissention share holder of 100 shares were paid at ₹ 70 per share close the book of Pavan Ltd.

OR

Pass Journal entries in the book of Aman ltd. in above example.
Q.5 Write short note(Any Two) (14)

1. Type of Amalgamation
2. Directors reports
3. Formate, layout and get up of financial statement
4. Disclose in the first financial statement after amalgamation