

FINAL EXAMINATION

June 2013

F-P16(AFA)
Syllabus 2008

Advanced Financial Accounting and Reporting

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Part A questions are compulsory. Attempt all of them.

Part B has seven questions. Attempt any five of them.

- Please*
- (1) Write answers to all parts of a question together.*
 - (2) Open a new page for answer to a new question.*
 - (3) Attempt the required number of questions only.*
 - (4) Indicate in the front page of the answer book the question attempted.*

PART A : (25 Marks)

1. (a) In each of the cases given below, one out of four alternatives is correct. Indicate the correct answer (= 1 mark) and give workings/reasons briefly in support of your answer (= 1 mark); 2×8=16
- (i) SMITH LTD. had 1000000 equity shares outstanding on April 01, 2012. The average fair value per share during the year 2012-13 was ₹ 50. The Company has given share option to its employees of 2,00,000 shares at option price of ₹ 40. If net profit attributable to equity shareholders for the year ended March 31, 2013 is ₹ 21 lakh, what would be DILUTED EPS as per AS-20?
 - A. ₹ 2.10
 - B. ₹ 2.06
 - C. ₹ 2.02
 - D. None of (A), (B), (C)
 - (ii) VASUDA CONSTRUCTION LTD. undertook a contract on January 1, 2013 to construct a building for ₹ 70 lakh. The Company found on March 31, 2013 that it had already spent ₹ 52 lakh on the construction. Prudent estimate of additional cost for completion was ₹ 28 lakh. SContract value to be recognized as Turnover in the final accounts for the year ended March 31, 2013 as per AS-7 (revised) will be
 - A. ₹ 52.5 lakh
 - B. ₹ 50.4 lakh
 - C. ₹ 45.5 lakh
 - D. None of these
 - (iii) BANSAL LTD. had acquired 75% share of NAVINA LTD. for ₹ 27 lakh. The Net Assets of NAVINA LTD. on the day are ₹ 24 lakh. During the year Bansal Ltd. sold the investment for ₹ 32 lakh and Net Assets of Navina Ltd. on the date of disposal was ₹ 40 lakh. The Profit/Loss on disposal of this investment to be recognized in consolidated financial statement is
 - A. Profit ₹ 8.00 lakh
 - B. Profit ₹ 2.00 lakh
 - C. Loss ₹ 7.00 lakh
 - D. Insufficient Information

Please Turn Over

- (iv) The fair values of Pension Plan Assets of ZOOM LTD. at the beginning and end of the year 2012-13 were ₹ 5,60,000 and ₹ 6,20,000 respectively. The actual return on Pension Plan Assets for the year was ₹ 63,000. If benefit payments made to the retirees are ₹ 64,000, the employer's contribution to the plan during the year as per AS-15 would be
- A. ₹ 52,000
B. ₹ 61,000
C. ₹ 65,000
D. None of (A), (B), (C)
- (v) MS. DEEPASHREE purchased 1000 shares in SPECTRUM LTD. at ₹ 600 per share in 2010. There was a rights issue in 2013 at one share for every two held at price of ₹ 150 per share. If Ms. Deepashree subscribed to the rights, what would be carrying cost of 1,500 shares as per AS-13.
- A. ₹ 6,00,000
B. ₹ 6,75,000
C. ₹ 7,00,000
D. Data insufficient
- (vi) SWIFT LTD. has an asset, which is carried in the Balance Sheet on 31.3.2013 at ₹ 600 lakh. As at that date value in USE is ₹ 400 lakh. If the net selling price is ₹ 450 lakh, Impairment loss of the Asset as per AS-28 will be
- A. ₹ 200 lakh
B. ₹ 150 lakh
C. ₹ 50 lakh
D. None of (A), (B), (C)
- (vii) PARTHAN LTD. reports quarterly and estimates an annual income of ₹ 200 crores. Assume Tax rates on first ₹ 100 crores at 30% and on the balance income at 40%. The estimated quarterly incomes are ₹ 15 crores, ₹ 50 crores, ₹ 75 crores and ₹ 60 crores respectively. The Tax expenses to be recognized in the last quarter as per AS-25 is
- A. ₹ 24 crores
B. ₹ 21 crores
C. ₹ 19 crores
D. Insufficient Information
- (viii) BHARAT LTD. bought a forward contract for three months of US \$ 150000 on 1st March, 2013 at 1 US \$ = ₹ 54.10 when exchange rate was 1US \$ = ₹ 54.12. On 31st March, 2013 when the books were closed forward exchange rate for two months was US \$ 1 = ₹ 54.16. On 30th April, 2013 the contract was sold at ₹ 54.20 per US Dollar. As per AS-30 the profits from sale of contract to be recognized in the Profit & Loss A/c will be
- A. ₹ 6,000
B. ₹ 8,000
C. ₹ 12,000
D. None of these

