J.K. SHAH® TEST SERIES

CA INTERMEDIATE
SUBJECT- ADVANCED ACCOUNTING

Test Code – ISP 2407
(Date :)

(Marks - 100)

TOPIC : Full Course

Working notes should form part of the answer.

Time Allowed – 3 Hours

1. **The question paper comprises two parts, Part I and Part II.**
2. **Part I comprises Case Scenario based Multiple Choice Questions (MCQs) for30 marks**
3. **Part II comprises questions which require descriptive type answers for 70marks.**

PART I – Case Scenario based MCQs Part I is compulsory.

Case Scenario : 1

Kumar Ltd., a privately-held company, operates in the manufacturing industry. Founded in 2008, the company has steadily grown its operations and established a strong presence in the market. As of 31st March, 2023, the company's capital structure reflects a blend of equity and debt financing.

Capital Structure Overview:

Equity Share Capital: The company has a total of ₹30,00,000 invested in equity shares, each valued at ₹10 and fully paid.

Reserves & Surplus: Kumar Ltd. has accumulated reserves and surplus totaling ₹49,00,000, comprising contributions from various sources including General Reserve (₹ 32,50,000), Security Premium Account (₹6,00,000), Profit & Loss Account (₹4,30,000), and Revaluation Reserve (₹6,20,000).

Loan Funds: The company has acquired loan funds amounting to ₹42,00,000 to support its operational and growth initiatives.

Buy-Back Decision:
Considering its financial position and market conditions, Kumar Ltd. has decided to initiate a share buy-back program. The company intends to repurchase its shares at a price of ₹30 per share.

In accordance with financial regulations and internal policies, Kumar Ltd. aims to assess the maximum number of shares it can repurchase while maintaining a prudent debt-equity ratio. By utilizing the Debt Equity Ratio Test, the company seeks to strike a balance between its equity base and debt obligations.

Based on the above information, answer the following questions

(i) What is the minimum equity Kumar Ltd. needs to maintain after buy- back, according to the Debt Equity Ratio Test?

(a) ₹ 12,95,000
(b) ₹21,00,000
(c) ₹32,50,000
(d) ₹ 6,00,000

(ii) What is the maximum permitted buy-back of equity for Kumar Ltd.?

(a) ₹ 38,85,000
(b) ₹ 42,00,000
(c) ₹ 12,95,000
(d) ₹ 59,85,000

(iii) How many shared of Kumar Ltd. can be bought back at ₹30 per share according to the Debt Equity Ratio Test?

(a) 43,000
(b) 1,29,500
(c) 2,00,000
(d) 78,000

(Marks: 6)

Case Scenario : 2

SEAS Ltd., the "Company", is in the business of tours and travels. It sells holiday packages to the customers. The Company negotiates upfront with the Airlines for specified number of seats in flight. The Company agrees to buy a specific number of tickets and pay for those tickets regardless of whether it is able to resell all of those in package.

The rate paid by the Company for each ticket purchased is negotiated and agreed in advance. The Company also assists the customers in resolving complaints with the service provided by airlines. However, each airline is responsible for fulfilling obligations associated with the ticket, including remedies to a customer for dissatisfaction with the service.

The Company bought a forward contract for three months of US $1,00,000 on 1 March 2024 at 1 US$ = INR 83.10 when exchange rate was US$ 1= INR 83.02. On 31 March 2024, when the Company closed its books, exchange rate was US$ 1= INR 83.15. On 1 April 2024, the Company decided for premature settlement of the contract due to some exceptional circumstances.

The Company is evaluating below mentioned schemes:

I. Introduction of a formal retirement gratuity scheme by an employer in place of ad hoc ex - gratia payments to employees on retirement.

II. Management decided to pay pension to those employees who have retired after completing 5 years of service in the organization. Such employees will get pension of ₹20,000 per month. Earlier there was no such scheme of pension in the organization.

SEAS Ltd. has a subsidiary, ADI Ltd., which is in the business of construction having turnover of ₹200 crores. SEAS Ltd. and ADI Ltd. hold 9% and 23% respectively in an associate company, ASOC Ltd. Both SEAS Ltd. and ADI Ltd. prepare consolidated financial statements as per Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

i. What would be the basis of revenue recognition for SEAS Ltd. as per the requirements of Accounting Standards?
   (a) Gross basis.
   (b) Net basis.
   (c) Depends on the accounting policy of the Company.
   (d) Indian GAAP allows a choice to the Company to recognize revenue on gross basis or net basis.

ii. Please suggest accounting treatment of forward contract for the year ended 31 March 2024 as per Accounting Standard 11.
   (a) MTM (marked to market value) of contract will be recorded on 31 March 2024.
   (b) MTM (marked to market value) of contract will be computed as at 31 March 2024 and only if there is loss, it will be recorded during the year ended 31 March 2024.
   (c) No accounting will be done during the year ended 31 March 2024.
   (d) Premium on contract will be amortized over the life of the contract.

iii. You are requested to advise the Company in respect of the accounting requirements of above schemes related to employee benefits as to which one of those schemes should be considered as a change in accounting policy during the year.
   (a) 1 - Change in accounting policy. 2 - Change in accounting policy.
   (b) 1-Not a change in accounting policy. 2 - Change in accounting policy.
   (c) 1- Not a change in accounting policy. 2- Not a change in accounting policy.
   (d) 1-Change in accounting policy. 2 - Not a change in accounting policy.

iv. Please comment regarding consolidation requirements for SEAS Ltd. and ADI Ltd. using the below mentioned options as to which one should be correct.
   (a) ADI Ltd. would be using equity method of accounting for 23% in ASOC Ltd. SEAS Ltd. would consolidate ADI Ltd. and consequently automatically equity account 23% and separately account for the balance 9% as per AS 13.
   (b) ADI Ltd. would account for 23% in ASOC Ltd. as per AS 13. SEAS Ltd. would consolidate ADI Ltd. and consequently automatically account 23% and separately account for the balance 9%.
   (c) ADI Ltd. would account for 23% share in ASOC Ltd using equity method of accounting. SEAS Ltd. would consolidate ADI Ltd. and consequently, automatically account for ASOC Ltd 23% share and separately account for 9% share in ASOC Ltd. using equity method of accounting in consolidated financial statements.
   (d) ADI Ltd. would account for 23% in ASOC Ltd, as per AS 13. SEAS Ltd. would consolidate ADI Ltd. and using equity method of accounting 23% in ASOC Ltd. and separately account for the balance 9% as per AS 13.

(Marks: 8)

Case Scenario : 3

RTS Ltd, ("RTS" or the "Company"), is engaged in the business of manufacturing of equipments/components. The Company has a contract with the Indian Railways for a brake component which is structured such that:

- The Company's obligation is to deliver the component to the Railways' stockyard, while the delivery terms are ex-works, the Company is responsible for engaging a transporter for delivery.
- Railways sends an order for a defined quantity.

- The Company manufactures the required quantity and informs Railways for carrying out the inspection.
- Railways representatives visit the Company's factory and inspect the components, and mark each component with a quality check sticker.
- Goods once inspected by Railways, are marked with a hologram sticker to earmark for delivery identification by the customer when they are delivered to the customer's location.

The company raises an invoice once it dispatches the goods. The management of RTS is under discussion with the auditors of the Company in respect of accounting of a critical matter as regards its accounting with respect subsequent events i.e. events after the reporting period. They have been checking as to which one of the following events after the reporting period provide evidence of conditions that existed at the end of the reporting period?

i) Nationalization or privatization by government
ii) Out of court settlement of a legal claim
iii) Rights issue of equity shares
iv) Strike by workforce
v) Announcing a plan to discontinue an operation

The Company has received a grant of ₹ 8 crores from the Government for setting up a factory in a backward area. Out of this grant, the Company distributed ₹ 2 crores as dividend. The Company also received land, free of cost, from the State Government but it has not recorded this at all in the books as no money has been spent.
RTS has a subsidiary, A Ltd, which is evaluating its production process wherein normal waste is 5% of input. 5,000 MT of input were put in process resulting in wastage of 300 MT. Cost per MT of input was ₹$1,000$. The entire quantity of waste was on stock at the end of the financial year.

Question 1

When should RTS Ltd recognize revenue as per the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006? Would your answer be different if inspection is normally known to lead to no quality rejections?

a) Revenue should be recognized on dispatch of components. The assessment would not change even in case where inspection is normally known to lead to no quality rejections.
b) Revenue should be recognized on completion of inspection of components. The assessment would not change even in case where inspection is normally known to lead to no quality rejections.
c) Revenue should be recognized on dispatch of components. The assessment would change where inspection is normally known to lead to no quality rejections.
d) Revenue should be recognized on delivery of the component to the Railways' stockyard. The assessment would change where inspection is normally known to lead to no quality rejections.

Question 2

In respect of A Ltd, state with reference to Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, what would be value of the inventory to be recorded in the books of accounts?

a) ₹4,700,000.
b) ₹5,000,000.
c) ₹4,950,000.
d) ₹4,947,368.

Question 3

Please guide regarding the accounting treatment of both the grants mentioned above in line with the requirements of Accounting Standard 12.

a) Distribution of dividend out of grant is correct. In the second case also not recording land in the books of accounts is correct.
b) Distribution of dividend out of grant is incorrect. In the second case, not recording land in the books of accounts is correct.
c) Distribution of dividend out of grant is correct. In the second case, land should be recorded in the books of accounts at a nominal value.
d) Distribution of dividend out of grant is incorrect. In the second case, land should be recorded in the books of accounts at a nominal value.

(Marks: 6)

4. Gyan Ltd. borrowed ₹ 10 crore for construction of a plant at the rate of 10% per annum (interest paid annually ₹1 crore). The construction was being carried on and out of the borrowings, ₹4 crore was temporarily placed in a fixed deposit at the rate of 6% per annum (interest earned ₹ 24 lakh). At the year end, how much cost of borrowing Gyan Limited will capitalise?
   a) Interest paid on ₹10 crore i.e. ₹1 crore
   b) Interest paid on ₹6 crore as only this amount was utilized i.e. ₹ 60 Lakh.
   c) Interest paid less income on temporary investment i.e. ₹ 76 lakh
   d) Nothing will be capitalized

(Marks: 2)

5. AS 4 does not apply to
   a. Obligation under retirement benefit plans.
   b. Commitments arising from long term lease contracts
   c. liabilities of life assurance and general insurance enterprises arising from policies issued
   d. Both (a) & (b).

(Marks: 1)

6. Best estimates of the variable to determine the eventual cost of post- employment benefits is referred to as:
   a. Employer's contribution

b. Actuarial assumptions
c. Cost to Company
d. Employee's contribution

(Mark: 1)

7. Cost of investment includes

a. Purchase Cost	b. Brokerage and Stamp duty paid
c. Both (a) and (b)	d. None of the above

(Mark: 1)

8. 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 equity	d. The spouse of the managing director of the entity

(Mark: 1)

9. Crown Ltd. wants to prepare its cash flow statement. It sold equipment of book value of $₹ 60,000$ at a gain of 8,000. The amount to be reported in its cash flow statement under operating activities is

a. Nil	b. ₹8,000
c. ₹ 68,000	d. ₹60,000

(Marks: 1)

PART B
DESCRIPTIVE QUESTIONS
QUESTION 1 IS COMPULSORY. ATTEMPT 4 OUT OF 5 QUESTIONS

1A. (a) In 2018, Royal Ltd. issued 12% fully paid debentures of ₹100 each, interest being payable half yearly on 30th September and 31^{st} March of every accounting year. On 1st December, 2019, M/s. Kumar purchased 10,000 of these debentures at ₹ 101 (cum-interest) price. On 1st March, 2020 the firm sold all of these debentures at ₹106 (cum-interest) price. You are required to prepare Investment (Debentures) Account in the books of M/s. Kumar for the period 1st December, 2019 to 1st March, 2020. (Nov 20)

(b) Mr. X acquires 200 shares of a company on cum-right basis for ₹60,000. He subsequently receives an offer of right to acquire fresh shares in the company in the proportion of 1:1 at ₹105 each. He does not subscribe but sells all the rights for ₹15,000. The market value of the shares after their becoming ex-rights has also gone down to ₹50,000. What should be the accounting treatment in this case?

(Marks: 8)

1B. State with reasons, how the following events would be dealt with in the financial statements of Hari Ltd. for the year ended 31st March, 2022 (accounts were approved on 25th July, 2022):

(1) Negotiations with another company for acquisition of its business was started on 21st January, 2022. Hari Ltd. invested ₹ 40 lakh on 22nd April, 2022.

(2) The company made a provision for bad debts @ 4% of its total debtors (as per trend followed from the previous years). In the second week of March 2022, a debtor for ₹ 2,50,000 had suffered heavy loss due to an earthquake; the loss was not covered by any insurance policy. In May, 2022 the debtor became bankrupt.

(3) During the year 2021-22, Hari Ltd. was sued by a competitor for ₹ 13 lakhs for infringement of a trademark. Based on the advice of the company's legal counsel, Hari Ltd. provided for a sum of ₹ 8 lakhs in its financial statements for the year ended 31st March, 2022. On 26th May, 2022, the Court decided in favour of the party alleging infringement of the trademark and ordered Hari Ltd. to pay the aggrieved party a sum of ₹ 12 lakhs.

(4) Cashier of Hari Ltd. embezzled cash amounting to ₹ 3,00,000 during March, 2022. However the same comes to the notice of Company management during August, 2022.

(5) Cheques dated 31st March, 2022 collected in the month of April, 2022, All cheques are presented to the bank in the month of April, 2022 and are also realized in the same month in the normal course after deposit in the bank.

(Marks: 6)

2. From the following particulars furnished by Hello Ltd., prepare the Balance Sheet as on 31st March 2022 as required by Part I, Schedule III of the Companies Act, 2013.

Particulars		Debit ₹	Credit ₹
Equity Share Capital (Face value of ₹100 each)		27,50,000	50,00,000
Plant & Machinery		26,25,000	
Furniture		2,50,000	
General Reserve			10,50,000
Loan from State Financial Corporation			7,50,000
Inventory:			
Raw Materials Finished	2,55,000		
Goods	10,00,000	12,55,000	
Provision for Taxation			6,40,000

Trade receivables		10,00,000	
Short term Advances		2,13,500	
Profit & Loss Account			4,33,500
Cash in Hand		1,50,000	
Cash at Bank		12,35,000	
Unsecured Loan			6,05,000
Trade payables (for Goods and Expenses)			10,00,000

The following additional information is also provided

(i) 10,000 Equity shares were issued for consideration other than cash.

(ii) Trade receivables of ₹ 2,60,000 are due for more than 6 months.

(iii) The cost of the Assets were:

Building ₹30,00,000, Plant & Machinery ₹ 35,00,000 and Furniture ₹ 3,12,500

(iv) The balance of ₹7,50,000 in the Loan Account with State Finance Corporation is secured by hypothecation of Plant & Machinery.

(v) Balance at Bank includes ₹10,000 with Omega Bank Ltd., which is not a Scheduled Bank.

(vi) Transfer ₹ 20,000 to general reserve as proposed by Board of directors.

(Marks:14)

3A. From the following Balance sheet of Grow More Ltd., prepare Cash Flow Statement for the year ended 31st March, 20X1 :

Particulars			Notes	31st March, 20X1	31st March, 20X0
		Equity and Liabilities			
1		Shareholders' funds			
	A	Share capital		10,00,000	8,00,000
	B	Reserves and Surplus	1	3,00,000	2,10,000
2		Non-current liabilities			
		Long term borrowings	2	2,00,000	-
3		Current liabilities			
	A	Trade Payables		7,00,000	8,20,000
	B	Other current liabilities	3	-	1,00,000
	C	Short term provision (provision for tax)		1,00,000	70,000
		Total		23,00,000	20,00,000
		Assets			
1		Non-current assets			
	A	Property, plant and Equipment	4	13,00,000	9,00,000
	B	Non-Current Investments		1,00,000	-
2		Current assets			
	A	Inventories		4,00,000	2,00,000
	B	Trade receivables		5,00,000	7,00,000
	C	Cash and Cash equivalents		-	2,00,000

		Total		23,00,000	20,00,000

No.	Particulars	31st March, 20X1	31st March, 20X0
1	Reserves and Surplus		
	Revenue reserve	2,00,000	1,50,000
	Profit and Loss account	1,00,000	60,000
	Total	3,00,000	2,10,000
2	Long term borrowings		
	Debentures (issued at end ofyear)	2,00,000	=
3	Other current liabilities		
	Dividend payable	-	1,00,000
4	Property, plant and equipment		
	Plant and machinery	7,00,000	5,00,000
	Land and building	6,00,000	4,00,000
	Net carrying value	13,00,000	9,00,000

(i) Depreciation @ 25% was charged on the opening value of Plant and Machinery.

(ii) At the year end, one old machine costing Rs. 50,000 (WDV Rs. 20,000) was sold for Rs. 35,000. Purchase was also made at the year end.

(iii) Rs. 50,000 was paid towards Income tax during the year.

(iv) Construction of the building got completed on 31.03.20X1 and hence no depreciation may be charged on the same.

Prepare Cash flow Statement.

(Marks: 7)

3B. Following information from Balance Sheet of Ruby Limited as on 31st March, 2023.

	Amount ₹
Authorised and Issued equity share capital:	
60,000 shares of ₹ 100 each fully paid	60,00,000
40,000 7% cumulative preference shares of ₹ 100 each fully paid	40,00,000
General Reserve	12,00,000
Loan from Director	8,80,000
Trade Payables	49,20,000
Outstanding expenses	6,40,000
Bank loan	6,00,000
Patent	8,00,000

Plant & machinery	60,00,00 0
Building	11,00,00 0
Trade receivables	47,00,00 0
Inventory	32,60,00 0
Cash	2,40,000
Bank Balance	4,60,000
Profit and Loss account	16,80,00 0

Note: The arrears of preference dividend amount to ₹5,60,000.

The company had suffered losses since last 3 years due to bad market conditions and hope for a better position in the future.

The following scheme of reconstruction has been agreed upon and duly approved by all concerned:

(1) Equity shares to be converted into 6,00,000 shares of ₹10 each.

(2) Equity shareholders to surrender to the company 80 percent of their holdings.

(3) Preference shareholders agree to forgo their right on arrears of dividends in consideration of which 7% preference shares are to be converted into 8% preference shares.

(4) Trade payables agree to reduce their claim by one fourth in consideration of their getting shares of ₹ 10,00,000 out of the surrendered equity shares.

(5) Directors agree to forego the amounts due on account of loan.

(6) Surrendered shares not otherwise utilized to be cancelled.

(7) Assets to be reduced as under:

(8) Trade receivables to the extent of ₹$34,00,000$ are considered good.

(9) Revalued figures for building is accepted at ₹$14,00,000$.

(10) Bank loan is paid.

(11) Any surplus after meeting the losses should be utilized in writing down the value of the plant further.

(12) Expenses of reconstruction amounted to ₹$1,20,000$.

(13) Further 80,000 equity shares were issued to the existing members for increasing the working capital. The issue was fully subscribed and paid up.

You are required to pass the Journal Entries for giving effect to the above arrangement and also to draw up the resultant Balance Sheet of the Company

(Marks: 7)

4. P Ltd. and Q. Ltd. decided to amalgamate as on 01.04.2016 their summarized Balance Sheets As on31.03.2016 were as follows:

Particulars	P Ltd.	Q Ltd.
Source of Funds:		

Equity share capital (Rs. 10 each)	300	280
9% preference share Capital (Rs. 100 each)	60	40
Investment allowance Reserve	70	60
Profit and Loss Account	8	12
10 % Debentures	100	60
Trade Payables	50	30
Tax provision	14	8
Total	602	490
Application of Funds:		
Building	120	100
Plant and Machinery	160	140
Investments	80	50
Trade receivables	90	70
Inventories	72	80
Cash and Bank	80	50
Total	602	490

From the following information, you are required to prepare the Balance Sheet as on 01.04.2016 of a new company, R Ltd., which was formed to take over the business of both the companies and took overall the assets and liabilities:

(i) 50% Debenture are to be converted into Equity Shares of the New Company.

(ii) Investments are non - current in nature.

(iii) Fixed Assets of P Ltd. were valued at 10% above cost and that of Q Ltd. at 5% above cost.

(iv) 10% of trade receivables were doubtful for both the companies. Inventories to be carried at cost.

(v) Preference shareholders were discharged by issuing equal number of 9% preference shares at par.

(vi) Equity shareholders of both the transferor companies are to be discharged by issuing Equity shares of Rs.10 each of the new company at a premium of Rs. 5 per share

Give your Answer on the basis that amalgamation is in nature of purchase.

(Marks: 14)

5. From the Balance Sheets and information given below, prepare Consolidated Balance Sheet of Virat Ltd. and Anushka Ltd. as at 31st March. Virat Ltd. holds 80% of Equity Shares in Anushka Ltd. since its (Anushka Ltd.'s) incorporation.

Balance Sheet of Virat Ltd. and Anushka Ltd. as at 31st March, 2023

Particulars	Note No.	Virat Ltd. (₹)	Anushka Ltd. (₹)
I. Equity and Liabilities (1) Shareholder's Funds (a) Share capital	1	6,00,000	4,00,000
(b)Reserves and Surplus	2	1,00,000	1,00,000
(2) Non-current Liabilities			
Long Term Borrowings		2,00,000	1,00,000
(3) Current Liabilities (a) Trade Payables		1,00,000	1,00,000
Total		10,00,000	7,00,000
II. Assets (1) Non-current assets (a) Property, Plant and Equipment		4,00,000	3,00,000
(b) Non-current investments	3	3,20,000	-
(2) Current Assets (a) Inventories		1,60,000	2,00,000
(b) Trade Receivables		80,000	1,40,000
(c) Cash & Cash Equivalents		40,000	60,000
Total		10,00,000	7,00,000

Notes to Accounts

	Particulars	Virat Ltd. (₹)	Anushka Ltd. (₹)
1	Share capital		
	60,000 equity shares of ₹ 10 each fully paid up	6,00,000	-
	40,000 equity shares of ₹ 10 each fully paid up	-	4,00,000
	Total	6,00,000	4,00,000
2	Reserves and Surplus		
	General Reserve	1,00,000	1,00,000
	Total	1,00,000	1,00,000
3	Non-current investments		
	Shares in Anushka Ltd	3,20,000	-

(Marks:14)

6A. Uday Constructions undertake to construct a bridge for the Government of Uttar Pradesh. The construction commenced during the financial year ending 31.03.2019 and is likely to be completed by the next financial year. The contract is for a fixed price of Rs. 12 crore with an escalation clause. You are given the following information for the year ended 31.03.2019:

Cost incurred up to	Rs. 4 crore

Further cost estimated to complete the contract	Rs. 6 crore

Escalation in cost was by 5%. Hence, the contract price is also increased by 5%.

You are required to ascertain the stage of completion and compute the amount of revenue and profit to be recognized for the year as per AS 7.

(Marks: 5)

6B.

Net Profit for FY 2021-22	30,00,000
Net Profit for FY 2022-23	50,00,000
No. of Shares outstanding prior to rights issue	20,00,000 shares
Rights Issue Price	₹ 20
Last day to exercise rights	1st June, 2022

Right issue is one new share for each five equity share outstanding (i.e. 4,00,000 new shares) Fair value of one equity share immediately prior to exercise of rights on 1st June, 2022 was ₹ 26.00. Compute Basic Earnings Per Share for FY 2016-17, FY 2022-23 and restated EPS for FY 2021-22.

(Marks: 5)

6C. The following data apply to 'X' Ltd. defined benefit pension plan for the year ended 31.02.20X2 calculate the actual return on plan assets:

- Benefits paid	2,00,000
- Employer contribution	2,80,000
- Fair market value of plan assets on 31.03.20 xx2	11,40,000
- Fair market value of plan assets as on 31.03.20 xx1	8,00,000

(Marks: 4)

OR

6C. Karan Enterprises having its Head office in Mangalore, Karnataka has a branch in Greenville, USA. Following is the trial balance of Branch as at 31-3-2019:

Particulars	Amount ($) Dr.	Amount ($) Cr.
Fixed assets	8,000	
Opening inventory	800	
Cash	700	
Goods received form Head Office	2,800	
Sales		
Purchases	11,800	24,050
Expenses	1,800	
Remittance to head office	2,450	
Head office account		4,300
	28,350	28,350

(i) Fixed assets were purchased on 1^{st} April, 2015

(ii) Depreciation at 10% p.a. is to be charged on fixed assets on straight line method,

(iii) Closing inventory at branch is $\$700$ as on 31-3-2019.

(iv) Goods received form Head Office (HO) were recorded at Rs. 1,85,500 in HO books.

(v) Remittances to HO were recorded at Rs. $1, 62, 000$ in HO books.

(vi) HO account is recorded in HO books at Rs. $2, 84, 500$.

(vii) Exchange rates of US Dollar at different dates can be taken as:

$1 - 4 - 2015\, Rs.\ 63;\ \ 1 - 4 - 2018\, Rs.\ 65\ and\ \ 31 - 3 - 2019\, Rs.\ 67.$

Prepare the trial balance after been converted into Indian rupees in accordance with AS-11.

(Marks: 4)