

Note : i) Question No. 1 is compulsory.

ii) Attempt any THREE questions from Q no. 2 to Q no. 5.

Q.1 The Following is the Receipts & Payments Account of Zenith Education Society. (25)

Receipt and Payment Account for the year 31-3--2017

Receipts	Rs.	Payments	Rs.
To balance b/d	96,000	By Salaries	3,84,000
To Donations	3,64,000	By Stationery	1,10,400
To Admission Fees	1,68,000	By Sports Equipment	3,52,000
To Term Fees	2,04,800	By Office Expenses	1,36,000
To Tuition Fees	2,08,000	By Computer	1,04,000
To Exam Fees	1,52,000	By Fixed Deposit (@10% on 1.10.16)	1,20,000
To Government Grants	3,28,000		
		By balance c/d	3,14,400
	<u>15,20,800</u>		<u>15,20,800</u>

Additional Information:-

1. Opening Balance on 1.04.2016 was:-

Building Rs. 6,40,000

Computer Rs. 3,04,000

Books Rs. 5,60,000

2. Tuition Fees received at the end of the year was Rs. 24,000/-.
3. 50% of the Donations and Government Grants is to be capitalized.
4. Depreciate all Fixed Assets at 10% p.a.

Computer and Sports equipments were purchased on 30.09.2016.

You are required to prepare Income & Expenditure Account for the year ending 31.03.2017 and Balance Sheet as on that date.

- Q.2 The following Trail Balance was extracted from M/s Shah Pvt Ltd. which took over business of Mr. Patel on 1st April 2016. (25)

The company was incorporated on 1st July 2016.

Trial Balance as on 31.3.2017

	Rs.		Rs.
Plant	11,00,000	Sales	1,23,75,000
Current Assets (except Closing Stock)	44,32,000	Capital of Patel	55,00,000
Stock (1.4.2016)	11,00,000	Current Liabilities	22,37,500
Purchases	77,00,000		
Carriage Outwards	8,25,000		
Office Salaries	22,00,000		
Rent	3,63,000		
Directors Remuneration	3,30,000		
Advertisement Expenses	16,50,000		
Travelling Expenses	4,12,500		
	<u>2,01,12,500</u>		<u>2,01,12,500</u>

Additional Information:-

1. Stock on 31.3.2017 was valued at Rs. 46,75,000/-.
2. Purchase consideration of Rs. 68,75,000 to be paid by Equity shares of Rs. 10 each..
3. Turnover is doubled in April, November and December as compared to other months.
4. Provide depreciation @ 10% p.a. on Fixed Assets.
5. Rent of building was Rs. 27,500 p.m. upto September 2016 and thereafter it was increased by Rs. 5,500 p.m.

Prepare Final Accounts for the year ended 31st March 2017. Show Profit & Loss Account in the pre and post incorporation period.

Q.3 The Balance Sheet of Sayali Ltd as on 31.3.2016 is as follows:- (25)

Liabilities	Rs.	Assets	Rs.
Equity share Capital (Rs. 10 each)	30,00,000	Land	20,00,000
10% Preference Share Capital	10,00,000	Buildings	10,00,000
12% Debentures	5,00,000	Plant	5,00,000
General Reserves	8,00,000	Furniture	5,00,000
Creditors	3,00,000	Investments	10,00,000
P & L A/c	1,00,000	Bank	5,00,000
Securities Premium	4,00,000	Other Current Assets	6,00,000
	61,00,000		61,00,000

Other Information:-

1. All the investments are sold at Rs. 12,00,000.
2. The company decided to buyback 60,000 equity shares at Rs. 15 per share.
3. Pass necessary Journal Entries and Prepare Balance Sheet to give effects to buyback.

Q.4 A) Anuja Ltd. was incorporated on 1st May 2016, to purchase running business from 1st January 2016. (15)

P & L A/c 31.12.2016

	Rs.		Rs.
To Salaries	40,000	By Gross Profit	1,70,000
To Directors Fees	5,000		
To Rent	12,000		
To Commission	3,000		
To Advertising	4,000		
To Office Expenses	10,000		
To Depreciation	15,000		
To Carriage Outward	20,000		
To Net Profit	71,000		
	1,70,000		1,70,000

The sales in January, June and December was doubled as compared to other months. Find out profit prior and post incorporation.

B) From the following details find out maximum amount of buyback:- (10)

Equity Share Capital (of Rs. 100 each)	Rs. 5,00,000
Preference Share Capital	4,00,000
Securities Premium	3,00,000
10% Debentures	5,00,000
General Reserves	4,00,000

Offer price is Rs. 120 per equity share.

Q.5 A) Discuss the need of convergence of Indian Accounting Standards with IAS. (10)

B) Write note on IAS 8 v/s AS 5. (15)