From the below given 10 Questions you are required to give the answer of any 5 questions

Que. 1

The following is the Balance Sheets of MS Gupta for the years 2006 and 2007. Prepare the comparative Balance Sheet and study the financial position of the concern.

Balance Sheet as on 31st December

Liabilities	2006 Rs	2007 Rs	Assets	2006 Rs	2007 Rs
Equity share capital	500,000	700,000	Land and Building	270,000	1,70,000
Reserves and surplus	330,000	222,000	Plant and Machinery	400,000	600,000
Debentures	200,000	300,000	Furniture	20,000	25,000
Long term loan on mortgage	100,000	150,000	Other fixed assets	25,000	30,000
Bill Payables	50,000	45,000	Cash in hand	20,000	40,000
Sundry creditors	100,000	120,000	Bill Receivables	100,000	80,000
Other current liabilities	5000	10,000	Sundry debtors	200,000	250,000
			Stock	250,000	350,000
			Prepaid Expenses	—	2000
	1285000	1547000		1285000	1547000

Que. 2

The balance sheet of Mr Anoop Private (Pvt) Limited (Ltd) and Bansal Private Limited are given below :.

Balance Sheet as on 31st December, 2007

Liabilities	Anoop Pvt Ltd Rs	Bansal Pvt Ltd Rs
Preference share capital	120,000	150,000
Equity share capital	140,000	410,000
Reserves and surpluses	24,000	28,000
Long-term loans	110,000	120,000
Bill Payables	7000	1000
Sundry creditors	12000	3000
Outstanding Expenses	15000	6000
Proposed Dividend	10000	90000
	438,000	808,000
Land and Building	80,000	123,000
Plant and Machinery	334,000	600,000
Temporary Investments	5000	40,000
Investment	6000	20,000
Sundry Debtors	4000	13,000
Prepaid expenses	1000	2000
Cash and Bank balance	8000	10,000
	438,000	808,000

Compare the financial position of two companies with the help of common size balance sheet.

Que. 3

From the given balance sheet and additional information. Calculate the following ratio:

- Proprietary Ratio
- Debt Equity Ratio
- Current Ratio
- Debtors Turnover Ratio
- Creditors Turnover Ratio

Balance Sheet

Liabilities	₹	Assets	₹
Share Capital	5,00,000	Fixed Assets	6,00,000
Reserves	1,10,000	Debtors	1,00,000
Long Term Loans	1,00,000	Cash Balance	20, 000
Creditors	50,000	Stock	40, 000
	7,60,000		7,60,000

Credit Sales for the Year were ₹5,20,000.

Credit Purchases amounted to ₹4,00,000.

Que. 4

Following is the Balance Sheet and Profit and Loss Account of Manmohan Ltd.

Balance Sheet as at 01-04-2009

Liabilities	Amount (₹) (in '000)	Assets	Amount (₹) (in '000)
Share Capital	40	Plant – Machinery	60
12.5% Debentures	24	Stock	9
Creditors	14	Debtors	5
		Cash	4
	78		78

Profit and Loss Account for the year ended on 31-03-2010

Particulars	Amount (₹) (in '000)	Particulars	Amount (₹) (in '000)
To Op. Stock	9	By Sales	40
To Purchase	18	By Clo. Stock	8
To Gross Profit	21		
	48		48

To Admin Exps. To Interest To Depreciation To Net Profit	3 3 6 9	By Gross Profit	21
	21		21

Additional Information:

(1) There is no change in debtors and creditors balance during the year.

(2) Following indices are to be used:

On 1st April 2009.. 200

Average during the year.......................................240

On 31-3-2010..300

(3) FIFO method to be used:

You are required to prepare final account for the year ended on 31-3-2010. After adjusting price level change under CPP method.

Que. 5

Following is the Balance Sheet of Jeet Company as on 31-03-2002.

Balance Sheet

Liabilities	Rs. (₹)	Assets	Rs. (₹)
Equity share capital	₹5,00,000	Fixed assets	₹6,00,000
Reserves	₹2,00,000	Stocks	₹1,00,000
Mortgage Loan	₹2,00,000	Debtors	₹2,00,000
Creditors	₹1,00,000	Cash-Bank	₹1,00,000
	₹10,00,000		₹10,00,000

During year 2002-03 total purchase, sale and administrative expanses are Rs. 5,00,000, Rs. 8,00,000 and Rs. 1,00,000 each respectively.

Calculate 10% depreciation on fixed assets. Rs. 1,60,000 is stock, Rs. 2,50,000 is debtors, Rs. 1,20,000 is creditors and Rs. 2,70,000 is cash on hand as on dt. 31-03-2003.

Normal price base index is as follows:

Dt. 31-03-2002	Rs 400
Dt. 31-03-2003	Rs. 600
Average of year 2002-03	Rs. 480

Use above information and prepare final accounts as per Current Purchasing Power Method.

Que. 6

The Balance Sheet of a company as on 31-3-2002 prepared on Historical Cost Method is given below:

Balance Sheet

Liabilities	Rs. (₹)	Assets	Rs. (₹)
Share Capital	₹50,000	Fixed Assets Stocks	₹40,000 ₹10,000
	₹50,000		₹50,000

The fixed assets shown in the above balance sheet were purchased on 31-3-2002 and its life was estimated at 5 years, without any scrap value.

The transactions during the year were as follows:

Particulars	Rs. (₹)
Sales	80,000
Purchases - As per Historical Cost	25,000
Closing stock - As per Historical Cost	7,000
Closing stock -As per Replacement Cost	8,400
Cost of Sales - As per Replacement Cost	35,000

It is estimated that the replacement cost of fixed assets as on 31-3-2003 was ₹ 48,000.

From the details given above prepare Profit and Loss statement on the basis of Replacement Cost Method and also prepare a Balance with comparative figures.

Que. 7

Following information are available from the records of ABC Ltd.

Share Capital	₹4,00,000
Reserve & Surplus	₹2,00,000
10% Debentures	₹1,00,000
Tax Rate	30%
Risk-Free Rate	8%
Market Rate Of Return	12%
Beta Factor (Risk Factor)	1.05
Profit Before Interest & Tax (PBIT)	₹1,20,000

Calculate EVA.

Que. 8

Explain meaning, utility and disclosure of Value Added Statement (VAS).

Que. 9

Who are the users of financial reporting. Explain each and every user in detail.

Que. 10

Explain the qualitative characteristics of financial reporting information and also explain the benefits of financial reporting.