

Dr. Babasaheb Ambedkar Open University
Term End Exam August – 2010

Course Code : DAA-03 Roll No. _____
Subject : Accounting in Special situations for companies.
Date : 03-08-2010 Marks : 70
Time : 11:00 to 02:00

Note : All question carry equal marks.

Que 1 : Define Holding Company. Explain the concept of Interest and capital profits.

OR

Madhuvan Ltd. acquires all the shares of S Ltd. on 31st March 2009 . On which date the balance sheets of the two corporates are as under :

Liabilities	Madhuvan Ltd.	S Ltd.	Assets	Madhuvan	S Ltd.
Shares of Rs. 10 each fully paid	5,00,000	2,00,000	Sundry Assets	4,80,000	2,60,000
Reserves	1,00,000	---	100% Shares in S Ltd.	2,00,000	-----
Creditors	80,000	80,000			
	6,80,000	2,60,000		6,80,000	2,60,000

Prepare a consolidated Balance – sheet as at 31st March 2009.

Que 2 : Explain the advantages and disadvantages of holding body corporate.

Explain Inter Company transactions incase of 'Holding Company '
Accounts.

Que 3: Narrate the Accounting treatments for Revaluation of Asssets and
Liabilities.

OR

Explain legal provisions relating to Holding company as per clause – 212 of
the companies Act 1956. (P.T.O)

Que 4: Following are the balance sheet of Ursh Ltd and its Subsidiary Niki Ltd. as at 31st March 2009.

Liabilities	Ursh Ltd.	Niki Ltd.	Assets	Ursh Ltd.	Niki Ltd.
Shares of Rs. 100 each fully paid	6,00,000	2,00,000	Machinery	3,00,000	1,00,000
General Reserves	1,50,000	80,000	Furniture	70,000	45,000
Profit and Loss A/C	70,000	50,000	70% shares in Niki Ltd at cost	2,60,000	-----
Creditors	90,000	60,000	Stock	1,75,000	1,89,000
			Debtors	55,000	30,000
			Cash at Bank	50,000	10,000
			Preliminary Expenses	-----	16,000
	9,10,000	3,90,000		9,10,000	3,90,000

Ursh Ltd acquired the shares of Niki Ltd. on 30th June 2008. On 1st April, 2008 Niki Ltd's General Reserve and profit and loss A/C stood at Rs. 60,000 and Rs. 20,000 respectively. No part of preliminary Expenses was written off during the year ended 31st March 2009.

Prepare the consolidated balance sheet of Ursh Ltd. and its subsidiary Niki Ltd as at 31st March 2009.

OR

Explain Method of preparation of Consolidated Balance Sheet.

Que 5: Write note on the following. (Any two).

1. Minority Interest with illusive figures.
2. Goodwill and capital Reserves with illusive figures
3. Issue of Bonus shares by Subsidiary.
4. Unrealized profits in stocks.