

Date:-20/09/2018

Time:-8.00 to 9.00

Max Marks:- 30

Q.1 The following is the Balance Sheet of Rafale Co. Ltd. as on 31st December,2017 :

15

Liabilities	Rs.	Assets	Rs.
Share Capital:		Goodwill	20,000
14,000 Equity share of Rs.100 each	14,00,000	Building(at Cost less depreciation)	2,00,000
General Reserve	3,21,000	Plant and Machinery(at cost less depreciation)	4,00,000
6% Debenture	80,000	Patents(less written off)	200
Bank Loan(Short term)	70,000	Investment:	
Sundry Creditors	1,20,000	Quoted(Market Value Rs.15,000)	20,000
Unclaimed Dividend	6,000	Unquoted	20,000
Provision for Taxation	14,000	Trade Investments	40,000
		Shares in Subsidiary Co.	2,40,000
		Stocks and stores	3,00,000
		Cash in hands and bank	60,000
		Sundry Debtors	6,00,000
		Bills Receivable	1,00,000
		Preliminary Expenses	10,800
	20,11,000		20,11,000

Additional Information:

- (1)The current replacement costs of Building and Plant and Machinery are Rs.3,00,000 and Rs.6,00,000 respectively.
- (2)The value of shares in subsidiary Co. is Rs. 3,00,000.
- (3) The trade investment are valued at Rs.50,000. Unquoted investments at Rs.30,000.and quoted investment are not related with normal activities of the company.
- (4)The value of raw material included in the figures of stock and stores has shown an increase of Rs.1,00,000. However, Rs.20,000 worth stocks are obsolete and are to be written off.
- (5)The patents have a market value of Rs.20,000 which represent a conservative estimate of the price which can be obtained if sold at present.
- (6)The profit of the year is Rs.3,00,000.
- (7)If the depreciation is charged on the replacement cost basis then it will be increased by Rs.20,000 for building, Rs.30,000 for plant and machinery and Rs.4,000 for patents.