

PART B**17U355**Answer any *eight* questions. Each question carries 2 marks.

11. Define divisible profit.
12. State the meaning of impairment of assets.
13. Distinguish between double account system and double entry system.
14. How will you calculate the value of right?
15. What are onerous contracts?
16. Explain the scope of Ind AS 40 regarding Investment Property.
17. Define stock.
18. What is a non-cash transaction? Give Examples.
19. What is cash settled share based payment transaction?
20. What do you meant by sale and lease back transactions?

(8 x 2 = 16 Marks)**PART C**Answer any *six* questions. Each question carries 4 marks.

21. Explain the accounting treatment of Inventories as per Ind AS 2.
22. What do you mean by buy back of shares? Explain the advantages of buy back of shares?
23. How is cost of an internally developed intangible asset recognized as per Ind AS 38?
24. The abstract of the liability side of the balance sheet of Blue Shine Ltd. as at 31/3/2017 was as follows:

| | |
|---|----------------|
| Share capital: | |
| 18,000 9.5% cumulative preference shares of Rs.100 each | ---- 18,00,000 |
| 40,000 equity shares of Rs. 100 each fully paid up | ---- 40,00,000 |
| Reserves: | |
| Securities premium Reserve | ---- 5,00,000 |
| General Reserve | ---- 9,00,000 |
| Secured loans from institutions | ---- 18,00,000 |
| Current liabilities and provisions | ---- 16,00,000 |

The board of directors decided to redeem the preference shares both by issue of fresh capital and by utilization of reserves but without any further borrowings. You are required to advice them the scheme for redemption and give journal entries for redemption.

(2)

25. Star Ltd has the following ledger balances:

| | |
|---|--------------|
| Equity share capital: 50,000 shares of Rs.10 each fully called up | --- 5,00,000 |
| 40,000 shares of Rs.10 each Rs.5 called up | --- 2,00,000 |
| P&L A/C (cr) | --- 2,00,000 |
| Securities premium | --- 2,00,000 |
| Capital Redemption Reserve | --- 2,30,000 |
| Capital Reserve | --- 70,000 |

The company resolved to make the shares partly called up, fully called up by issue of bonus shares. It also resolved that the holders of fully paid up shares be allotted fully paid up shares in the same ratio. Pass journal entries recording the issue of bonus shares.

26. Kiran Ltd borrowed a loan of Rs. 50,00,000 on 1st June 2018, from a financial institution. They charge interest on the loan at fixed rate at 9.5% per year. Interest is payable annually in arrears. The principal is repayable in full on its 8th anniversary of the loan. The entity's annual reporting period ends on 31st March. What is the amount of borrowing cost to be recognized?
27. On 1st April 2018, an entity acquired a taxi license for Rs.95,000 including Rs.5000 non-refundable purchase tax. The purchase agreement provided that payment must be made in full on 31st March 2019. Legal fee of Rs.2000 were incurred in acquiring the taxi license and paid on 1st April 2018. Appropriate discount rate is 10% per year. Calculate the initial cost of taxi license on 1st April 2018.
28. From the following information, calculate deferred tax liability for the year ending 31st March, 2018 taking tax rate of 30%.

| | |
|--|---------------|
| Depreciable amount of depreciable asset as on 31/03/2017 | --- 12,60,000 |
| Depreciable amount as on 31/03/2018 | --- 12,80,000 |
| Tax base of the depreciable assets: | |
| As on 31/03/2017 | --- 12,45,000 |
| As on 31/03/2018 | --- 12,40,000 |

(6 x 4 = 24 Marks)

(3)

Turn Over