

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
FARMAGUDI, PONDA - GOA
B. COMCBCS (SEMESTER - V) REPEAT EXAMINATION, JUNE/JULY 2022
FINANCIAL REPORTING (DSE - 4)

Duration: 2 Hours

Total Marks: 80

Instructions: 1) Question No. 1 is compulsory.

2) Answer any **three** questions from Q. No. 2 to Q. No. 6.

3) All question carry equal marks

4) Give **working notes** wherever necessary.

Q. 1) Answer the following;(10)

a) State with valid reasons whether revenue to be recognized and also prepare a statement of revenue as per AS - 9 from the following transactions for the year 2021;

Sr. No.	Transactions	Amt.
1	Goods sold to the client on 25/03/21 but at the request of the client, these goods were delivered on 5/04/21.	5, 000
2	Sold Goods at a trade discount of 4% on 2/02/21. (Gross Amount)	5,000
3	Good sold on consignment basis of which 30 % of goods remained unsold on 31/03/21.	15, 000
4	Sold goods on accept or reject basis on 1/ 03/21 but the customer accepts 40% of the goods on 10/03/21.	10, 000
5	The company considered the dividend of Rs. 3, 000 for the year 2021 which was proposed and declared on 28/03/21.	3, 000

P.T.O

b) ARE Ltd. took a term loan of Rs. 40 lakhs from 'Z' bank on 1st April, 2020. The company utilized the loan amount on the following;

Construction of the shed Rs. 15 lakhs.

Plant & Machinery Rs. 17 lakhs.

Working Capital Rs. 08 lakhs

Construction of the shed and installation of the plant and machinery were completed on 31st March, 2021. The interest charged by the bank for the financial year was Rs. 8 lakhs. Show how the interest to be treated. (5)

c) Calculate the Earnings per Share of AAj Ltd. from the following information;

Profit before Tax Rs. 4, 00, 000

Tax for the year Rs.,1, 20, 000

Deferred Tax Rs. 20, 000

Tax of the earlier years Rs. 10, 000

8% Cumulative Preference shares Rs. 2, 00, 000

9% Non- cumulative Preference Shares Rs. 1, 00, 000

No. of outstanding Shares 1, 00, 000 (5)

P.T.O

Q. 2) ARY Ltd. provides the following information about its business for the year ended 31st March, 2021;

Particulars	Rs.
Sales	73, 000
Royalty	1, 500
Leasing	1, 200
Scrap	800
Raw material	31, 000
Stores	2, 000
power	1, 500
Wages and Salaries	12,500
Contribution to Provident Fund	2, 500
Interest on term loan	7, 500
Insurance Premium	1, 875
Auditor's fees	1, 325
Rent, Rates and Taxes	550
Depreciation	5, 250
Profit before Tax	10, 500
Provision for Tax	5, 000
Profit after Tax	5, 500
Dividend	2, 500
Retained Earnings	3, 000

Prepare a Value Added Statement for the year ended 31st March, 2021 and Reconciliation of Value Added with the Profit before Tax from the above information. **(20)**

Q. 3) a) PRR Ltd supplies the following information on the exchange of its plant and machinery;

Book value of the old plant Rs. 88, 000

Additional cash given for the exchange Rs. 20, 000

Fair market value of the new plant Rs.1,00, 000**P.T.O**

Calculate; a) Fair Market Value of the old plant, b) Profit or Loss on the exchange and c) Journal Entries on the exchange. (10)

b) A company enters in to transaction in two different markets.

It has access to the price of the asset in the market as

Follows;

Particulars	Market 'A'	Market 'B'
Price	520	500
Transaction Cost	08	04
Cost of the Transport	04	04

Calculate the Fair Value of the asset if none of the asset is Principal market. (10)

Q.4) a) Rajesh Ltd. obtained a loan of Rs. 10, 00, 000 at 8% from a bank for the construction of the shed on 1st April, 2020. The other non-specific loan of the company was Rs. Rs. 40, 00, 000 with an interest of 12%. The company incurred the following expenditure on the construction of the shed during the year;

01-09-2020 Rs. 18, 00, 000

01-02-2020 Rs. 16, 00, 000

Find out the interest to be capitalized and the interest to be Charged to the profit and loss statement. (10)

P.T.O

