

# B

# A

# O

# U



**Dr. Babasaheb Ambedkar Open University**

(Established by Government of Gujarat)

'Jyotirmay' Parisar, Opp. Balaji Temple,

Sarkhej-Gandhinagar Highway,

Chharodi, Ahmedabad-382 481

E-mail: [feedback@baou.edu.in](mailto:feedback@baou.edu.in) Website : [www.baou.edu.in](http://www.baou.edu.in)

**January-2016**

**(Diploma In Advance Accounting) :- DAA**

**DAA-01,02,03,04**

**Last Date of Submission At Study Center 30/06/2016**

**Note :-** Student has to Submit his/her assignment

at study Centres and get book after assesment

along with evaluation form.

:- The last date of submission is after this

date no assignment would be accepted.

## Diploma programmes

**Dear Student,**

You are required to do one assignment for the **Diploma Programme** It is a Tutor Marked Assignment (TMA) and carries 100 marks. It covers four blocks of the course.

As in day-to-day life, **Planning** is important in attempting the assignment as well. Read the assignment carefully; go through the units on which the questions are based; jot down some points regarding each question and then re-arrange them in a logical order. In the long-type answer, pay attention to your introduction and conclusion. The introduction must tell you how to interpret the given topic and how you propose to develop it. The conclusion must summarize your views on the topic.

Make sure that your answer :

- a) is logical
- b) is written in simple and correct English
- c) does not exceed the number of words indicated in your questions
- d) is written neatly and clearly.

ROLL NO: \_\_\_\_\_

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DATE: \_\_\_\_\_

COURSE TITLE: \_\_\_\_\_

ASSIGNMENT: \_\_\_\_\_

STUDY CENTRE: \_\_\_\_\_

**Please remember that it is compulsory to submit your assignment before you can take the Term End Examination. Also remember to keep a copy of your assignment with you and to take a receipt from your Study Centre when you submit the assignment.**

**Good Luck,**

## Assignment :- DAA-1 :-Basics of Accounting

Last Date of Submission At Study Center :- 30/06/2016

Max Marks: 100

---

**Section – A : Write Any two out of Four. (40)**

- (1) Explain the concept of accounting standards.
- (2) State the usefulness and scope of accounting standards.
- (3) Explain the accounting standard-2 (As-2) Valuation of Inventories.
- (4) Discuss the Accounting Standard-6 (As-6) Depreciation Accounting.

**Section – B : Answer Any two the Following Questions. (30)**

- (1) Explain the accounting Standard-9 Revenue Recognition.
- (2) Explain the Accounting standard-10 Accounting for Fixed Assets.
- (3) Explain the Accounting Standard-16 Borrowing Costs.

**Section – C : Write a short note on the following (Any Four) (20)**

- (1) Consistency Concept
- (2) Dual Aspect Concept
- (3) Periodicity Concept
- (4) Matching Concept
- (5) Cost Concept
- (6) Conservatism Concept

**Section – D (a): State Whether the Statement are true or False. (05)**

- (1) The makers of account and the readers of accounts must use the same type of principles.
- (2) The ICAI has published accounting standard.
- (3) The useful life of a depreciable asset 'B' shorter than its physical life.
- (4) Inventories are not held in the expectation of deriving revenue directly or indirectly from their sale or use.
- (5) Most of accounting standards are made compulsory for the body corporates under the Companies Act, 1956.

**Section – D (b):Fill in the Blanks (05)**

- (1) According to Dual Aspect Concept every transaction has \_\_\_\_\_ effects.
- (2) \_\_\_\_\_ Concept uses the concept of separation between owners and business only for accounting purpose.
- (3) Cost concept considers the \_\_\_\_\_ cost of the assets or services.
- (4) The transactions, accounts and books must be written and supported by some evidence usually \_\_\_\_\_.
- (5) Accrual concept is also known as \_\_\_\_\_ concept.
  1. statement of employers?

## Assignment :- DAA-2 - Analytical Accounting

Last Date of Submission At Study Center :- 30/06/2016

Max Marks: 100

### Section – A : Write Any Two out of Three.

(40)

- (1) Define fund flow statement and its utility.
- (2) From the following financial statements of Mr. P prepare a cash flow statement.

#### Balance Sheet as at

Liabilities	31-12-13	31-12-14	Assets	31-12-13	31-12-14
Capital	2,10,000	1,50,000	Property	90,000	1,00,000
Secured Loan	60,000	1,30,000	Machinery	1,45,000	1,60,000
Creditors	20,400	35,600	Furniture	10,000	12,000
Bills Payable	59,600	28,700	Stocks	22,000	15,000
			Debtors	45,000	30,000
			Cash	15,600	7,500
			Bank	22,400	19,800
	<b>3,40,000</b>	<b>344,300</b>		<b>3,40,000</b>	<b>344,300</b>

Other Information

- (a) There are no purchase or sales of fixed assets.
- (b) Mr. P has withdrawn Rs.30,000 during the year.
- (3) Explain the concept and need of ratio analysis?

### Section – B : Answer Any two the Following Questions.

(30)

- (1) Explain various revenue ratios.
- (2) Write about the limitations of ratio analysis.
- (3) From the following information calculate the following ratios.
  - a. Current Ratio
  - b. Acid Test Ratio
  - c. Liquid Ratio
  - d. Proprietary Ratio

#### Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity share of Rs.100 Each	1,00,000	Fixed Assets	3,50,000
8% Prof. Share of Rs.100 Each	50,000	Stock	1,60,000
Reserve	2,00,000	Debtors	40,000
6% Debenture	1,00,000		
Current Liabilities	90,000		
Bank Overdraft	20,000		
	<b>5,60,000</b>		<b>5,60,000</b>

**Section – C : Write a short note on the following (Any Four) (20)**

- (1) Balance sheet ratio (2) Composite Ratio  
(3) Utilities of Cash Flow Statements (4) Limitations of Cash Flow Statements  
(5) Difference between fund flow and cash flow statements.

**Section – D : State Whether the Statement are true or False. (10)**

- (1) A very high current ratio will decrease profitability.  
(2) Proprietary ratio shows liquidity position.  
(3) Shareholder's equity include reserves and surplus.  
(4) Gross profit ratio is a combined ratio.  
(5) 1:1 is a standard liquid ratio.  
(6) As-3 is mandatory for listed companies.  
(7) Dividend paid causes cash flow from financing activities.  
(8) Cash sales is investing activity.  
(9) Payment of rent creates investing cash flow.  
(10) Goodwill written off is treated as cash outflow.

---

**Assignment :- DAA-3**

**Accounting in Special Situation for Companies**

**Last Date of Submission At Study Center :- 30/06/2016**

**Max Marks: 100**

**Section – A : Answer the Following Questions.**

**(40)**

- (1) Following are the balance sheets of Shailesh Ltd. And Prashant Ltd. As on 31-03-2014

<b>Liabilities</b>	<b>Shailesh Ltd.</b>	<b>Prashant Ltd.</b>	<b>Assets</b>	<b>Shailesh Ltd.</b>	<b>Prashant Ltd.</b>
Share Capital			Plant & Machinery	1,80,000	68,000
Share of Rs. 10 each	2,40,000	75,000	Stock	60,000	23,200
General Reserve	60,000	7,200	Debtors	24,000	18,000
Profit & Loss A/c	78,000	18,000	6,000 shres of	1,02,000	-
			Prashant Ltd	30,000	7,000
			Shares of		
	<b>3,96,000</b>	<b>1,16,200</b>		<b>3,96,000</b>	<b>1,16,200</b>

Prepare consolidated balance sheet as on 31-3-2014 after considering the following information.

1. When Shailesh Ltd. Purchased shares of Prashant Ltd. The books of Prashant Ltd. Showed profit & loss A/c (Cr.bal) of Rs.8,000 the general reserve Rs.7,200
2. Out of the goods purchased by Prashant Ltd from Shailesh Ltd goods of Rs.12,000 are still in stock, Shailesh Ltd charges a profit of 20% on cost.
3. Debtors of Shailesh Ltd include Rs.5,000 due from Prashant Ltd.

(1) Balance sheets as at 31<sup>st</sup> March, 2014

**Balance Sheet as at**

<b>Liabilities</b>	<b>H Ltd.</b>	<b>S. Ltd.</b>	<b>Assets</b>	<b>H.Ltd.</b>	<b>S.Ltd.</b>
Share Capital			Sundry Assets	5,60,000	2,60,000
Share of Rs. 10 each			60% shares S Ltd.		
Fully paid	5,00,000	2,00,000	(at cost)	1,20,000	
Reserves	1,00,000				
Creditors	80,000	60,000			
	<b>6,80,000</b>	<b>2,60,000</b>		<b>6,80,000</b>	<b>2,60,000</b>

Prepare a Consolidated Balance Sheet at 31<sup>st</sup> March, 2014

**Section – B : Answer the Following Questions.**

**(30)**

(1) Balance Sheet as at 31<sup>st</sup> March, 2015

**Balance Sheet as at**

<b>Liabilities</b>	<b>H Ltd.</b>	<b>S. Ltd.</b>	<b>Assets</b>	<b>H.Ltd.</b>	<b>S.Ltd.</b>
Share Capital			Fixed Assets	3,00,000	1,00,000
Share of Rs. 10 each			60% shares S Ltd.		
Fully paid	5,00,000	2,00,000	Acquired on 31 <sup>st</sup> March		
Reserves	1,00,000	50,000	1989 (cost)	1,62,400	
Creditors	80,000	60,000	Current Assets	2,17,600	2,04,000
	<b>6,80,000</b>	<b>3,10,000</b>		<b>6,80,000</b>	<b>3,10,000</b>

On 31<sup>st</sup> March, 2015 S Ltd. Revalued its fixed assets at Rs.1,10,000. Prepare the consolidated balance sheet of H Ltd. And its subsidiary S Ltd as at 31<sup>st</sup> March, 2015

(2) Sita Ltd. Acquired all shares of Rina Ltd. on 1-4-2015. The Balance Sheet of both the corporate as on 31-3-2015 as follows.

Liabilities	Sita Ltd.	Nita Ltd.	Assets	Sita Ltd.	Nita Ltd.
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 & Loss A/c	50,000	20,000			
Creditors	30,000	20,000			
	<b>2,30,000</b>	<b>1,30,000</b>		<b>2,30,000</b>	<b>1,30,000</b>

On 1-4-2015 the profit and loss A/c of Nita Ltd showed a credit balance of Rs.6,000.

**Section – C : Write a short note on the following (20)**

- (1) Legal Provisions Relating to Accounts (Sec.212)
- (2) Technique of Preparing Consolidated Balance Sheet

**Section – D : State Whether the Statement are true or False. (10)**

- (1) The holding company is having more than 50% of the investment in the subsidiary company.
- (2) The holding company provides the financial statements of the subsidiary company.
- (3) Under the Indian Companies Act, 1956 holding corporate are not required to publish consolidated accounts.
- (4) The assets & liabilities of the subsidiary company will be incorporated in the group Balance Sheet.
- (5) All the share in the subsidiary company are generally acquired by the holding company.

## Assignment :- DAA-4

### DAA- Developments in Accounts

**Last Date of Submission At Study Center :- 30/06/2016**

**Max Marks: 100**

**Section – A : Answer the Following Questions. (40)**

- (1) Discuss the Accounting Standard (As-14) Amalgamation.
- (2) Explain Amalgamation and purchase.

**Section – B : Answer the Following Questions.****(30)**

(1) Kanta Ltd. took over the business of Deepika Ltd. on the following terms:

<b>Assets &amp; Liabilities</b>	<b>Book Value</b>	<b>Agreed Value</b>
<b><u>Assets:</u></b>		
Land & Building	2,00,000	3,50,000
Plant & Machinery	2,00,000	1,50,000
Furniture & Fittings	50,000	40,000
Debtors	40,000	30,000
Stock	45,000	40,000
Cash	5000	5000
<b><u>Liabilities</u></b>		
10% debentures	1,00,000	1,20,000
Creditors	50,000	50,000

(a) Determine purchase consideration.

(b) Pass necessary journal entries to incorporate the assets & liabilities taken over by Kant Ltd.

(2) Write about the changes that has taken place in presentation of information in recent age.

**Section – C : Write a short note on the following****(20)**

(1) Absorption of the Company

(2) Shareholder's information provided in annual reports.

(3) Accounting Policies provided in annual reports.

(4) Accounting Ratio provided in annual reports.

**Section – D : Fill in the Blanks.****(10)**

(1) Amalgamation of Companies is governed by \_\_\_\_\_

(2) The amalgamation required approval of \_\_\_\_\_

(3) The excess of net assets value over consideration is \_\_\_\_\_

(4) Transferee company as per As-14 is \_\_\_\_\_ company.

(5) On merger, vendor companies are \_\_\_\_\_.