



The Institute of Chartered Accountants of India

Code: IN1AA412263
Subject: 01 Advanced Accounting

Total Marks: 70
Marks Obtained: 65.5

Subject: Advanced Accounting
Number of Answer Books used: Main + additional sheets
Date Seal: 4 SEP 2025

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412263



| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|---|---|---|----------------------------------|---|---|---|---|---|----------------------------------|---|---|---|---|----------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| Paper Code | C | A | B | <input checked="" type="radio"/> | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | |
| | N | A | B | C | D | E | F | G | H | I | J | K | L | M | <input checked="" type="radio"/> | O | P | Q | R | S | T | U | V | W | X | Y | Z |
| | J | A | B | C | D | E | F | G | H | <input checked="" type="radio"/> | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z |
| | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |

MCQ Booklet Serial No.

8048586

Paper No.

1

Level of Exam: Intermediate

Foundation ☐ Intermediate ☒ Final ☐

MCQ Answers

| | | | | | |
|----|--|----|--|----|---|
| 1 | <input checked="" type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 11 | <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D | 21 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 2 | <input checked="" type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 12 | <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D | 22 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 3 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input checked="" type="radio"/> D | 13 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input checked="" type="radio"/> D | 23 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 4 | <input type="radio"/> A <input checked="" type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 14 | <input type="radio"/> A <input checked="" type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 24 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 5 | <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D | 15 | <input type="radio"/> A <input checked="" type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 25 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 6 | <input type="radio"/> A <input checked="" type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 16 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 26 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 7 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input checked="" type="radio"/> D | 17 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 27 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 8 | <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D | 18 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 28 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 9 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input checked="" type="radio"/> D | 19 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 29 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |
| 10 | <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D | 20 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D | 30 | <input type="radio"/> A <input type="radio"/> B <input type="radio"/> C <input type="radio"/> D |



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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |

INSTRUCTIONS TO THE CANDIDATE FOR FILLING THE MCQ ANSWER FIELDS

- H.B. Pencil to Darken the appropriate Circle.**
- and darken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation. Please do NOT make any stray marks on the OMR cover page. Institute will not take any responsibility for rectifying the mistake.
- Please darken the complete circle.
- If you want to change your Answer, erase the darkened circle completely and make a fresh mark.
 - Please do NOT make any stray marks on the OMR cover page.
 - Rough work must NOT be done on the OMR cover page.
 - Mark your answer only in the appropriate space against the number corresponding to the question.

| How to mark answers | |
|---------------------|--------------|
| CORRECT METHOD | WRONG METHOD |
| (A) ● (C) (D) | ✗ ✗ ✗ ✗ |

| Q. No. | | To be ticked <input checked="" type="checkbox"/> by the candidate against the Questions answered (Descriptive Type) | | |
|--------|--------------------------|---|-------|--------------------------|
| 1 | <input type="checkbox"/> | | 8 | <input type="checkbox"/> |
| 2 | <input type="checkbox"/> | | 9 | <input type="checkbox"/> |
| 3 | <input type="checkbox"/> | | 10 | <input type="checkbox"/> |
| 4 | <input type="checkbox"/> | | 11 | <input type="checkbox"/> |
| 5 | <input type="checkbox"/> | | 12 | <input type="checkbox"/> |
| 6 | <input type="checkbox"/> | | 13 | <input type="checkbox"/> |
| 7 | <input type="checkbox"/> | | 14 | <input type="checkbox"/> |
| Total | <input type="checkbox"/> | | Total | <input type="checkbox"/> |



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03

Q.1 (a)

① Calculation of current tax

| Year | 2021-22 | 22-23 | 23-24 | 24-25 |
|--------------------|-----------|-----------|-----------|-----------|
| PBT | 18,00,000 | 22,00,000 | 25,00,000 | 30,00,000 |
| Less: Depreciation | 10,00,000 | 10,00,000 | - | - |
| PBT | 800,000 | 12,00,000 | 25,00,000 | 30,00,000 |
| Current Tax @ 30% | 240,000 | 360,000 | 750,000 | 900,000 |

WNL ✓ Calculation of Depreciation for tax purpose ✓

Year 1 → $20,00,000 \times 50\% = 10,00,000$

Year 2 → $[20,00,000 - 10,00,000] = 10,00,000$

② Calculation of Tax expense

| Year | 21-22 | 22-23 | 23-24 | 24-25 |
|-------------------|-----------|-----------|-----------|-----------|
| PBT & Dep | 18,00,000 | 22,00,000 | 25,00,000 | 30,00,000 |
| Depreciation | 500,000 | 500,000 | 500,000 | 500,000 |
| PBT | 13,00,000 | 17,00,000 | 20,00,000 | 25,00,000 |
| Tax expense @ 30% | 390,000 | 510,000 | 600,000 | 750,000 |



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04

Ques Depreciation for Accounting Purpose

$$\frac{20,00,000 - 0}{4} = \underline{\underline{500,000}}$$

(3) Calculation of Deferred Tax Asset (Liability) (a) (at 35%)

| Year | Ac Income | Tax Income | Difference | DTA/DTL | Amt |
|--------|-----------|------------|------------|-----------------------|-----------|
| Year 1 | 13,00,000 | 800,000 | 500,000 | DTA DTL | 150,000 |
| 2 | 17,00,000 | 12,00,000 | 500,000 | DTL | 150,000 |
| 3 | 20,00,000 | 25,00,000 | (500,000) | Reversal of DTL | (150,000) |
| 4 | 25,00,000 | 30,00,000 | (500,000) | Reversal of DTL | (150,000) |

1a ✓

5

1aStep1 ✓

5





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ICAI 05

Q.1 (B)

① Calculation of cost of finished good

| | | | | |
|-----|----------------|--|---------|---|
| WN1 | Raw Material | $40,400 \times 12 =$ | 484,800 | ✓ |
| | labour | | 323,200 | ✓ |
| WN2 | Fixed overhead | | | ✓ |
| | | $\frac{315,000}{45,000} \times 40,400 =$ | 282,800 | ✓ |

(a) Total cost 10,90,800

(b) Total Production 40,400

cost Per unit $\frac{a}{b}$ @ 27 Per unit

② Valuation of closing stock

As per AS 2 "Valuation of inventories"

Raw Material are valued at ~~Below~~ Replacement cost if the finished goods in which they are expected to consume is sold at Below cost i.e. Net Realisable value is Below cost.



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Barcode: [Barcode]

| (MP) | Finished goods | 4200×22 | <input checked="" type="checkbox"/> | $= 92,400$ |
|------|----------------|--------------------|-------------------------------------|------------|
| (RP) | Raw Material | 4000×11.5 | <input checked="" type="checkbox"/> | $= 46,000$ |
| | | | <input checked="" type="checkbox"/> | $138,400$ |

Note: \bullet cost of finished good is $\underline{\text{₹ } 22}$ per unit
and Net Realisable Value is $\underline{\text{₹ } 22}$ per unit
Hence As per Valuation of cost ~~of~~ NRV \wedge
whichever is lower
~~Raw~~ Finished good is valued at NRV i.e 22
Raw Material are valued at Replacement
Cost i.e 11.5

WN1 Raw Material consumed

| | | |
|------|-----------|------------------------|
| | op stock | 4400 |
| Add | Purchases | 40,000 |
| less | cl. stock | (4000) |
| | | <u>40,400</u> Consumed |

WN2 Finished good Produced

| | | |
|------|---------------|--------------------------|
| | Sales : | 40200 |
| Add | closing stock | 4200 |
| less | opening stock | (4000) |
| | | <u>40,400</u> Production |

DO NOT WRITE ANYTHING HERE



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ICAI 07

DO NOT WRITE ANYTHING HERE

Q3 cost of Raw Material

$$\frac{480,000}{40,000} = @ 12 \text{ per unit}$$

DO NOT WRITE ANYTHING HERE

Q4 ~~the~~ absorption Rate of Fixed OH

$$\frac{315,000}{45,000} = @ 7 \text{ per unit}$$

1bStep1 5

1b 5

DO NOT WRITE ANYTHING HERE



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08



Q.1 (c)

~~Q.1~~ As per AS 9 "Revenue Recognition"

- (i) Trade Discount are not considered as
☒ a part of sales and hence the same
☐ are required to be deducted at the
time of sale.

However Cash Discount are not Reduced
from sales as ~~these~~ sales are
Recorded on gross Basis without any
cash discount since same is
a treated as a expense.

Assuming that the Price Discount is
decided after the sale & hence same
is a cash discount which shall not
be netted off from Price of sold
good.

Hence XY Ltd should Book entire
sales Revenue of 150 lakh in its
☒ Books & treat Price Discount as
☐ separate expense.

Opinion of chief Accountant is not as per
AS-9

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE



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09

DO NOT WRITE ANYTHING HERE

(ii) ~~Dividend~~ Dividend should be Recognized only when Right to Receive the dividend is established i.e. they are declared by the company in the AGM. and there is no uncertainty regarding measurability & collectibility

Since, in the given case Dividend is declared on 30 April 2025 the same should be treated as income of FY 2025-26

DO NOT WRITE ANYTHING HERE

✓ XY Ltd is not correct in Booking dividend income on accrual Basis for FY 2024-25

(iii) Revenue on goods sold on accrual Basis approval Basis shall not be Recognized until the Buyer has formally accepted the goods, or has done an act adopting the transaction, or time period for rejection has expired & even no time is decided a reasonable time is expired

DO NOT WRITE ANYTHING HERE

✓ In the Present case, Revenue for 60% of goods i.e. 90,000 (150,000 × 60%) should be Recognized on 31 Jan 2025 since the same is approved by buyer.



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But for Remaining 40% i.e. 60,000 ($150,000 \times 40\%$)
~~Revenue~~ Revenue should be Recognized
on 15 March 2025 since 3 Months has
expired on 15 March

Hence the treatment of XY Ltd is not correct
by Recognizing Revenue of 150,000 on
15th December, 2024

(iv) Goods sold on consignment Basis should
be Recognized as Revenue ~~on~~ only
when goods are actually sold by the
buyer and not lying in its store

Hence XY Ltd should Recognized Revenue
Only to the extent of ~~60,000~~ 60,000 &
not 80,000 since the same is
sold upto FY 2024-25

Hence XY Ltd is correct in its treatment

1cStep1



3.5

1c



3.5

1



13.5

DO NOT WRITE ANYTHING HERE



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11

Q. 6 (a)

As per AS-5 "Net profit or loss for the period, prior period items & change in Accounting Policies".

Prior period item are those item that arises in the current Accounting period as a result of error or omission is one or more previous Accounting year.

on 1 Oct, 2024 Journal entry for FY 2024-25

(150000 x 3) Prior period item A/c dr. 450,000
(150000 x 6) Salary A/c dr. 900,000
To Bank A/c 13,50,000
(Being salary provided)

→ Profit / Loss A/c dr. 13,50,000
To Prior period item A/c 450,000
To Salary A/c 900,000
(Being salary charged)

6aStep1 4



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Alternatively if entry for entire year is passed

→
(150000 × 3) Prior period item A/c dr. 450,000
(150000 × 12) Salary A/c dr. 18,00,000
To Bank A/c 22,50,000
(Being salary paid)

→ ☒ Profit/Loss A/c dr. 22,50,000
To Prior period item A/c 450,000
To Salary A/c 18,00,000
(Being salary charged)

ii ☒ If Sneha was terminated on 1st Jan 2024 and re-instated on 30 Sep 2024, salary paid for January - March should not be treated as prior period item ☒ as there was no error or omission in prior period - same will be treated as ordinary item with disclosure where disclosure is needed.

on 1 Oct, 2024 Journal entry
(150000 × 9) Salary A/c dr. 13,50,000
☒ To Bank A/c 13,50,000
(Being salary paid)



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Profit & Loss A/c dr. 13,50,000
To Salary A/c 13,50,000
(Being salary charged)

✓

Alternatively if entry for entire year
is passed

(150,000 x 15) Salary A/c dr. 22,50,000
To Bank A/c 22,50,000
(Being salary paid)

✗

Profit & Loss A/c dr. 22,50,000
To Salary A/c 22,50,000
(Being salary charged)

6a ✓ 4



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Q. 6 (B)

| Particulars | Debit ₹ | Credit ₹ |
|---|--|-------------------------------|
| (i) 9% Debenture holder A/c dr. (500,000 x 25%) To Bank A/c A/c To Plant & Machinery (B/F) To Reconstruction A/c | 500,000 <input checked="" type="checkbox"/> | 1,25,000 285,000 90,000 |
| (Being claim on Debenture holder satisfied) | | |
| (ii) Reconstruction A/c dr. To Furniture & Fixture (550,000 - 445,000) A/c | 105,000 <input checked="" type="checkbox"/> | 1,05,000 |
| (Being Furniture written down) | | |
| (iii) Freehold Premises A/c dr. To Reconstruction A/c | 75,000 <input checked="" type="checkbox"/> | 75,000 |
| (Being Premises appreciated) | | |
| (iv) Reconstruction A/c dr. To Bank A/c (450,000 x 5%) (Being cancellation Payment Made) | 22,500 <input checked="" type="checkbox"/> | 22,500 |



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DO NOT WRITE ANYTHING HERE

| | | | |
|--|----------|-------------------------------------|---------|
| (v) Reconstruction A/c dr. To Profit/Loss A/c (Being PL written off) | 1,15,000 | <input checked="" type="checkbox"/> | 115,000 |
| (vi) General Reserve A/c dr. To Reconstruction A/c (Being shortfall transferred from GR) (115,000 - 37,500) | 77,500 | <input checked="" type="checkbox"/> | 77,500 |

DO NOT WRITE ANYTHING HERE

6b ☒ 4

6bStep1 ☒ 4

DO NOT WRITE ANYTHING HERE



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Q.6 (c)

Modwari Branch

| | ₹ | | ₹ |
|------------------------------------|---------|--|---------|
| To cash A/c (Rent & Rates) | 3200 | By Cash A/c (cash remitted) | 78,600 |
| (Salaries) | 16000 | | |
| (General expense) | 2600 | By Cash A/c (credit sales received) | 34,500 |
| (Advertisement) | 7500 | | |
| To good sent to Branch A/c | 150,000 | By loading (150,000 × 20%) | 30,000 |
| To stock Reserve (45,000 × 20%) | 9000 | By Bal cld Branch stock | 45,000 |
| To net Profit | 82,200 | Branch Debit | 82,400 |
| | 270,500 | | 270,500 |

Branch Debit A/c

| | | | |
|--------------|---------|---------------------|--------|
| To Br. stock | 125,200 | By Br. stock | 2300 |
| | | By Cash A/c | 34,500 |
| | | By Bal cld | 6000 |
| | | By Bal cld (BIF) | 82,400 |



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Branch A/c

~~Dr~~ Tiruchi Branch

| | ₹ | | ₹ |
|-----------------------------------|---------|------------------------------|---------|
| To Cash A/c (Rent/Taxes) | 4500 | By cash A/c (cash sale) | 85,200 |
| (Salaries) | 18000 | credit sale | 23,600 |
| (General exp) | 1500 | | |
| (Advertisement) | 5200 | By loading (125000 X 20%) | 25000 |
| To good sent to Branch | 125,000 | | ✓ |
| To stock Reserve (35000 X 20%) | 7000 | By Bal old | 35000 |
| | ✓ | Branch stock | |
| To Net Profit | 92,800 | Branch Debtor | 85,200 |
| | ✓ | | |
| | 254,000 | | 254,000 |

6cStep1 ✓ 3

6cStep2 ✓ 2

6c ✓ 13

6c ✓ 5

Br. Debtor A/c

| | | | |
|--------------|----------|------------------|--------|
| To Br. stock | 1,10,000 | By Br. stock A/c | 1200 |
| | ✓ | By Cash A/c | 23,600 |
| | | By Bad debts | - |
| | | By Bal old | 85,200 |

6c ✓ 5



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| | | | |
|---|----------|-------------------------------------|--------|
| 18 | | 18 | |
| <u>Q.2</u> | | | |
| Balance Sheet as at 31 March 2025 | | (Lakhs) | |
| | Note No. | | Amt. |
| A Equity and Liabilities | | | |
| I shareholders fund | | | |
| (a) share capital | 1 | <input checked="" type="checkbox"/> | 39.36 |
| (b) Reserve & surplus | 2 | <input checked="" type="checkbox"/> | 33.27 |
| (c) Money Received against share ^{current} | | <input checked="" type="checkbox"/> | 2.7 |
| II Non-current liabilities | | | |
| (a) long term Borrowing | 3 | <input checked="" type="checkbox"/> | 18.8 |
| (b) Deferred tax liability (net) | | <input checked="" type="checkbox"/> | - 56 |
| (c) | | <input checked="" type="checkbox"/> | |
| III Current liabilities | | | |
| (a) short term Borrowing | 4 | <input checked="" type="checkbox"/> | 6.95 |
| (b) Trade Payable | | <input checked="" type="checkbox"/> | 5.69 |
| (c) other current liability | 5 | <input checked="" type="checkbox"/> | 1.86 |
| (d) short term Provision | | <input checked="" type="checkbox"/> | 1.36 |
| Total | | | 110.55 |
| B Asset | | | |
| I - Non-current Asset | | | |
| as Tangible ^{and} Intangible | | | |
| (i) Property Plant Equipment | 6 | <input checked="" type="checkbox"/> | 67.3 |



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| | | | |
|---|------------------------------|--------------|--------------|
| 19 | | | |
| | | | |
| DO NOT WRITE ANYTHING HERE | ii) Capital work in progress | | 11.4 |
| | a) Investments | 2 | 2 |
| | b) Non current investment | 7 | 6 |
| II Current Asset | | | |
| DO NOT WRITE ANYTHING HERE | a) Investment | | - |
| | b) Inventory | 2 | 6.02 |
| | c) Trade Receivable | 3 | 11.57 |
| | d) Cash & cash equivalent | 10 | 8.26 |
| 2Step1 | Total | | 110.55 |
| Notes to Accounts | | | |
| DO NOT WRITE ANYTHING HERE | ① Share capital | | |
| | Authorised capital | | |
| | 50,000 ES @ 100 each | 50 | |
| | ② Issued & subscribed | | |
| | 40,000 Eq. share @ 100 each | 40 | |
| | (-) call in arrears | (.64) | 39.36 |
| (out of above 5000 equity share has been issued allotted for consideration other than cash) | | | |



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|---|--|-------------|------------------------------------|--|
|  | | 20 | | |
| 2 | <u>Reserve & surplus</u> General Reserve Capital Reserve (12.5(-) 0.02) Profit and loss A/c Securities Premium A/c Revaluation Reserve Add: Revaluation of land [40.5 (-) 30.88] | 0.2 9.62 | 6.9 12.3 3.5 0.75 9.82 | <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> |
| | | | 33.27 | |
| 3 | <u>Long term Borrowings</u> <u>Secured loans</u> a) 10% Debentures (intention of holding for more than 2 years) b) loan from SSA corporation (10 (-) 0.45) (secured by Plant & Machinery) (Repayable after 3 years) <u>unsecured loans</u> other long term loan | | 5 9.55 4.25 18.8 | <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> |
| 4 | <u>Short term Borrowing</u> <u>Secured</u> loan from OCB Bank | | 4.5 | <input checked="" type="checkbox"/> |



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| | | | |
|----------------------------|-------------------------------|-------------------------------------|--------|
| 21 | | | |
| DO NOT WRITE ANYTHING HERE | unsecured loans | | |
| | a) loan from Related Party | <input checked="" type="checkbox"/> | 0.54 |
| DO NOT WRITE ANYTHING HERE | b) Other Borrowing | <input checked="" type="checkbox"/> | 1.91 |
| | | | 6.95 |
| DO NOT WRITE ANYTHING HERE | 5. Other current liability | | |
| | Interest Accrued but not due | | 0.45 |
| DO NOT WRITE ANYTHING HERE | Other current | <input checked="" type="checkbox"/> | 1.41 |
| | | | 1.96 |
| DO NOT WRITE ANYTHING HERE | 6. Property Plant & Equipment | | |
| | £ | | |
| DO NOT WRITE ANYTHING HERE | a) Freehold land | | 30.88 |
| | Add: Revaluation | <input checked="" type="checkbox"/> | 9.62 |
| DO NOT WRITE ANYTHING HERE | b) Plant & Machine | | |
| | Cost | | 41 |
| DO NOT WRITE ANYTHING HERE | (-) Depreciation (41 - 26.8) | <input checked="" type="checkbox"/> | (14.2) |
| | Cost | <input checked="" type="checkbox"/> | 26.8 |
| DO NOT WRITE ANYTHING HERE | | | 67.3 |
| DO NOT WRITE ANYTHING HERE | 7. Non current Investment | | |
| | In Debentures of Gfcl Limited | <input checked="" type="checkbox"/> | 6 |
| DO NOT WRITE ANYTHING HERE | | | |
| | | | |



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Subject: 01 Advanced Accounting

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Marks Obtained: 65.5

Barcode: 22

| Q.No. | Question | Answer | Mark |
|-------|--|------------------------------|------|
| 7b | Inventory a) Finished good b) Raw Material c) | | |
| 8b) | Inventory a) Finished good (4.67 - 102) b) Good in Transit (Finished goods) c) Loose tools (Not meet the definition of PPE as per AS 10) | 3.65 1.35 1.02 6.02 | 5 |
| 9a) | Trade Receivable Due for more than 6 Month other | 5.26 6.31 11.57 | |
| 10 | Cash & cash Equivalent a) Schedule Bank b) Other Bank (Not a Schedule Bank) c) Cash in Hand | 7.46 0.24 0.56 8.26 | |

2Step2 ✓ 9



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Barcode

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Note: 1 ☒ Bills Receivable for 58,000
making on 6 May 2025, have been
discounted on 15 March, 2025

Note: 2 ☒ : claim against the company
amounting to ₹415,000 have not
be acknowledged as debt.

DO NOT WRITE ANYTHING HERE

2 ☒ 14

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Q. 3(a)

Cash flow from operating Activities (Lakh)

| | | |
|---|------|--------|
| Net Profit Before tax & extraordinary item | | 6.05 |
| Adjustment for non-cash & non-operating item. | | |
| Add Depreciation on Plant | 0.5 | |
| Depreciation on Land | 1 | |
| (5.75 - 4.5) Amortization of goodwill | 1.25 | 2.75 |
| Net Profit Before working capital changes | | 8.8 |
| Less: Decrease in outstanding exp | | (0.2) |
| (4.85 - 5.05) Decrease in Inventory | | (1.64) |
| (12.6 - 8) Decrease in Receivable | | (4.6) |
| Add: Increase in Trade Payable | | 1.4 |
| (4.15 - 2.75) | | |
| Increase in Trade Receivable | | |
| (4.85 - 4.35) Decrease in Inventory | | 0.5 |
| Net Profit Before tax | | 5.9 |
| Less Income tax Paid | | (1.75) |
| Net cash flow from operating Activities | | 4.15 |

3aStep1 ☒ 6.5



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WN1 Cal. of Net Profit Before Tax & extraordinary item

| | | |
|---------------------------------------|-------------|---|
| (2.4 - 1.5) Net Profit increase in PL | 0.9 | ✓ |
| (6 - 4.1) General Reserve | 1.9 | ✓ |
| Interim Dividend Paid | 1 | ✓ |
| Provision for tax WN2 | 2.25 | ✓ |
| | <u>6.05</u> | ✓ |

WN2 Provision for tax

| | |
|-----------------------|---------------------|
| To Bank 1.75 | By Bal Bld 2 |
| (Paid) | By Profit/Loss 2.25 |
| To Bal Bld <u>2.5</u> | (Provision) B/LF |

WN3 Plant & Machine

| | |
|----------------------|-----------------------|
| To Bal Bld 4 | By Depreciation 0.5 |
| To Bank (B/LF) 6 | By Bal cld <u>9.5</u> |
| (Purchase) <u>10</u> | 10 |

WN4 Land & Building

| | |
|-----------|-------------------|
| To Bal 10 | By Depreciation 1 |
| | By Bal cld 9 |

3aStep2 ✓ 0.5

3a ✓ 7

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Q. 3(B)

(i) Value in use lakh

| | | @ 10%. | |
|-------|-----------|------------|---------------|
| Year | Cash flow | P.V factor | Present Value |
| 25-26 | 1000 | 0.909 | 909 |
| 26-27 | 800 | 0.826 | 660.8 |
| 27-28 | 700 | 0.751 | 525.7 |
| 28-29 | 800 | 0.683 | 546.4 |
| 29-30 | 600 | 0.621 | 372.6 |
| 30-31 | 500 | 0.564 | 282 |
| | | Total | 3296.5 |

Value in use: - 3296.5 lakh

(ii) AS- 28 Impairment loss is recognized when carrying value of an Asset exceeds its Recoverable value i.e. higher of Net selling Price & or value in use.

3bStep1



3

Net Selling Price 3000 lakh
Value in use 3296.5 lakh



Recoverable value 3296.5 lakh

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DO NOT WRITE ANYTHING HERE

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X



| | |
|-------------------------|-------------|
| Total Marks: | 70 |
| Marks Obtained : | 65.5 |

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Marks Obtained: 65.5

2

Alternatively

| | | |
|------------------------|-------------|--------------------------|
| Carrying Value | 4500 | |
| Less Impairment loss | (3.5) | <input type="checkbox"/> |
| (1203.5 - 1200) | | |
| Revised carrying value | 4496.5 lakh | |

Impairment loss should be written off against goodwill first

| | | |
|--|-----------|-------------------------------------|
| Value of goodwill | 9000 lakh | |
| Less Amortization | 8000 | <input checked="" type="checkbox"/> |
| $\left[\frac{9000}{5} \times 2 \right]$ | | |
| | 1200 lakh | <input checked="" type="checkbox"/> |
| Impairment loss | (1200) | <input checked="" type="checkbox"/> |
| Carrying Value | - | |

3bStep3 ☒ 2.5

3b ☒ 6

3 ☒ 13

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3

Q.4

1. Calculation of Purchase consideration (20 marks)

| | | |
|------------------------------|---|-----------|
| Property Plant Equipment | ✓ | 36,44,500 |
| unrecorded Asset | ✓ | 1,16,000 |
| Inventory (420,000 + 10%) | ✓ | 528,000 |
| Goodwill | ✓ | 750,000 |
| Trade Receivable | ✓ | 4,65,000 |
| Cash in hand | ✓ | 31,500 |
| 8% Debenture Bank | ✓ | 60,000 |
| Total Asset (a) | | 55,95,000 |
| less 8% Debenture (8-10%) | | (720,000) |
| Retirement Fund | ✓ | (130,000) |
| Trade Payable | ✓ | (425,000) |
| Other current liability | ✓ | (98,000) |
| Short term Provision | ✓ | (32,000) |
| Liabilities (b) | ✓ | 13,95,000 |
| (a-b) Purchase consideration | ✓ | 42,00,000 |

Equity Shares to be issued $\frac{42,00,000 \times 100}{105}$

40,000 X 100 ES = 40,00,000

40,000 X 5 Prem = 200,000

42,00,000



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Calculation of goodwill

| | |
|---|-----------|
| Total Profit (450,000 + 390,000 + 235,000) | 10,75,000 |
| Add: embezzlement of cash (a) | 50,000 |
| Average Profit $\left[\frac{a}{3}\right]$ | 11,25,000 |
| | 375,000 |

Goodwill = $375,000 \times 2 = 750,000$

4Step4 ✓ 1

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ADDL. BOOK

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ADDITIONAL ANSWER BOOK

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Balance sheet

| | | | | |
|---|------------------------------------|---|-----------|---|
| A | Shareholder's Equity & Liabilities | | | |
| | I Shareholder fund | | | |
| | a) share capital | 1 | 80,00,000 | ✓ |
| | b) Reserve & surplus | 2 | 350,000 | ✓ |
| | II Non-current liabilities | 3 | 22,20,000 | |
| | a) long term Borrowing | 3 | 22,20,000 | ✓ |
| | b) long term Provision | 4 | 475,000 | ✓ |
| | III Current liabilities | | | |
| | a) Trade Payable | 5 | 10,15,000 | ✓ |
| | b) other current liability | 6 | 212,000 | ✓ |
| | c) Short term Provision | 7 | 103,000 | ✓ |
| | Total | | | |
| B | Asset | | | |
| | I Non current Asset | | | |
| | a) Property Plant Equipment | 8 | 72,09,500 | ✓ |
| | b) Intangible | 9 | 16,25,000 | ✓ |



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2

| II | |
|---------------------------|-------------|
| Current Asset | |
| a) Inventory | ✓ 14,17,000 |
| b) Trade Receivable | ✓ 16,68,500 |
| c) cash & cash equivalent | ✓ 339,000 |
| d) Other current Asset | ✓ 1,16,000 |

4Step2 ✓ 4



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| 3 | | |
|--------------|--|---|
| <u>Notes</u> | | |
| 1) | <u>Share capital</u> Authorised, Issued, subscribed 80,000 E.S @ 100 each | 80,00,000 <input checked="" type="checkbox"/> |
| 2) | <u>Reserve & surplus</u> General Reserve Security Premium (40000 x 5) | 150,000 200,000 350,000 <input checked="" type="checkbox"/> |
| 3) | <u>Long term Borrowing</u> 10% Debenture Add: | 15,00,000 720,000 22,20,000 <input checked="" type="checkbox"/> |
| 4) | <u>Long term Provision</u> Retirement gratuity fund | 345,000 130,000 475,000 <input checked="" type="checkbox"/> |
| 5 | <u>Trade Payable</u> + (-) | 740,000 425,000 (1,50,000) 10,15,000 <input checked="" type="checkbox"/> |
| 6) | <u>Other current liability</u> | 124,000 88,000 212,000 <input checked="" type="checkbox"/> |



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| | | | |
|--------|-------------------------------------|---|---|
| | |  3000014670 | |
| 4 | | | |
| 7 | Short term Provision | 71000 | <input checked="" type="checkbox"/> |
| | | 32000 | 103,00 |
| 8 | Property Plant Equipment | | 35,65,0 |
| | Add | | 36,44,5 |
| | | | <input checked="" type="checkbox"/> 72,09,5 |
| 9 | Intangible Asset | | 875,0 |
| | Goodwill | | 750,0 |
| | Add | | <input checked="" type="checkbox"/> 1625,0 |
| 4Step3 | <input checked="" type="checkbox"/> | 4.5 | |
| 4 | <input checked="" type="checkbox"/> | 12 | |



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Marks Obtained : 65.5

Result Overview

Awarded Marks: 65.5

Max Marks:70

NA Not Attempted

O Optional

M Marked

Q1_Compulsory (Score: 13.5/14)

| Question No | Awarded Marks | Maximum Marks | Status |
|-------------|---------------|---------------|--------|
| 1 | 13.5 | 14 | M |
| 1a | 5 | 5 | M |
| 1b | 5 | 5 | M |
| 1c | 3.5 | 4 | M |

Q2_Q6 (Score: 52/56)

| Question No | Awarded Marks | Maximum Marks | Status |
|-------------|---------------|---------------|--------|
| 3 | 13 | 14 | M |
| 3a | 7 | 7 | M |
| 3b | 6 | 7 | M |
| 6 | 13 | 14 | M |
| 6a | 4 | 4 | M |
| 6b | 4 | 4 | M |
| 6c | 5 | 6 | M |
| 2 | 14 | 14 | M |
| 4 | 12 | 14 | M |
| 5 | 0 | 14 | O |