

Seat No : _____

TC-18

Advanced Accounting and Auditing Paper - V

Time : 3 Hours

[Total Marks : 70

- મત્રલક : (1) જમણી બાજુના અંક માકસ દશવે છે.
(2) ડકઠુ રઠઠકલક સઠકકુ યફસ વફઠઠેફત ડઠકુ

રઠઠક - 1

1. «લુપેઠ ડલ ડેલક [કઠકકલકે ઈક. 31-3-2004 લક ઠક લેલકે ડકફેકુ {ઠઠઠકલક યકઠે ઓ 12

રઠઠક	Y.
ફકલક ઠક	22,00,000
યલ યકઠફુ	4,00,000
ઠકલક ઠક	10,00,000
મલકલક ઠક	7,00,000
{ઠે	5,00,000
યલકલક યલક ઠઠક	4,00,000
ઠકલક (ઠકલક ઈલક)	30,00,000
વલલક લકલક	2,00,000
યલ સઠકકેકેકુ યલ ઠઠકેકેકુ	3,00,000
ઠકલક યલ ઠકલક ઠકલક	5,00,000
યલ ડકલક ઠકલક ઠકલક	3,00,000
ઠકલક	4,00,000
રઠકલક	36,00,000
ફલકે રકલક	4,00,000
યલ રકલક	1,00,000

ઠઠકલકે {કલકે.

લેલક {લકલકે ઠઠકેકેકુ ઠઠે

(y) રઠકલક વઠક ઠકલક {લક :

- Y. 80,000લક ઠકલકે રકલક (loss assets) વઠક 100% ડઠકુ
- Y. 2,00,000લક ફ {લકલક (sub-standard) રકલક વઠક 10% ડઠકુ

(ક) ઠઠક {લક Y. 2,00,000

(f) સલકે ફલકે {લકલક યલકલક

વઠકલક {કલકલક યલકલક ઠકલક 1949 {લક લકલક 'ક' {લક લલક લલકલક ઠકલક યલ લકલક 'y' {લક ઠકલક મલકલક ઠકલક

યલક

1. (y) ઠકલક ડઠક (લકલક ઠકલક) :
1. ફલકે {લકલક યલકલક
 2. ઠકલક ઠકલક
 3. ઠકલકે નલકલક ઠકલક

2. રઠકલક ઠકલક
4. ઠકલકલક {લકલક નલકલક

6

(çk) fKÖÄkLkef ykrfzk MkkÖku Lke [Lkk Äkrhrpü ikPkh fhku

6

1. Äkrhrpü-3 ÖkkÄkyku **yükök** Äkrhrpü - 9 rÄhkýku

2. Äkrhrpü-14 yLp ykÖfku **yükök** Äkrhrpü-16 Mktk=LkLkk ¾ [ko

2. «pkk r÷r{xz yTMu yLkÖe r÷r{xzLkk ikk.31-3-04Lkk MkhÖPkk Lke [u {usçk níkk.

12

sÖkçkÉktheyku	«pkk r÷.	yLkÖe r÷.	r{Ökfíkku	«pkk r÷.	yLkÖe r÷.
¼hkpE {qe :			fkb{e r{÷Öfíkku	6,00,000	2,40,000
RfÖexe þn {qe	4,00,000	3,00,000	hkffýku	—	50,000
Mkk{kLp y TM k{ík	2,00,000	—	(çk.rf. Y.66,000)		
10%Lkk rzçk[Mko	3,00,000	2,00,000	[k=w r{Öfíkku	4,85,000	1,50,000
÷yÉkhku	2,00,000	1,00,000	rzçk[Mko ÖxkÖ	15,000	10,000
			Lk.Lkw ¾kíku	—	1,50,000
	11,00,000	6,00,000		11,00,000	6,00,000

ikk. 1-4-2004Lkk hks «pkk r÷r{xz yTMu yLkÖe r÷r{xzLkkLke [Lke þhíkku yLk{kÖp fhÖkLkLk ÷e fPw

1. çkLku fÄkLkeLke fkb{e r{Öfíkku kt s{elk-{fklk íkÖkk þPkkLkku 3 : 1Lkk «{ký{k M{kÖp Ökkþ Au [kÄkzu ÉþkÖE s{elk-{fklkLke f{ík íkLke çkÖh f{ík fhíkt 10% ykAe Au þPkhþPkkLke çkÖhrf{ík 10% ykAe Au

2. [k=w r{÷fíkkLke çkÖh f{ík yLkÖe {uY. 4,65,000 yTMuY. 1,00,000 Au

3. çkLku fÄkLkeLkk RfÖexe þnLke f{ík Y. 100 AustLke ¼hkpE f{ík þnÉeX yLkÖe {uY. 80 yTMuY. 50 Au

4. ¾heÉ f{íkkLke [rfÖye Äkxu yLkÖe r÷r{xzLkk þnLkk çkÉ÷k{kt «pkk r÷r{xzLkk ÄkkLkk sYhe þnkuçkLku fÄkLkeLkk þnLke ykíkrhf f{íkkLku þkL{k÷RLku ykÄkÖk.

yLkÖe r÷r{xzLkk [kÄkz sYhe ¾kíkk yku íkPkh fhku yLk«pkk r÷r{xzLkk M{kÖp ÄkAeLkÄk fMkhÖPwçkLkkÖku

yükök

2. ÄkY÷ r÷r{xzLkk ikk.31-3-2004Lkk hksLku MkhÖPkk Lke [u {usçk Au

12

sÖkçkÉktheyku	Y.	r{Ökfíkku	Y.
¼hkpE {qe :		Äkk½ze	1,00,000
R.þnku Éhf Y.100Lku yf yÖk		s{elk-{fklk	5,00,000
Äkþk ¼hkpE	10,00,000	þPkk	4,00,000
10% Lkk «v/hLk þnku Éhf		hkffýku	3,00,000
Y.100Lku yf yÖk Äkþk ¼hkpE	5,00,000	Mxkf	1,50,000
12%Lkk rzçk[Mko	2,00,000	ÉÖkÉkhku	3,20,000
çkf ÷kLk	1,00,000	— ½÷¾kÄ	<u>20,000</u>
÷yÉkhku	2,50,000		3,00,000
ÉÖe nteyku	1,50,000	— ½k.y.	<u>10,000</u>
		hkffz yLku çkf	1,40,000
		rzçk[Mko ÖxkÖ	20,000
		Lk.Lkw ¾kíku	3,00,000
	22,00,000		22,00,000

Ákkuk:h [LkkLke ÞksLkk Lke [u {sçk {sln fhðk{kt ykðe Au

1. ÁkkY ÷ r÷r{xazLkk hkfkyku Eðe nizeyku yTMu Y. 40,000 Lke hkfz rllðkÞLkku ÁÁku ¾heEe ÷ðk {kxu Y. 15,00,000Lke M¥kkðkh {qe MkkúkuÁkkY {eTMk r÷r{xazLke MúkkÁLkk fhðk{kt ykðe suY. 10Lkuyif yðk 1,00,000 Rfðexe yLku50,000 10%Lkk «Þ/hLk Þlnk{kt ðnu [kÞe Au
2. ÁkkY ÷ r÷r{xazLkk yif Rfðexe ÞlnLkk çkE ÷k {kt ÁkkY {eLkk r÷r{xaz ÁkkúkkLkk ykx Rfðexe ÞlnkuÁkþk ¼hkÞe-k okýe 10%Lkk r«r{Þ {uykÁkþu
3. ÁkkY ÷ r÷r{xazLkk yif «Þ/hL, ÞlnLkk çkE ÷k {kt ÁkkY {eLkk r÷r{xaz ÁkkúkkLkk [kh «Þ/hL, ÞlnkuÁkþk ¼hkÞe-k okýelkuykÁkþu
4. ÁkkY ÷ r÷r{xazLkk rzçkt [Mkkke sðkçkE kthe 8%Lkk r«r{Þ {u [fððk {kxuÁkkY {eLkk r÷r{xaz ÁkkúkkLkk 10%Lkk rzf [MkoEhf Y. 100Lkuyif yðk 10%Lkk ðxkðuykÁkþu
5. ÷efðezÞLk ¾ [o {kxuY. 20,000 hkfzk ykÁkðk.
6. ÁkkY ÷ r÷r{xazurðMksÞk ¾ [ðkk Y. 15,000 [fðÞk.
7. hkfkykúkk [kákzu {f {ikLkk 80% WÁkÞÞk.
 ÁkkY ÷ r÷r{xazLkk [kákzuÁkkuk:h [Lkk ¾kík kMkník sYhe ¾kíkkykuíkÞkh fhkuyTMuÁkkY {eLkk r÷r{xazLkk [kákzu sYhe yk {LkkÁkuykÁkku

3. (y) ¼q {fk r÷r{xazLkk íkk.31-3-2004Lkk hksLktv MkhðÞw Lke [u {sçk Au

5

sðkçkE kthe yku	Y.	r {ðkfíku	Y.
¼hkÞe {qe :		Ákk½ze	1,00,000
R.Þlnku Ehf Y. 100Lkku		fkÞ {e r {ðfíku	5,00,000
yif yðk Ákþk ¼hkÞe	5,00,000	hkfkyku	2,50,000
Mk {kLÞ yLkk {ík	3,00,000	(çk.rf.Y. 1,75,000)	
Ákkuk: {ÞÞkflk yLkk {ík	1,00,000	[k÷w r {ðfíku	3,00,000
10% Lkk rzçkt [Mko	2,00,000	(Y. 1,00,000Lke çktf rllk÷f Mkník)	
÷y Ekhku	1,00,000	rzçkt [Mko ðxkð	20,000
		«kúkr {f ¾ [o	30,000
	12,00,000		12,00,000

[kákzu EÞkðe Ákk½ze íkúke ðkMkrðf {f {ikLkk 80% Au

[kákzu EÞkðe fkÞ {e r {ðfíku íkúke çkðh {f {íku Au su íkúke {q {f {ík fhíkk 25% ðÁw Au ÞÞkhu [k÷w r {ðkfíkkúke çk.rf. 10% ykuAe Au

fÁkLkellku Að ÷k Ákk [ðkúkkku 35% ÷¼u fhðnk Áknúe-kLkku fwe LkVku Y. 10,00,000 Au yLku yÁkúkkík ððíkhLkku Ehf 13% Au

Mkhþkþ [kí¾k LkVklkku {qefhyLke Ákðríkyu Ákk½zelke okýke fhku

yúðk

3. (y) Ákk/zelkk {ÖÞkflLkku yMkh fhíkt Ákrhçk÷kuke [[ko fhku 5
3. (çk) r«Þfk r÷r{xzLkú íkk.31-3-2004Lkk hksLku MkhöÞw Lke [u {wçk Au 6

söçfËtheyku	Y.	r{÷fíku	Y.
¼hkp÷ {we :		fkb{e r{Ökfíku	10,00,000
'y' R.Þhku Èhf Y.100Lkku	6,00,000	[k÷wr{÷fíku	6,00,000
Átkk ¼hkp÷		(Y.1,00,000Lke	
'çk' R.Þhku Èhf Y.100Lkku	3,00,000	çkf rMk÷f Mkrník)	
Y. 75 ÷¼u ¼hkp÷			
Mk{klÞ yLkk{ík	4,00,000		
÷y'Ëkhku	3,00,000		
	16,00,000		16,00,000

fíkkLkLke çkAes r{÷fíkkuke çkòh rfíík 20% ðÄw Au
 fíkkLkLkku 35% ÷¼Lkk fhötk ÁkAeLkku MkhntkÞ LkVku Y.1,80,000 Au BÞkhu yÁkúúík ð÷íkhLkku Èh
 10% økýðku çkLku «fkhLk Þhkkuke ykíkrhf {ÖÞLke ÁkzÁríkyu íku{s WÁksLkk Áknyú Ç{ík ÞkÁku

yúðk

3. (çk) ÞhLke ykíkrhf Ç{ík, çkòh Ç{ík yLku ÖÞksçke Ç{ík Ákh LkkÄ ÷¼ku 6

rð¼køk - 2

4. (y) Lke [u ÈÞkð÷e fkrÁký yf yÞku 1956Lkk fíkkLke Ákhk yLÖÞLke ððkðRyku xíf{kt sýkðku 5
1. ðxkðLke yúðk r«r{Þ{Úke Þh çknkh Ákzðk.
 2. f÷{ 208 nk÷ {çe{kkLke ÖÞksLke [fðýe.

yúðk

4. (y) Lke [u ÈÞkð÷e fkrÁký yf yÞku 1956Lkk fíkkLke Ákhk yLÖÞu ykzexhLke söçfËtheyku sýkðku 5
1. Þh VnçkÉ÷e yúðk rzçkl[h çknkh Ákzðk.
 2. ½MkhhLke ððkðR.

- (çk) xífLkkÄ ÷¼ku (øk{u íku çk)
1. n÷Lk Þhku yLku çkkLkMk Þh
 2. ðnu[yéÁk°k LkVku
 3. Ákzíkhlkku ykzexLkku fkbç{
 4. Mk¼kLkkÄ
- 6

5. (y) Lke [Lkk Ákife øk{u íku yfLkku ykzex fkp{ { íþkh fhku 6
1. þükryf Mkk
 2. ykiäkækf yf{

yúðk

5. (y) Lke [Lkk Ákife øk{u íku yfLkku yLðwý fR heíku fhþku 6
1. [k÷w ÄÄLkk ¾heÉLkk ðíke
 2. ÄÄk{kt Èøkk fu AúkhÄk^azeLke þfk nkþ íþkhu

- (çk) Lke [Lkk Ákife øk{u íku çLkku íkVkðík sýkðku 6
1. ykzex ynðk÷ yLku ykzex «{kyÁk^ok
 2. fhðnkLkku ykzex yLku Lkykifeþ ykzex
 3. ð[økk÷kLkku rzdZLz yTMu AðxLkku rzdZLz
 4. yLkk{ík yTMu ðmkðkRyku

6. øk{u íku økyLk sðkçk ykÁkku 12

(y) Lke [Lkk {kxu fÁkLke Ákhk 1956 yLðPu Mk{þ {þkÉk yþkLke ðmkðkRyku sýkðku

1. Mkk{kLþ Mk¼k ¼hðk yþku
2. fkpÉMkhLke {ex^aøk ¼hðk yþku
3. þnku ðxkðÚke çknkh Ákzðk yþku
4. Mk¼kMkÉkLke Mk¼kLkKÁLke çkf{kt LkkÁ fhðk yþku

(çk) yf ¼køkeÉkhe ÁkzeLk ík.31-3-2004Lk hks Ákþk Úkík ðkLk fhðnkLk ykzexh íkhefu Lke [Lke çkkçíkku fR heíku aþkLk{kt ÷þku

1. Y.25,000Lke ÚkkÁký (rzÁkkú ex) hkfz{kt Mðefkhe Au
2. Y.30,000Lkku fk [ku {k÷ hkfzÚke ¾heÉte Au
3. yf ¼køkeÉkLke SÈøkeLk rð{kLkku r«r{þ{ Y.5000 rð{k r«r{þ{ ¾[o ¾kíku WÁkhe Au
4. ík.1-1-2004Lk hks ¾heÉte Y.1,00,000Lk þþku WÁkh 25%Lk Éhu Y.25,000Lkku ½Mkhhku Lk.Lku ¾kíku WÁkhe Au

(f) **ylp^mk r÷r{xuzlle** Lke [Lke {krníke WÁkhúke 2003-2004Lkk ð»kkku ðnu [yéÁkk^ok LKvku Lk→e fhku

ð»ko	½Mkhk Ákrúe-kLku LKvku fu LkfpkLk Y.	fíkkleÁkhk «{kýu sYhe ½Mkhku Y.	ymk{krðü ½Mkhku Y.
2001-02	- 1,20,000	60,000	45,000
2002-03	- 60,000	45,000	15,000
2003-04	+3,00,000	90,000	—

(z) **okó** yLkk{ík W¼w fhðk ybku ok{u íku [kh «króMúkkLku sýkðku

Seat No : _____

TC-18

Advanced Accounting and Auditing Paper - V

Time : 3 Hours

[Total Marks : 70

- Instructions :** (i) Figures to the right indicates the marks.
(ii) Answers of both the sections are to be written in ONE Answer Book.

SECTION - I

1. The following are the balances extracted from the books of **PROGRESSIVE BANK LTD** as on 31-Mar-2004. 12

Particulars	Rs.
Interest earned	22,00,000
Other Income	4,00,000
Interest paid	10,00,000
Operating Expenses	7,00,000
Capital	5,00,000
Reserves and surplus	4,00,000
Deposits	30,00,000
Borrowings	2,00,000
Other Liabilities and provisions	3,00,000
Cash on hand and Balance with RBI	5,00,000
Balance with other banks	3,00,000
Investments	4,00,000
Advances	36,00,000
Fixed Assets	4,00,000
Other Assets	1,00,000

Additional Information :

The following provisions are to be made:

- a) For doubtful debt on advances:
On Loss assets of Rs. 80,000 - @ 100%.
On Sub-standard assets of Rs. 2,00,000 - @ 10%.
- b) Provision for taxation – Rs. 2,00,000.
- c) Statutory Reserves as required by law.

From the above information, prepare Profit and Loss Account in Form B and Balance Sheet in Form A as prescribed under the Banking Regulation Act, 1949.

OR

1. (A) Write short notes (Any **TWO**). 6
1. Statutory Reserves
 2. Classification of Advances.
 3. Rebate on bills discounted.
 4. Bills of collection.

(B) Prepare the following Schedules with imaginary figures. 6

1. Schedule – 3 Deposits **OR** Schedule – 9 Advances.
2. Schedule – 14 Other Income **OR** Schedule – 16 Operating Expenses.

2. The following are the Balance Sheets of **PRASHANT LTD** and **ANUVI LTD** as on 31.03.2004 12

Liabilities	Prashant Ltd.	Anuvi Ltd.	Assets	Prashant Ltd.	Anuvi Ltd.
Paid up Capital :			Fixed Assets	6,00,000	2,40,000
Equity Share Capital	4,00,000	3,00,000	Investments	—	50,000
General Reserve	2,00,000	—	(M.V. Rs. 66,000)		
10% Debentures	3,00,000	2,00,000	Current Assets	4,85,000	1,50,000
Creditors	2,00,000	1,00,000	Disc.on Debentures	15,000	10,000
			Profit & Loss A/c	—	1,50,000
	11,00,000	6,00,000		11,00,000	6,00,000

On 1/4/2004, PRASHANT LTD agreed to absorb ANUVI LTD on the following conditions :

1. The fixed assets of both the Companies includes Land and Building & Machinery in the proportion 3 : 1. The value of Land and Building as shown in the books is 10% less than the market value, whereas the market value of Machinery is 10% less.
2. The market value of Current Assets are Rs. 4,65,000 and Rs. 1,00,000 respectively.
3. The Equity shares of both the Companies are of Rs. 100 each, paid up to the extent of Rs. 80 and Rs. 50 per share respectively.
4. The purchase consideration is to be satisfied by issuing necessary shares of PRASHANT LTD in exchange of shares of ANUVI LTD on the basis of intrinsic value of their shares.

Prepare necessary ledger accounts in the books of ANUVI LTD and Balance Sheet of PRASHANT LTD after absorption.

OR

2. The following is the Balance Sheet of **PARUL LTD** as on 31-Mar-2004. 12

Liabilities	Rs.	Assets	Rs.
Paid up Capital :		Good will	1,00,000
Equity Shares of Rs. 100		Land & Building	5,00,000
Each, fully paid up	10,00,000	Machinery	4,00,000
10% Preference Shares		Investments	3,00,000
of Rs. 100 Each, fully paid up	5,00,000	Stocks	1,50,000
12% Debentures	2,00,000	Debtors	3,20,000
Bank Loan	1,00,000	<i>Less : Bad Debts</i>	<u>20,000</u>
Creditors	2,50,000		3,00,000
Bills Payable	1,50,000	<i>Less : B.D.R</i>	<u>10,000</u>
		Cash and Bank	1,40,000
		Disc.on Debentures	20,000
		Profit & Loss A/c	3,00,000
	22,00,000		22,00,000

The following scheme of reconstruction is sanctioned :

1. A new company PARUMINA LTD to be formed with an authorised capital of Rs. 15,00,000 divided into 1,00,000 Equity Shares and 50,000 10% Preference Shares of Rs. 10 each to take over the business of PARUL LTD except Investments, Bills Payable and Cash balance of Rs. 40,000.
2. PARUMINALTD will issue EIGHT Equity Shares as fully paid at 10% premium for every ONE Equity Share of PARUL LTD.
3. PARUMINA LTD will issue FOUR Preference Shares as fully paid for every ONE Preference Share of PARUL LTD.
4. PARUMINA LTD will issue its 10% Debentures of Rs. 100 each at 10% Discount to discharge the liability of Debentures of PARUL LTD at 8% premium.
5. Rs. 20,000 in cash for Liquidation Expenses.
6. The cost of liquidation expenses amounted to Rs. 15,000 paid by PARUL LTD.
7. Investments realized 80% of its book value.

Prepare necessary ledger accounts including Reconstruction Account in the books of PARUL LTD and pass necessary entries in the books of PARUMINA LTD.

3. (A) The following is the Balance Sheet of **BHUMIKA LTD** as on 31-Mar-2004.

5

Liabilities	Rs.	Assets	Rs.
<u>Paid up Capital :</u>		Goodwill	1,00,000
Equity Shares of		Fixed Assets	5,00,000
Rs. 100 Each, fully paid up	5,00,000	Investments	2,50,000
General Reserve	3,00,000	(M.V. Rs. 1,75,000)	
Revaluation Reserve	1,00,000	Current Assets	3,00,000
10% Debentures	2,00,000	(Including Bank Balance	
Creditors	1,00,000	Rs. 1,00,000)	
		Discount on Debentures	20,000
		Preliminary Expenses	30,000
	12,00,000		12,00,000

The value of Goodwill as shown in the books is 80% of its real value.

The Fixed Assets as shown in the books are at its market value, being 25% more than the cost, whereas the market value of Current Assets are 10% less.

Total Profits of the Company before Taxes @ 35% for the last five years is Rs. 10,00,000 and expected rate of return is 13%.

Calculate the value of Goodwill by capitalisation of average profit method.

OR

3. (A) Discuss the factors affecting the value of Goodwill. 5

3. (B) The following is the Balance Sheet of *PRIYANKA LTD* as on 31-Mar-2004. 6

Liabilities	Rs.	Assets	Rs.
<u>Paid up Capital :</u>		Fixed Assets	10,00,000
‘A’ Equity Shares of Rs. 100 each, fully paid up	6,00,000	Current Assets (Including Bank Balance Rs. 1,00,000)	6,00,000
‘B’ Equity Shares of Rs. 100 each, Rs. 75 paid up	3,00,000		
General Reserve	4,00,000		
Creditors	3,00,000		
	16,00,000		16,00,000

The market value of all the assets of the Company is 20% more than the book value.

The average profit of the Company after taxes @ 35% is Rs. 1,80,000 and expected rate of return is 10%.

Calculate the value of both the Shares as per Intrinsic Value Method and Yield Method.

OR

3. (B) Write notes on Intrinsic Value, Market value and Fair Value of Shares. 6

SECTION – II

4. (A) State, in brief, the provisions of the Companies Act, 1956 in respect of **ANY ONE** of the following: 5

1. Issue of Shares at discount **OR** at a premium.
2. Interest paid out of capital u/s. 208.

OR

4. (A) State the duties of an Auditor in respect of **ANY ONE** of the following under the Companies Act, 1956. 5

1. Share transfer **OR** Issue of Debentures.
2. Provision for Depreciation.

4. (B) Write short notes (**ANY TWO**). **6**
1. Right Shares and Bonus Shares.
 2. Divisible Profit.
 3. Cost Audit Programme.
 4. Minute Books.

5. (A) Prepare an audit programme of **ANY ONE** of the following. **6**
1. Educational Institution.
 2. Manufacturing Unit.

OR

5. (A) How will you investigate **ANY ONE** of the following. **6**
1. Purchase of running business.
 2. When fraud is suspected in the business.

5. (B) Explain the difference of **ANY TWO** from the followings. **6**
1. Audit Report and Audit Certificate.
 2. Tax Audit and Financial Audit.
 3. Interim Dividend and Final Dividend.
 4. Reserves and Provisions.

6. Attempt **ANY THREE** of the followings. **12**

(A) State the time limit provided in the Companies Act for the followings :

- i) For holding Annual General Meeting.
- ii) For holding Statutory Meeting.
- iii) For issue of Shares at discounts.
- iv) For entering the minutes in the Share Holders' minute book.

(B) As a Tax Auditor of a Partnership Firm for the year ended 31st March 2004, how will you deal with the followings :

- i) Accepted a deposit of Rs. 25,000 in cash.
- ii) Purchase of Raw Materials worth Rs. 30,000 in cash.
- iii) Life Insurance premium of one of the partner amounting to Rs. 5,000 debited to Insurance Premium Expenses A/c.
- iv) Depreciation amounting to Rs. 25,000, being 25% on the machinery worth Rs. 1,00,000/- purchased on 1.1.2004 has been debited to Profit and Loss Account.

- (C) Ascertain the profit available for dividend for the year 2003-04 from the following details of **AASHNA LTD.**

Year	Profit /Loss before depreciation Rs.	Depreciation required by Law Rs.	Unabsorbed Depreciation Rs.
2001-02	- 1,20,000	60,000	45,000
2002-03	- 60,000	45,000	15,000
2003-04	+ 3,00,000	90,000	—

- (D) Give any **FOUR** sources of creating secret reserve.
