

## J. Z. Shah Arts &amp; H. P. Desai Commerce College, Amroli.

Internal Test - 2017

M. Com. Semester - II (EM)

Financial &amp; Management Accountancy - V

Date : 15/03/2017

Time : 08:00 To 10:00

Roll No. ....

Total Marks : 50

1. On 31-12-2016 the following balances appeared in the books of London branch having its H.O. in Mumbai. [14]

Particulars	Debit (Pound)	Credit (Pound)
Stock (1-1-2016)	9,000	-
Purchase and sales	62,500	93,750
Debtors and Creditors	30,000	25,000
Bills receivable and payable	8,000	10,700
Wages and salaries	4,000	-
Rent and taxes	3,000	-
Miscellaneous expenses	1,250	-
Furniture	3,500	-
Cash at bank	37,000	-
Head office account	-	28,800
	1,58,250	1,58,250

Stock on 31-12-2016 was 25,000 pound. On 31-12-2013 London branch account in the books of H.O. showed a debit balance of Rs. 25,00,000 and furniture appeared in H.O. books at Rs. 3,00,000.

The rate of exchange were as follows :

On 31-12-2015 1 pound = 90 Rs.

On 31-12-2016 1 pound = 92 Rs. and the average rate for year 2016 was 1 pound = 91 Rs. convert the above trial balance in to Rs. and prepare Final Account of London branch in the books of Mumbai H.O.

**OR**

1. Mihir Ltd. has H.O. in Vadodra and branch in Pune. Pune branch receive part of the goods at cost price from H.O. and purchase part of the goods from outside.

The branch maintains its separate books of account. The trial balance of the H.O. and branch as on 31-3-2014 is as follows :

Particulars	H.O		Branch	
	Debit Rs.	Credit Rs.	Debit Rs.	Credit Rs.
Capital	-	5,25,000	-	-
Fixed assets	1,65,550	-	56,000	-
Debtors-creditors	2,27,500	63,700	17,500	44,800
Opening stock	52,500	-	6,300	-
Profit – loss A/c (1-4-2013)	-	34,300	-	-
Purchase and sales	5,25,000	5,60,000	28,700	1,15,500
Miscellaneous exp.	1,43,500	-	12,750	-
Good sent by H.O	-	85,050	78,750	-
Cash and bank	97,300	-	7,000	-
Current Account (Branch / H.O)	56,700	-	-	46,200
	12,68,050	12,68,050	2,06,500	2,06,500

(1) Depreciated fixed assets at 20% p.a.

(2) The closing stock of H.O is Rs. 1,59,250 and that of branch is Rs. 12,250 on 31-3-2014

(3) The difference in the current account balances of H.O. and the branch is due to cash in transit and goods in transit.

Prepare – Columnar Trading Account and Profit – Loss A/c. and Consolidated Balance Sheet of Mihir Ltd. (H.O. and branch) and also prepare current A/c. of Branch in the books of H.O.

2. From the following balances of integrated Bharat Insurance Co. Ltd. Prepare necessary revenue A/c & P & L in respect of the year 2010. [15]

Baddebt		Difference in Exchange (Credit)	300
Fire	5,000	Profit on sale of land	60,000
Marine	10,000	Re-insurance premium (Credit)	
Re-insurance Recoveries		Fire	20,000
Fire	4,000	Marine	45,000
Marine	6,000	Re-insurance premium (Debit)	
Management Exp.	5,47,400	Fire	25,000
Premium		Marine	60,000
Fire	6,00,000	Audit Fees	2,000
Marine	10,80,000	Director's Fees	4,200
Share Transfer fees	400	Miscellaneous Income	1,600
Marine Fund (1-1-10)	7,60,000	Paid Claim	
Fire Fund (1-1-10)	2,50,000	Fire	1,40,000
Commission (Paid)		Marine	3,00,000
Fire	90,000	Additional Rese. (1-1-10)	
Marine	1,08,000	Fire	50,000
Depriciation	35,000	Marine	-
Investment Flactration Funds	8,000	Interest & Dividens	19,000
Out standing claims (1-1-10)		Commision (Earned)	
Fire	50,000	Fire	30,000
Marine	60,000	Marine	60,000

Additional Information :

- The normal reserves required is 50% for fire and 100% for Marine of net premium.
- The estimated liability in respect of outstanding claims and premium due as on 31-12-10

	O/s Claims	O/s Premium
Fire	1,00,000	5,000
Marine	1,40,000	15,000

- Create additional Investment flatuation fund of Rs. 10,000
- Management Expenses are to be allocated between fire and marine departments on net premium income of each department.
- The expenses stated above are the direct expenses for the respective department. In addition, common expenses were Rs. 20,000.
- Additional Reserves is not necessary

3. From the following information prepare value added and allocation statement.

[10]

Particular	Rs.
Selling	71,42,000
Commssion of selling	57,600
Purchase of Raw Material	28,80,000
Stock of Row Material	
Opening Stock	2,44,800
Closing Stock	3,11,040
Other goods (NET)	2,67,840
Finished Stock	
Opening Stock	5,76,000
Closing Stock	6,91,200
Expenses for staff	4,55,040
Insurance	78,880
Rent, Taxes	46,080
Remuneration of M. D.	2,41,920
Carrage outward	63,360
Management Fees	1,15,200
Interest of Bank Loans	51,840
Dividend of Sharholders	86,400
Retained Earnings	3,60,000
Depriciation	1,54,400
‘I. T. Pronsions	2,88,000
Audit Fees	11,520
Travelling Expenses	60,480
Advertising Expenses	72,000
Postage & Telegram	40,320
Salary to Staff	18,14,800
Share in P. F.	1,72,800
Subscription	5,760

4. Short note : (Any two)

1. Discuss about Reports submitted before various levels of Management. [06]
2. State the modern trends in published accounts. [05]

**OR**

1. Stat the principles to be considered while preparing reports to be submitted to the management. [06]
2. State the modern trends in published accounts with reference to progress charts and graphs and distribution of Income. [05]



J. Z. Shah Arts & H. P. Desai Commerce college, Amroli

Internal Test - 2017

M.Com. Semester - II (EM)

Financial & Management Accounting - VI

Date : 16/03/2017

Time : 08:00 To 10:00

Roll No. ....

Total Marks : 50

Q-1 (A) Find out taxable income from other sources for the A.Y.2016-17 from the following details of Jenisha Dhimmar. (5)

- 1) Interest of Rs.5,000 on 7% capital investment bond.
- 2) Rs.8,970 interest on 7.5% debentures of K Ltd.(TDS 10.30%)
- 3) Winning from lottery (Net) Rs.17,275(TDS 30.90%)
- 4) Rs.80,000, 10% Gujarat Govt. loan
- 5) Interest of Rs. 11,910 received on 8% of Priyanshi Ltd.'s tax free debentures (TDS 20.60%)

(B) Book profit of a partnership firm is Rs.7,79,000 and remuneration of partners debited to P & L A/C is Rs. 5,60,000. Calculate actual remuneration payable to partners. (5)

Q-2 From the following details of Chauhan Pooja find out taxable income from other sources for A.Y.2016-17 (15)

- 1) He received Rs. 8,000 per month as rent of his own plant & Machinery. On 1/4/2015 the written down value of machinery was Rs.3,00,000. Approved rate of depreciation is 30%.
- 2) He received Rs.2,80,000 from unrecognized provident fund in which the share of employer and employee was as 2:3.The employer gave contribution of Rs.1,00,000
- 3) Winning from motor race Rs. 2,76,400(Net)
- 4) Rs.71,512 received as gift from a friend of grand father.
- 5) Agricultural income in foreign Rs. 2,80,000 to get such income, Rs.2,20,000 paid as expenses
- 6) Rs.7,000 per month received as rent from sub-tenant.He paid Rs.5,000 per month to the owner of house.
- 7) Winning from lottery Rs. 2,80,000(Net)
- 8) 12% 2,40,000 tax free debentures of Vishal Ltd.(TDS 20%)
- 9) 10% 3,60,000 tax-less debentures of Hema ltd.(TDS 10%)
- 10) Un-explained investments Rs.36,272.
- 11) He really purchased Gold-silver of Rs. 5,67,891 but it was recorded in the books as Rs.4,31,619.
- 12) Winning from cross-word puzzle Rs.4,000(Gross)
- 13) 18,000 received as interest on tax-free debentures of Rajan ltd.(TDS 10%) As per prevailing law, the rate of TDS on casual income is 30%

Q-2 According to Value Added Tax Act(VAT) Find out: (8)

(A)

- 1) Total Tax
- 2) Total tax Refund(Credit) and
- 3) Government received as total tax

Megha(manufacturer) purchased raw-material as follows:

Rawmaterial of 2,000 purchased from Neha(Rate of VAT 10%)

Rawmaterial of 3,000 purchased from Rushika (Rate of VAT 9%)

Rawmaterial of 8,000 purchased from Disha (Rate of VAT 8%)

She produced finished products from such goods, and it was sold on 30,000 to the Wholesaler, rate of VAT was 6%

Then, the wholesaler sold it to retailers at 50,000 ,the rate of VAT was 7%

The retailers sold it to consumers at 60,000 ,The rate of VAT was 8%

Q-2 According to Value Added Tax Act(VAT) Find out: (7)

(B)

- 1) Total Tax
- 2) Total tax Refund(Credit) and
- 3) Government received as total tax

Manufacturer Gopika has purchased raw-material as follows:

Rawmaterial of 2,000 purchased from Riya(Rate of VAT 5%)

Rawmaterial of 6,000 purchased from Charmi (Rate of VAT 4%)

Rawmaterial of 4,000 purchased from Komal (Rate of VAT 6%)

She produced finished products from such goods, and it was sold on 25,000 to the Wholesaler, rate of VAT was 3%

Then, the wholesaler sold it to retailers at 40,000 ,the rate of VAT was 4%

The retailers sold it to consumers at 60,000 ,The rate of VAT was 3%

Q-3 Compute the book profit and the maximum remuneration which can be paid to the (15)

partners U/S 40(b) from the profit & loss account submitted by a firm consisting of two partners namely, Chintan and Dharmesh.

Particulars	Rs.	Particulars	Rs.
Cost of Goods Sold	40,00,000	Sales	56,46,000
Office Salaries	5,80,000	Interest on investments	10,000
Interest on loan from a minor son of Partner		Long term capital gain	15,000
Chintan@ 14% p.a.	24,000	Short term capital gain	20,000
Purchase of Machinery @ 14% p.a.	48,000	Winning of lotteries(gross)	10,000
Office rent	40,000		
Commission to working partner Chintan	80,000		
Interest on loan to partner Dharmesh who is non-			

working partner @ 24% p.a.	36,000		
Salary to a working Partner chintan	4,40,000		
Salary to a non working Partner Dharmesh	48,000		
Interest on capital of chintan @20% p.a.	30,000		
Interest on capital of Dharmesh@20% p.a.	10,000		
Provision for bad & doubtful debts	10,000		
Entertainment Expenditure	15,000		
Income tax paid	10,000		
Doations to PM's National Relif Fund	40,000		
Net Profit	2,90,000		
<b>Total</b>	<b>57,01,000</b>		<b>57,01,000</b>

**OR**

- Q-3 (A) Explain the incomes under the provisions of clubbing of income (8)  
(B) According to Sec0193 deduction of tax from interest on securities. (7)

- Q-4 Short Notes(Any two) (10)  
1)Provision for Advance tax  
2)Conditions for section 184 & 40(b) of partnership firm  
3)exemptions from levy of VAT  
4) Tax credit



Q. - 1. Answer the following question in short. [10]

- (a) Explain shocks and Stimulants.
- (b) Define economic model.
- (c) What is warranted growth rate?
- (d) Who is empirical entrepreneur?
- (e) State the components of innovation.

Q. - 2. Explain the types, uses and limitations of economic models. [13]

OR

- (a) Discuss limitations of Domar's growth model. [07]
- (b) Differentiate between Harrod and Domar model. [06]

Q. - 3. Critically explain the Lewis model of economic growth. [13]

OR

- (a) What is capital-output ratio? Discuss it's determinants. Explain [07]
- (b) Input-Output analysis model. [06]

Q. - 4. Write short notes (Any Two) [14]

- (a) Social cost and Social Benefit
- (b) Cost- Benefit methodology
- (c) Limitations of capital – output ratio.
- (d) Take-Off Stage



(1) All answers are compulsory.

(2) Right side number shows marks for each quest.

Q. 1. Answer in brief: (10)

- a) What is meant by empowerment ?
- b) Give the meaning of total quality management.
- c) What is meant by confidence by management ?
- d) Define cyber Corp.
- e) State the objectives of change.

Q. 2. Explain the reasons of individual resistance to change. (12)

OR

Explain internal dynamics of team.

Q. 3. What is meant by conflict management? Explain its levels of intra-personal conflict. (13)

Q.4. (a) Write any one: (07)

- (1) Importance of confidence by management
- (2) Value stream management

(b) Mahek Co-operative bank is a private bank established in Gujarat. It becomes well known in the state to provide good services to its customers. As time passes the bank is failed to provide speedy service to its customers due to lack of technology. The bank manager Mr. Satish Panwalla thinks that if this situation may continue, the bank will lose its investors and customers. Thus, he thinks to re-mechanism to the bank so that, the customers get speedy service without wasting of time and receive opportunity to have more use of information technology. (08)

Which are the managerial problems involved in the above case? Argue in support of your solution.





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Q. 1. Answer in brief : (10)

- (1) State the process of copy development
- (2) What is moral appeal
- (3) State the types of sales organisation
- (4) State the characteristics of an Ideal compensating plan
- (5) State the problems of sales cost analysis

Q. 2. Explain the process of advertising message development (13)

OR

Q. 2. Explain the consumer jury survey method and psychology analysis method of Pre-testing. (13)

Q. 3. (A) Explain Techniques of control on sales expenses (07)

(B) Discuss the qualifications of sales manager (07)

OR

Q. 3. (A) Describe the factors influencing compensation plan (07)

(B) Explain the process of sales force performance evaluation. (07)

Q. 4. (A) Write a short note (any one) (07)

1. Functions of advertising agency
2. Sales meeting
3. Field sales organisation

Q. 4. (B) Case Study : (07)

Shiv home appliances Ltd. Company pays its sales people well.

Company has thought about an incentive plan to keep the sales people motivated. It has thought of providing house hold utilities to these people by performance.

They also want to introduce a travel plan, as a local or foreign travel is a dream of many people. Travel plan scores more over the house hold utility plan. Travel plans is liked more as even family can go with sales people.

Can you think of some more incentives for shiv's sales people?



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Internal Test ~ 2017

M. Com. Semester - II (EM)

Financial & Management Accountancy ~ IV

Date : 14/03/2017

Roll No. ....

Time : 08:00 To 10:00

Total Marks : 50

Q. 1. Give the answer as per instruction : (08)

(A) Show the effect in cash flow statement as AS-03 as a operating activities, investment activities and financial activities from the following information :

(1) Particulars	As on 31-3-2015 (Rs.)	As on 31-3-2016 (Rs.)
General Reserves	3,25,000	6,99,000
Machinery (W.D.V)	8,75,000	9,01,000

(2) Balance of accumulated depreciation as on 31st March, 2015 and 31st March, 2016 has been included in the balance of above general reserves as on 31st March, 2015 and 31st March, 2016.

(3) The company purchased its first machinery on 1st June, 2014 while second machinery was purchased on 30/09/2015.

(4) Depreciation provided on machinery at 15% under diminishing balance method.

(B) Shiv Co. Ltd. acquired 1500 shares of Shivam co on 1-7-2002 total shares of Shivam co. were 10,000. On 01-01-2002 and 31-12-2002 Machineries of Shivam co. Showed Balances of Rs. 2,00,000 and Rs. 1,80,000 respectively. On 01-07-2002 Machineries were revalued at Rs. 2,60,000. What will be the effect of this transaction on calculation of capital reserve ?

Q. 2. Following are the Balance Sheets of Shri Kashi-Vishwanath Ltd. as on 31-3-2015 (15) and 31-3-2016 :

Liabilities	31.3.15 Rs.	31.3.16 Rs.	Assets	31.3.15 Rs.	31.3.16 Rs.
Equity share capital Rs. 10 each	10,00,000	15,00,000	Goodwill	83,000	1,33,000
12% Red. Pref. share capital	3,00,000	2,00,000	Building	5,00,000	7,00,000
Securities Premium	-	4,000	Machinery (W.D.V)	4,45,000	6,75,000
Capital Redemption Reserve	-	1,00,000	Computes (W.D.V)	-	1,68,000
General Reserves	4,00,000	6,00,000	Investments	5,00,000	8,00,000
Sinking fund	86,000	11,000	Interest accrued on investments	38,000	11,200
Worker Compenstion Fund	25,000	24,000	Debtors	1,75,000	2,25,000
Profit and Loss Account	-	2,65,000	Stock	3,00,000	4,51,000
10% convertible debentures	75,000	1,25,000	Cash and Bank	20,000	19,800
			Bills Receivable	40,000	65,000
			Custom Deposits	24,000	94,000
			Preliminary Exp.	25,000	23,000
			Profit and Loss A/c.	2,02,000	-

Public Deposits	1,56,000	60,000			
Creditors	1,55,000	1,48,000			
Unclaimed dividend	5,000	5,000			
Proposed Dividend	~	55,000			
Provision for Taxation	~	45,000			
Provident Fund	55,000	1,00,000			
Depreciation Fund on Building	50,000	70,000			
Pref. share redemption premium	45,000	30,000			
Pref. share redemption suspense A/c.	~	23,000			
	23,52,000	33,65,000		23,52,000	33,65,000

Additional Information :

- (1) Balance of accumulated depreciation on plant and machinery was Rs. 75,000 on 31-3-2015 and Rs. 55,000 on 31-3-2016. Depreciation for the current year is charged Rs. 33,000. During the current year on part of machine was sold at loss of Rs. 12,000.
- (2) The purchase of goodwill Rs. 80,000 and machinery Rs. 3,53,000. The part payment made in equity shares of Rs. 55,000 and Rs. 3,29,000 respectively and remaining amount paid by cash.
- (3) 10% redeemable pref. share were redeemed at primium ; for this purpose amount transfer from General Reserve. All payments were made except to the holders of such pref. shares who could not be traced.
- (4) Rs. 20,000 debenture converted into equity share Rs. 10 each 25% premium. Some debenture is redeemed while some new debenture has been issued at 5% discount.
- (5) On 1-10-2015, new computes were purchased. Rate of depreciation is 32% p.a.
- (6) It is found that branch of company has remitted a cheque of Rs. 10,000, which as not yet received upto 31-3-2016. Only effect not given in balance sheet of this adjustment.
- (7) Provision made for doubtful debt Rs. 25,000.

From the above information prepare Cash Flow statement as per A.S. -03 for the year ending 31st March, 2016.

OR

Q. 2. Following are the Balance Sheets of Shri Narayan Ltd. as on 31-3-2016 and (15)  
and 31-3-2015 :

Liabilities	31.3.16 Rs.	31.3.15 Rs.	Assets	31.3.16 Rs.	31.3.15 Rs.
Equity share capital Rs. 10 each	21,00,000	9,00,000	Land & Building	12,00,000	15,00,000
10% Red. Pref. share each Rs. 100 each			Machinery	7,00,000	5,00,000
Rs. 80 per share called up 12,48,000			Furniture	1,80,000	2,55,000
Less :			Investments	2,40,000	3,00,000
Incalls Rs. 20 per share 12000	~	12,36,000	Goodwill	1,50,000	1,80,000
			Current Assets		
			Loans & Advances	23,63,000	20,85,000
			Preliminary Expenses	60,000	90,000
			Debenture Discount	24,000	~

Securities Premium	-	60,000		
Capital Reserve	1,50,000	-		
Capital redemption Reserve	3,60,000	-		
General Reserve	3,00,000	9,60,000		
Profit and Loss A/c.	4,50,000	3,00,000		
Public Deposits	-	3,06,000		
12% Debentures	3,00,000	-		
Creditors	3,60,000	3,30,000		
Advance to debtor	25,250	-		
Proposed dividend	1,50,000	1,00,000		
Corporate dividend tax	15,000	10,000		
Bank Loan	2,93,000	4,28,000		
Provision for Taxation	2,40,000	2,10,000		
Unclaimed Dividend	30,000	-		
Pref. share redemption				
Suspense A/c 57,750 uncalls	8,000	43,750		
Depreciation fund on machinery	1,00,000	70,000		
	49,17,000	49,10,000	49,17,000	49,10,000

Additional Information :

- (1) The valuation of opening stock and closing stock was determined more than and less than Rs. 10,000 and Rs. 15,000 respectively.
- (2) Balance of depreciation fund on Land and Building.  
on 31-3-2015 ..... Rs. 5,00,000  
on 31-3-2016 ..... Rs. 6,00,000
- (3) Some investments were sold at Rs. 1,25,000 sold out at 25% profit on cost price and a part of land also sold at profit. These profits has been transferred to capital reserve.
- (4) During the year, company had redeemed red. pref. shares with 15% premium after complying with the provisions of Company Act but the money were received except on 400 shares for this purpose, partial from central reserve and partial from issued a new equity shares at 10% premium. All payments were made, except to the holders of 50 pref. shares who could not be traced. The capital redemption reserve equity share hold.
- (5) on 1-4-2014 new debentures were issued which repayable after five years. There is no effect for interest accrued but not due on Debenture Rs. 3,000.
- (6) Furniture costing Rs. 25,000 on 1-4-2015 was sold at 10% loss. During the year the first new furniture was purchased on 1-1-2016 which its Rs. 2,500 depreciation was charged. Second new furniture was purchased on 31-3-2016 20% p.a. depreciation was charged on furniture.
- (7) During the year a new machinery has been purchased and consideration given against equity shares of company at par value and on 1-4-2015 one machinery has been sold at their some value.
- (8) On 31-3-2016 Rs. 75,000 costing laptop was purchased which entry given in purchase book by mistake. Rate of depreciation is 60% p.a.
- (9) Current assets loans and advances include cash and Bank Balance of on 31-3-2015 Rs. 4,50,000 (Dabit Bal) and on 31-3-2016 Rs. 6,00,000.

From the above information, prepare cash flow statement as per AS-03 for the year ending 31st March, 2015 in the books of Shri Swaminayrayan Ltd.

Q. 3. Following is the Profit and Loss Account for year ending 31st March 2015 of Shri Suriya Ltd. (15)

Particulars	Amount Rs.	Particulars	Swarali .
To salary, wages and allowances	7,50,000	By Gross Profit	43,79,000
To Depreciation on Fixed assets	3,75,000	By Securities Premium	60,000
To Interest on Debentures (Gross)	40,000	By Received other interest (Gross)	54,000
To Sinking fund	50,000	By subsidy	1,80,000
To other administrative and selling expenses	18,00,000	By Income tax refund	28,000
To Dividend equalization fund	75,000	By interest debited to debtors	20,000
To Interest paid on public deposit (net.)	18,000	By Received discount	12,000
To Director Fees	18,000	By Interest on loss tax Debenture (net)	24,000
To Discount allowed	18,000	By Bad debts recovery	15,000
To Donation	51,151	By profit on sale of building	1,92,000
To Bad Debts	12,000	By Interest on Tax - free debenture (TDS rate 10%)	36,000
To Loss on sale of furniture	12,000		
To written of preliminary exp.	6,000		
To development rebate reserve	18,000		
To provision for income tax	2,06,000		
To proposed dividend	4,50,000		
To Corporate dividend tax	45,000		
To Interest on Loan for purchase of machine	12,000		
To Balance transferred to Balance Sheet	10,43,849		
	50,00,000		50,00,000

Additional Information :

- (1) Received other interest included Rs. 9,000 interest on debenture redemption fund investment.
- (2) In provision for taxation, 3% cess charge is not indicated and in income tax refund included Rs. 3,000 interest.
- (3) Rate of tax deducted at source for less tax debenture is 20% while on interest paid for public-deposits is 10%.
- (4) In amount of donation 90% amount is less recognized as per sec. 80(G) of Income Tax Act.
- (5) On 1-4-2014 one W.D.V., building was sold out with 300% profit. This building was purchased on 1-4-2012. Rate of depreciation is 20% p.a. as per decline method.
- (6) Rs. 15,000 depreciation charged of following machine is included in above depreciation on fixed assets amount.  
This machine was purchased on 1-4-2014 at Rs. 1,00,000 which was use for production from 1-7-2017. Allowable rate of depreciation of this machine is 15% p.a. on date of purchase. Company obtained Rs. 1,00,000 Loan at 12% p.a. interest for purchase these machine.
- (7) Following items are not included in above profit and loss account.
  - (a) Rs. 50,000 costing investments were sold at 20% loss.

- (b) Share transfer fees Rs. 11,000  
(c) Discount reserve on creditors Rs. 26,000  
(d) Received dividend prior to purchase of investment.  
(e) Scientific research exp. (capital nature) Rs. 40,000  
(f) Insurance premium paid Rs. 36,000 (up to 30-6-2015)

From the above information calculate of profit for managerial remuneration, also calculate managerial remuneration under section 198 as per Company Act and the commission payable to directors.

OR

Q. 3. Balance sheet of swayam and swrai Ltd. as on 31-3-2016 in as under : (15)

Liabilities	Swar .	Swarali .	Assets	Swar .	Swarali .
Eq. share capital Rs. 10 per share)	3,00,000	1,00,000	Investment	2,00,000	25,000
6% debenture Rs. 100 each)	80,000	50,000	Goodwill	40,000	20,000
General Reserve	15,000	25,000	Land & Building	50,000	35,000
P & L A/c.	35,000	10,000	Machine	75,000	62,500
Creditors	20,000	15,000	- Dep	(9000)	
	4,50,000	2,00,000		4,50,000	2,00,000

Additional Information :

(1) Shares purchased by Swar Ltd. as follows :

Date	Share Purchased	Purchase Price
01-10-2015	6,000	On 50% premium
31-12-2015	3,000	On 100 % Premium

(2) Balance as on 31-3-2015 in the books of Swarali Ltd. general Reserve Rs. 10,000 and that of P&L a/c Rs. 4,000.

(3) On 1-10-2015 assets of Swarali Ltd. revalued as under but no allounting treatment is given in the books.

Machine = Rs. 75,000

Furniture = Rs. 9,000

(4) During the year Swarali Ltd. sold goods cost price Rs. 8,000 at 20% profit on sales price. out of which Swar Ltd. sold 3/4 goods during the year.

(5) Creditors of Swar Ltd. includes Rs. 5000 payable to Swarali Ltd.

(6) Swar Ltd. issued cheque of Rs. 2000 on 29-3-2016 and received by Swarali Ltd. on 5-4-2016.

From the available information prepare consolidated balance sheet as 31-3-2016.

Q. 4. Write short note on (any two) (12)

1. Designing an accounting system
2. Inter company transaction between holding and subsidiary company
3. Benefits of social accounting
4. Revaluation Assets of subsidiary company

