

2½ Hours

Marks: 75

Note:

- All questions are compulsory.
- Each question carries 15 marks.
- Figures to the right indicate full marks.
- Use simple calculator.
- Working should form part of answer.

Q.1 A) Rewrite the sentences after selecting correct alternative: (Any eight) (08)

1. A Gilt Fund is a special type of fund that invests _____.
 - a. in very high quality equity only
 - b. in instruments issued by companies with a sound track record
 - c. in short term securities
 - d. in government securities only
2. The NAV of mutual fund _____.
 - a. is always constant
 - b. keeps going up at a steady rate
 - c. fluctuates with market price movements
 - d. cannot go down at all
3. Total number of International Financial Reporting Standards (IFRS) _____.
 - a. 41
 - b. 15
 - c. 33
 - d. 19
4. IFRS _____ deals with Revenue from Contracts with Customers.
 - a. 1
 - b. 5
 - c. 10
 - d. 15
5. M Ltd. acquired 2000 equity shares of Yes Ltd. on cum-right basis at ₹ 75 per share. Subsequently, Yes Ltd. made a right issue of 1:1 at ₹ 60 per share, which were subscribed for by M Ltd. Total cost of investment at the year-end will be _____.
 - a. ₹ 2,70,000
 - b. ₹ 1,50,000
 - c. ₹ 1,20,000
 - d. ₹ 2,00,000
6. Long term investments are carried at _____.
 - a. Fair Value
 - b. Cost-Price
 - c. Cost or Market whichever is less
 - d. Cost or Market whichever is high

7. A co-operative housing society has 15 members. All payments in excess of the following limits shall be made by means of Crossed A/c Payee Cheque.
 - a. ₹ 1500
 - b. ₹ 3000
 - c. ₹ 4500
 - d. ₹ 5000
8. Every society deriving profits shall transfer _____ % of the profit to the Reserve Fund.
 - a. 10
 - b. 25
 - c. 15
 - d. 5
9. Grant received under APDRP of Ministry of Power is accounted for _____.
 - a. as a liability
 - b. as a reserve
 - c. as a capital reserve
 - d. as reduction in cost of fixed assets
10. Balance of accrued interest on security deposit from electricity consumers' _____.
 - a. is written off
 - b. is shown as current liability
 - c. is shown as non-current liability
 - d. is shown as current assets

Q.1 B) State whether the given statements are TRUE or FALSE: (Any seven) (07)

1. A fund that charges a load is better than no-load fund.
2. AMC directors are appointed with the permission of trustees.
3. IFRS 4 deals with Insurance Contracts.
4. IFRS 1 was issued in June 2003.
5. Interest is always calculated on market value of the security.
6. When the rights are sold (without subscribing), sale proceeds are credited to the profit & loss a/c.
7. Co-operative society is a corporate body distinct from its members.
8. A co-operative housing society does not prepare Trading and Profit & Loss A/c.
9. The main purpose of the Electricity Act 2003 is to make electricity companies self-sustainable.
10. Ex-Interest price less Accrued Interest = Cost of the Investment.

Q.2 A) The Trial Balance of Adani Electric Supply Ltd. for the year ended 31st March, 2023 is as below: (15)

Particulars	Dr. ₹ ('000)	Cr. ₹ ('000)
Share Capital:		
Equity Shares of ₹ 10 each		1,00,000
14% Preference Shares of ₹ 100 each		30,000
Patents and Trademark	5,008	
15% Debentures		49,400
16% Term Loan		30,600
Land (additions during the year 2,050)	24,900	
Building (additions during the year 5,080)	70,268	
Plant and Machinery	1,14,116	
Mains	9,048	
Meters	6,300	
Electrical Instruments	3,060	
Office Furniture	4,900	
Capital Reserve		8,040
Contingency Reserves		24,060
General Reserve		2,000
Transformers	32,880	
Opening Balance of Profit and Loss Account		700
Profit for the year 2022-23 subject to adjustments		10,000
Stock in Hand	24,100	
Sundry Debtors	12,492	
Contingency Reserve Investments:		
- SBI Bonds – 2030	20,020	
Other Investments	4,000	
Cash and Bank	6,508	
Public Lamps	6,080	
Depreciation Fund		51,632
Sundry Creditors		13,048
Proposed Dividend		24,200
	3,43,680	3,43,680

During 2022-23, 1,00,000, 14% Preference Shares were redeemed at a premium of 10% out of proceeds of fresh issue of Equity Shares of necessary amounts at a premium of 10%.

Adjustments:

1. Transfer to Contingency Reserve ₹ 3,40,000 and to General Reserve ₹ 4,00,000
2. Loss on Contingency Reserve Investment ₹ 20,000
3. Make a Provision for debts considered doubtful of ₹ 20,28,000.

You are required to prepare for the above period general balance sheet as on 31st March, 2023 as per Schedule III of the Companies Act, 2013.

OR

52767

Page 3 of 6

Q.2 B) From the following Receipts and Payment Account for the year ending 31-3-2023, prepare final accounts in the prescribed format as per applicable legal provisions. (15)

SANKALP CHS LTD.
Receipts and Payments Account

Payments	₹	Receipts	₹
To Property Taxes	6,51,334	By Opening	Nil
To Water Charges	5,051	By Collection from members	61,79,560
To Electricity Charges	6,310	By Interest – Savings Bank	4,819
To Insurance Charges	5,629	By Tata Sky Rent	25,000
To Repairs and Maintenance	19,501		
To Salaries	42,000		
To Postage	3,908		
To Conveyance	222		
To Subscription to the Education Fund	15		
To Security	1,18,001		
To Land and Building	53,00,000		
To Cash on Hand c/d	2,542		
To Cash in Banks c/d	54,866		
	62,09,379		62,09,379

Further information:

- | | |
|---|------------------|
| a) Details of collection from members: | ₹ |
| i. Property Taxes and Expenses | 6,78,110 |
| ii. Establishment Expenses | 1,66,000 |
| iii. Entrance fees | 3,000 |
| iv. Transfer Fund | 200 |
| v. Sinking Fund | 6,000 |
| vi. Repairs Fund | 25,000 |
| vii. Cost of Building | 53,00,000 |
| viii. Subscription: 25 Shares of ₹ 50 each | 1,250 |
| | 61,79,560 |
| b) Authorized Capital: 1000 shares of ₹ 50 each | |
| c) Outstanding Electricity Expenses | 3,400 |

Q.3 A) Mr. Sujal holds 1,000 – 10% Debentures of ₹ 100 each in MT Ltd. as on 1st April, 2022 at a cost of ₹ 1,20,000. Interest is payable half yearly on 30th September and 31st March every year. (15)

Transactions for the year are as follows:-

Date	Particulars	Number of Debentures	Rate (₹)
01-07-2022	Purchased	500	102 Cum Interest
30-09-2022	Purchased	500	97 Ex Interest
01-01-2023	Sold	700	110 Cum Interest
31-01-2023	Sold	300	98 Ex Interest
01-03-2023	Purchased	200	105 Cum Interest

The books of accounts are closed on 31st March every year.

Prepare Investment in 10% Debenture Account in the books of Sujal for the year ended 31-3-2023. Market value of the above investment on 31st March, 2023 was ₹ 1,30,000.

OR

Q.3 B) Mr. Alok entered into following transactions of Equity Shares of ₹ 10 each of Alka Ltd. (15)

Date	No. of Shares	Details
1-4-2022	3,000	₹ 69,000-Cost (Opening)
15-5-2022	1,000	Purchase @ ₹ 24 per share
15-7-2022	5,000	Bonus shares received
15-12-2022	1,500	Sale @ ₹ 22 per share
1-3-2023	1,000	Sale @ ₹ 24 per share

Additional Information:

- On 1st September 2022, dividend @ ₹ 3 per share was received for the year ended 31-3-2022.
- On 10th November 2022, the company made a right issue of Equity shares in the ratio of one share for every five shares held on payment of ₹ 20 per share.

Mr. Alok subscribed for 50% of the shares and sold remaining on his right @ ₹ 3 per share. You are required to prepare investment in Equity Shares A/c in the books of Mr. Alok for the year ended 31-03-2023. (Round off figures to the nearest rupee.)

Q.4 A) On 1-4-2022 XYZ Mutual Fund issued 40 lakh units at ₹ 10 per unit. Relevant initial expenses involved were ₹ 24 lakhs. It invested the fund so raised in capital market instruments to build a portfolio of ₹ 370 lakhs. During the month of April 2022 it disposed off some of the instruments costing ₹ 120 lakhs for ₹ 126 lakhs and used the proceeds in purchasing securities for ₹ 112 lakhs. Fund management expense for the month of April 2022 was ₹ 16 lakhs out of which 10% was in arrears. In April 2022 the fund earned dividends amounting to ₹ 4 lakhs and it distributed 80% of the realised earnings. On 30-4-2022 the market value of the portfolio was ₹ 396 lakhs. Calculate the closing NAV per unit. (08)

Q.4 B) From the following balances as at 31st March, 2023, prepare the Notes to Accounts for Share Capital, Reserves and Surplus and Fixed Assets. (07)

Particulars	₹	Particulars	₹
Balance on 1 st April 2022		Share capital- Ordinary Shares	3,29,400
- Equipment	90,000	Management Expense	12,000
- Machinery	3,60,000	Depreciation Fund	1,50,000
- Mains	1,20,000	Net Revenue A/c as on 01/04/2022	17,100
Expenditure during the year		Profit for the current year	28,800
- Equipment	3,000	Interim Dividend	12,000
- Machinery	3,000	Debentures	1,20,000
- Mains	30,600		

The electricity company had the authorised share capital : 25,000 shares of ₹ 50 each

OR

Q.4 C) The investment portfolio of a mutual fund scheme includes 10,000 shares of Z Ltd. and 8,000 shares of W Ltd. acquired on 31-12-2022. The cost of Z Ltd.'s shares is ₹40 while that of W Ltd.'s shares is ₹60. The market values of these shares at the end of 2022-23 were ₹38 and ₹64 respectively. On 01-07-2023, shares of both the companies were disposed off realizing ₹37 per Z Ltd.'s shares and ₹67 per W Ltd.'s share. Show important accounting entries in the books of the fund for the accounting years 2022-23 and 2023-24. (15)

Q.5 A) Explain Co-operative Housing Society and its main objects of formation. (08)

Q.5 B) Explain in detail IFRS 1-First Time Adoption of IFRS. (07)

OR

Q.5 C) Write short notes on: (Any 3) (15)

- i. Net Asset Value (NAV)
- ii. Main purpose of The Electricity Act, 2003
- iii. Co-operative Society
- iv. Ex-interest and Cum-interest price
- v. Role of ICAI in convergence of accounting standards in India