

Time: 2hrs. 30 Mins

Max. Marks: 75

- Note: 1. All questions are compulsory.
 2. Figures to the right indicate full marks
 3. Working Note should form part of your answers
 4. Use of Simple calculator is allowed.

Q.1 The following summary Balance Sheets are as on 31st March, 2024.

(15)

Liabilities	M Ltd.	N Ltd.	Assets	M Ltd.	N Ltd.
Share Capital			Fixed Assets		
Equity Shares of ₹10 each	24,00,000	12,00,000	Building	13,00,000	8,80,000
Reserves & Surplus			Machinery	7,80,000	2,80,000
General Reserve	9,00,000	2,00,000	Furniture	1,20,000	70,000
Profit & Loss A/c	3,40,000	4,80,000	Investment	10,00,000	-
Current Liabilities			Current Assets		
Creditors - Goods	3,00,000	1,50,000	Stock	2,40,000	3,80,000
Bills Payable	3,30,000	1,40,000	Debtors	7,60,000	5,20,000
Outstanding Expenses	1,00,000	60,000	Bills Receivable	1,40,000	80,000
			Bank Balance	30,000	20,000
	43,70,000	22,30,000		43,70,000	22,30,000

The following further information is available:

1. M Ltd. acquired 90,000 Shares of N Ltd. as on 01st April, 2023.
2. Debtors of M Ltd. include ₹ 50,000 due from N Ltd.
3. Bills Receivable of N Ltd. include ₹ 30,000 from M Ltd.
4. Stock of N Ltd. includes goods purchased from M Ltd. of ₹ 40,000 which includes profit charged by M Ltd. 25% on Cost.
5. The position of Reserves & Surplus of N Ltd. as on 31st March, 2023 was as follows:

General Reserve ₹ 1,50,000

Profit & Loss A/c ₹ 3,00,000

You are required to prepare a Consolidated Balance Sheet as on 31st March, 2024.

OR

Q.1 The summary Balance Sheet of Motu Ltd. & Patlu Ltd. as on 31st March, 2024 were as under: (15)

Liabilities	Motu Ltd.	Patlu Ltd.	Assets	Motu Ltd.	Patlu Ltd.
Equity Shares of ₹ 10 each	4,00,000	1,00,000	Land & Building	1,50,000	-
General Reserve	60,000	20,000	Plant & Machinery	4,00,000	-
Profit & Loss A/c (01/04/23)	80,000	40,000	Stock	80,000	1,70,000
Profit for the Year ended 31/03/24	1,00,000	50,000	Sundry Debtors	20,000	60,000
Creditors	1,00,000	90,000	Bills Receivable	-	50,000
Bills Payable	60,000	-	Investment - 6,000 Shares of Patlu Ltd. at cost	1,30,000	-
			Cash/Bank Balance	20,000	20,000
	8,00,000	3,00,000		8,00,000	3,00,000

Additional Information:

- Shares were acquired by Motu Ltd. as on 30th September, 2023.
 - Included in the Debtors of Patlu Ltd. is ₹ 20,000 due from Motu Ltd.
 - Bills Receivable held by Patlu Ltd. are all accepted by Motu Ltd.
 - The Stock of Patlu Ltd. includes goods purchased from Motu Ltd. at ₹ 10,000 which includes profit charged by Motu Ltd. @ 20% on sales.
- Prepare the Consolidated Balance Sheet.

Q.2 The Following is the Balance Sheet of Jumbo Ltd. as at 31st March, 2024. (15)

Liabilities	₹	Assets	₹
Authorised Capital		Fixed Assets	
50,000, 8% Preference Shares of ₹ 10 each	5,00,000	Land & Building	2,20,000
40,000 Equity Shares of ₹ 10 each	4,00,000	Plant & Machinery	4,40,000
Issued & Paid Up Capital		Furniture	80,000
40,000, 8% Preference Shares of ₹ 10 each	4,00,000	Current Assets	
30,000 Equity Shares of ₹ 10 each	3,00,000	Stock	3,10,000
Reserves & Surplus		Sundry Debtors	3,50,000
General Reserve	1,10,000	Cash & Bank	1,70,000
Profit & Loss A/c	1,00,000	Miscellaneous Exp.	
Current Liabilities & Provision		Preliminary Expenses	70,000
Sundry Creditors	1,00,000		
Provision for Depreciation	4,55,000		
Provision for Taxation	90,000		
Bills Payable	85,000		
	16,40,000		16,40,000

The Turnover & Net Profit of last 3 Years ended 31st March, 2023 are as given below:

Year	Turnover (₹)	Net Profit (₹)
2020-2021	31,20,000	3,05,000
2021-2022	40,44,000	4,50,000
2022-2023	50,00,000	5,60,000

Calculate the Fair Value of Equity Shares of the company, assuming that the fair return on investment in the company doing the similar business is 12%. Also compute the value of business.

OR

Q.2 (A) Alibaba Ltd. has 6 Operating Segments viz., A, B, C, D, E and F. The profits/losses of respective segments for the year ended 31st March, 2024 are as follows: (08)

Segment	Profit / Loss (₹)
A	2,00,000
B	4,00,000
C	(25,000)
D	(40,000)
E	5,00,000
F	1,00,000

Determine reportable segments as per IND AS 108.

Q.2 (B) Flip Ltd. obtained a loan for ₹ 2,80,00,000 on 15th April, 2023 from Yes Bank to be utilized as under: (07)

Particulars	₹
Construction of Factory Shed	1,00,00,000
Purchase of Machinery	80,00,000
Working Capital	60,00,000
Advance for purchase of Truck	40,00,000

In March 2024, construction of the factory shed was completed and machinery, which was ready for its intended use, was installed.

Delivery of Truck was received in the next financial year.

Total Interest of ₹ 36,40,000 was charged by the bank for the financial year ending 31st March, 2024. Show the treatment of interest under IND AS 23 and also explain the nature of assets.

Q.3 The Cheese Pvt. Ltd. is to be absorbed by the Pizza Pvt. Ltd. in order to decide upon the purchase consideration, it is necessary, among other things to value the goodwill attaching to the business of Cheese Pvt. Ltd. The two companies agree that the basis of the average annual super profits, the net profit being averaged over five years and subject to adjustment is to be considered. The profit of the Cheese Pvt. Ltd. for the first five years (before charging Tax @ 55%) are as follows: (15)

Year	Profit (₹)
2019	1,00,000
2020	80,000
2021	1,10,000
2022	1,30,000
2023	1,60,000

The directors of Cheese Pvt. Ltd. (three in number) will be appointed on the Board of Pizza Pvt. Ltd. on absorption and it is considered that their services have been (and will be in future) worth ₹ 10,000 each per annum. There has never been made any charge against the profit of Cheese Pvt. Ltd. for such services. The average capital invested in net tangible assets over the period of ₹ 3,60,000 and it is considered that the normal return to be expected from the particular type of business carried on by Cheese Pvt. Ltd. is 10%.

Calculate the value of goodwill and business of Cheese Pvt. Ltd. based on the above information.

OR

Q.3 (A) Rao Ltd. provides the following information: (07)

Particulars	₹
Cost of Machinery	30,00,000
Accounting Depreciation	4,80,000
Depreciation as per Tax Law	7,50,000
Tax Rate = 25%	

Calculate Tax Base, Temporary Difference and resulting Deferred Tax Assets / Liability.

Q.3 (B) Calculate the basic EPS as per IND AS 33 from the following information: (08)

- Share Capital as on 01/04/2023 – 1,00,000 Equity Shares of ₹ 10 each.
- Issue of right shares for cash on 01/07/2023 in the ratio of 1 share for every 5 shares held.
- Issue of Bonus shares (Excluding right shares) on 01/10/2023 in the ratio of 1 share for every 5 shares.
- Net Profit (before tax) for 2023-24 - ₹ 4,00,000.
- Income Tax Rate is 40%.

Q.4 (A) Multiple Choice: (08)

1. The purpose of _____ is to understand financial statement and regulatory capital requirement.

- (a) Financial Planning (b) Financial Analysis
(c) Financial Reporting (d) Financial Review

2. _____ statement represent financial position which discloses short term and long term solvency position of firms.

- (a) Balance Sheet (b) Profit and Loss A/C
(c) Statement of change in equity (d) Notes

3. CFS stand for _____.

- (a) Common financial statement (b) Current financial statement
(c) Consolidated Financial statement (d) Consolidated status Statement

4. Geographical Segment information is a part of _____.

- (a) Segment Reporting (b) Management Discussion and Analysis report
(c) Audit Report (d) Summary Report

5. The Audit report does not include information about _____.

- (a) corporate governance (b) title (c) opinion (d) addressee

6. _____ deals with disclosure of accounting policies.

- (a) Ind AS 8 (b) Ind AS 7 (c) Ind AS 18 (d) Ind AS 24

7. _____ is a company which has one or more subsidiaries.

- (a) Parent (b) Subsidiary (c) partnership (d) Joint Hindu Family Business

8. _____ is the core principle for aggregation as per IND AS 108

- (a) Nature of Management (b) Nature of Capital Structure
(c) Nature of Cost of Capital (d) Nature of Product

Q.4 (B) State whether the following statements are True or False:

(07)

1. Accounting Standard Board is established in 1970.
2. IFRS will override company law.
3. Ind AS 23 is applicable to Biological Assets.
4. Deferred Tax is a Tax on permanent difference.
5. FMP is considered in valuation of Goodwill.
6. Intrinsic value is also known as Net Assets Value.
7. Pre-acquisition profit is capital profit.

Q.5 Write Short Notes: (Any 3)

(15)

1. Super Profit method of Goodwill.
2. Potential Equity Shares.
3. IND AS 16 – Accounting for Fixed Assets
4. Objectives of IFRS
5. Minority Interest
