Question Paper Booklet No. 2122406

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to MCQs in Part I are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part II are to be written in the same descriptive answer book. Answers to MCQs, if written inside the descriptive answer book or on Part-I Question Paper, will not be evaluated.
6. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit the descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/ using mobile phone or smart watch will be expelled from the examination and will also be liable for further punitive action.

PART I

30 Marks

1. Answer all questions.
2. Use HB pencil only to darken the circles for answers in the answer sheet.
3. After each question, four alternative answers are given. Choose one of the answers and darken the appropriate circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB pencil.
4. Any answers marked in the question booklet or inside the descriptive answer book will not be considered and no marks will be awarded.
5. If a candidate wants to change the answers already darkened, he should erase it completely, with good quality eraser and ensure that no mark is visible after erasing.
6. No mark will be awarded if no circle is darkened or more than one circle is darkened for a particular question. There is no negative marking for a wrong answer.
7. Rough work, if any, must be done on the pages, specified as SPACE FOR ROUGH WORK only and nowhere else in the question paper booklet or in the answer sheet.
8. Before commencement of the exam, please fill up the necessary information in the space provided below and also in the answer sheet.

Total No. of Printed Pages: 7 **Maximum Marks: 30**

Roll No. | 7 | 6 | 2 | 8 | 3 | 1 |

Question Paper Booklet Code | A | L | M | 1 |

Name of the Candidate	

Signature of the candidate

PART I

Case Scenario – 1:

The Investments of Ramesh Ltd includes 5,000 Equity Shares of ₹ 100 each in Amudhan Bank Ltd. The Bank declared 20% dividend for the year ended 31st March 2023 at its General Meeting held on 30.06.2023. The dividend was received on 05.07.2023, net of TDS @ 10%. Ramesh Ltd finalised its accounts for the year ended 31.03.2023 on 30.08.2023 and it includes ₹ 1,00,000 being the amount of Dividend by it from Amudhan Bank Ltd in its Other Income, subsequent to its Balance Sheet date before approval by the Board of Directors.

Further, Ramesh Ltd entered into a contract with Deva Ltd to dispatch goods valuing ₹ 1,00,000 every month for 6 months upon receipt of entire payment. Deva Ltd accordingly made the payment. In the 3rd month, due to a natural calamity, Deva Ltd requested Ramesh Ltd not to despatch until further notice. Ramesh Ltd accounted ₹ 2,00,000 as Sales and transferred the balance to Advance Received against Sales.

Ramesh Ltd had a major break down in its plant in the month of February 2023. In the month of March, it entered into an agreement with an Engineering Firm for the purpose of repairing its plant for a consideration of ₹ 180 Lakhs. The Engineering Firm started the repairing work in the month of March and completed it in the month of April. One-third of the repairs work was completed till 31st March 2023.

Ramesh Ltd made the Provision for said expenditure on repairs in its books of account for the financial year ended 31st March 2023 on the plea that the event of break down leading to repair expenditure had taken place in that financial year, binding contract for repairs was entered into during the same financial year & repair work was also completed before the Financial Statements were approved by the Company's Board of Directors.

Further, a Public Interest Litigation (PIL) has been filed before the Supreme Court on the environmental influences of air, noise and water pollution, caused by certain manufacturing industries (including Ramesh Ltd.). The matter has been heard by the Court and proceedings show that the Court will direct such industries to install suitable pollution control equipments and remedy the pollution caused. The cost of such rectification is estimated to be ₹ 10 lakhs for Ramesh Ltd. However, till the date the accounts have been approved by the Board of Directors of a Company, no such order has come from the Court. The Company feels that no Provisioning or disclosure is required as the Court order has not been served on the Company.

Based on the information given in the above case scenario, answer the following Question No. 1 - 4:

1. Amount of dividend income to be recognised during 2022-23:

   (a) Nil (b) ₹ 10,000 (c) ₹ 90,000 (d) ₹ 1,00,000

2. Amount of sales from Deva Ltd. to be recognised during the year:

   (a) Nil (b) ₹ 2,00,000 (c) ₹ 4,00,000 (d) ₹ 6,00,000

3. Amount of provision for repairs to be recognised for the financial year ended 31^{st} March 2023:

   (a) ₹ 180 lakhs (b) ₹ 120 lakhs (c) ₹ 60 lakhs (d) Nil

4. Treatment of cost of pollution rectification in the financial statements for the year ended 31 March 2022-23:

   (a) Provision to be recognised in the Financial Statements

   (b) Disclosed as a Contingent Liability in the Financial Statements

   (c) Disclosed as a Contingent Liability in the report of Board of Directors

   (d) Neither recognised nor disclosed

(2 Marks x 4 = 8 Marks)

Case Scenario – 2:

At 1st January 2024, the Fair Value of Plan Assets was ₹ 1,00,000. On 30th June 2024, the Plan paid benefits of ₹ 19,000 and received contributions of ₹ 49,000. At 31st December 2024, the Fair Value of Plan Assets was ₹ 1,50,000 and the present Value of the Defined Benefit Obligation was ₹ 1,47,920. Actuarial Losses on the obligation for 2024 were ₹ 600. Expected rate of return is 10% p.a. compounded half yearly.

Based on the information given in the above case scenario, answer the following Question No. 5 - 7:

5. Expected Return on Plan Assets =

   (a) 11,750 (b) 15,000 (c) 10,250 (d) 20,000

6. Actual Return on Plan Assets =

   (a) 11,750 (b) 15,000 (c) 10,250 (d) 20,000

7. Net Actuarial Gain/ Loss to be recognised in the Statement of Profit and Loss =

   (a) Gain 7,650 (b) Loss 7,650 (c) Gain 10,250 (d) Loss 20,000

(2 Marks x 3 = 6 Marks)

Case Scenario – 3:

Anshul manufacturers purchased 20,000 Kg. of raw material at ₹ 170 per Kg. Direct transit cost incurred ₹ 5,00,000 and normal transit loss is 3%. Anshul manufacturers actually received 19,000 kg of raw material. During the year it consumed 17,600 kg of raw material.

Further information:

(i) The purchase price includes ₹ 15 per kg as GST in respect of which full credit is allowed and will be availed by Anshul manufacturers.

(ii) Assume that there is no opening stock.

Based on the information given in the above case scenario, answer the following Question No. 8 - 11:

8. What will be the cost of material?
   (a) ₹ 36,00,000
   (b) ₹ 34,00,000
   (c) ₹ 39,00,000
   (d) ₹ 31,00,000

9. What will be the value of the closing stock?
   (a) ₹ 1,70,000
   (b) ₹ 1,85,500
   (c) ₹ 2,38,000
   (d) ₹ 2,59,700

10. What will be the cost per Kg of raw material?
    (a) ₹ 180
    (b) ₹ 183.6
    (c) ₹ 185.5
    (d) ₹ 189.4
11. How much amount as abnormal loss will be debited in P&L?
    (a) ₹ 72,000 approx
    (b) ₹ 73,440 approx
    (c) ₹ 74,200 appox
    (d) ₹ 75,760 approx
12. Which is the following statement is correct?
    (a) Certain fundamental accounting assumptions underline the preparation and presentation of financial statements. They are usually specifically stated because their acceptance and use are assumed.
    (b) Certain fundamental accounting assumptions underline the preparation and presentation of financial statements. They are usually specifically stated because their acceptance and use are not assumed.
    (c) Certain fundamental accounting assumptions underline the preparation and presentation of financial statements. They are usually not specifically stated because their acceptance and use are assumed.
    (d) Certain fundamental accounting assumptions underline the preparation and presentation of financial statements. They are usually not specifically stated because their acceptance and use are assumed. ***(2 Marks)***
13. If the amount eligible for capitalization in case of inventory as per AS 16 is ₹ 12,000 and cost of inventory is ₹ 40,000 and its net realizable value is ₹ 45,000, what amount can be capitalized as a part of inventory cost?

    (a) ₹ 12,000 (b) ₹ 5,000 (c) ₹ 7,000 (d) ₹ 10,000

    (2 Marks)

14. Which of the following is not a related party as envisaged by AS 18 Related Party Disclosures?

    (a) A director of the entity

    (b) The parent company of the entity

    (c) A shareholder of the entity that holds 1% stake in the entity

    (d) The spouse of the managing director of the entity ***(2 Marks)***

15. X Ltd. is engaged in the business of providing consultancy services. A few days back, it received a notice from GST department raising a demand of GST on consultancy services provided by it for ₹ 500,000. Z Ltd. paid the demand. In the financial statements, the payment will be reported as:

    (a) A Prior period item

    (b) An Extra-ordinary item

    (c) A part of net profit and loss from ordinary activities, not requiring any disclosure.

    (d) A part of net profit and loss from ordinary activities, requiring a disclosure in the notes to accounts.

Space For Rough Work