

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS**  
**FARMAGUDI, PONDA - GOA**  
**B.COM. CBCS (SEMESTER-V) REGULAR EXAMINATION, NOVEMBER 2023**  
**DSE-4 – ACCOUNTING – FINANCIAL REPORTING**

**Duration: 2 Hours**

**Marks: 80**

- Instructions:** 1) **Question No. 1 is compulsory.**  
2) **Answer any three questions from Q. No. 2 to Q. No. 6.**  
3) **All questions carry equal marks**  
4) **Give working notes wherever necessary.**

**Q.1) Answer the following;**

- a) State with valid reasons whether revenue to be recognized as per AS – 9 from the following transactions for the year 2023;

**(05)**

<b>Sr. No.</b>	<b>Transactions</b>	<b>Amt.</b>
1	Goods sold to the client on 25/03/23 but at the request of the client these goods were delivered on 5/04/23.	₹10,000
2	Sold Goods at a trade discount of 5% on 2/12/22. (Gross Amount)	₹5,000
3	Good sold on consignment basis of which 20% of the goods remained unsold on 31/03/23. (Gross Amount)	₹15,000
4	Sold goods on accept or reject basis on 1/ 03/23 but the customer accepts 20% of the goods on 10/03/23. (Gross Amount)	₹20,000
5	The company considered the dividend of Rs. 5000 for the year 2023 which was proposed on 28/03/23 and declared on 28/04/23.	₹5,000

- b) RKF Ltd. took a fixed loan of ₹80 lakhs from 'F' bank on 1<sup>st</sup> April, 2022.

The company utilized the loan amount on the following;

**(05)**

Construction of the shed	₹30 lakhs
Plant & Machinery	₹34 lakhs
Advance for Truck	₹10 lakhs
Working Capital	₹06 lakhs

Construction of the shed and installation of the plant and machinery were completed on 31<sup>st</sup> March, 2023. The truck is not yet received. The interest charged by the bank for the financial year was ₹16 lakhs.

Show how the interest to be treated.

**P.T.O.**

- c) Calculate the Earnings per Share of AAj Ltd. from the following information; (05)
- Profit before Tax ₹4,00,000  
Tax for the year ₹1,20,000  
Deferred Tax ₹20,000  
Tax of the earlier years ₹10,000  
8% Cumulative Preference shares ₹2,00,000  
9% Non- cumulative Preference Shares ₹1,00,000(provided)  
An income of ₹10,000 omitted earlier but considered now  
No. of outstanding Shares 1,00,000

- d) PRR Ltd supplies the following information on the exchange of its plant and machinery; (05)
- Book value of the old plant ₹88,000  
Additional cash given for the exchange ₹20,000  
Fair market value of the new plant ₹1,00,000  
Calculate; a) Fair Market Value of the old plant, b) Profit or Loss on the exchange and c) Pass Journal Entries for the exchange.

- Q. 2) ARY Ltd. provides the following information about its business for the year ended 31<sup>st</sup> March, 2023; (20)

Particulars	Amount
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	₹2,000
Gratuity	₹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 Value Added Statement and Reconciliation of Value Added with Profit before Tax from the above information for the year ended 31<sup>st</sup> March, 2023.

- Q.3.a)** Rajesh Ltd. obtained a loan of ₹5,00,000 at 8% from a bank for the construction of the shed on 1<sup>st</sup> April, 2022. The other non-specific loan of the company was ₹20,00,000 with an interest at 12%. The company incurred the following expenditure on the construction of the shed during the year; (10)

01-09-2022	₹9,00,000
01-02-2023	₹8,00,000

Find out the interest to be capitalized and the interest to be charged to the profit and loss statement.

- 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; (10)

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 a) if the Market A is a Principal Market and b) if neither Market A nor Market B is a Principal market.

- Q. 4.a)** Distinguish between IND AS and IFRS. (10)

- b)** Compute the total value of the human resource of skilled and unskilled workers according to Lev and Schwartz model from the following details; (10)

Particulars	Skilled workers	Unskilled workers
Average annual earnings of a worker till the date of retirement	60, 000	30, 000
Average age	62 years	60years
Age of retirement	65 years	62 years
Discount rate	10%	5%
No. of workers in the group	10	20

