My Finance (Fin611) paper today 27th July, 2012 (MCQs were ok, neither too easy nor too hard)

Q1. Make the following entries in Head Office's Branch Accounts under stock and debtor system? (3 Marks)

1) **Cash of Rs. 40,000 sent to head office by the branch.**
2) **Head office sent goods costing Rs. 30,000 to branch.**
3) **Opening Balance of Furniture of Rs. 8,000.**

Q2. What is Disclosure in Accounting for borrowing Cost? (3 Marks)

Q3. A company is to purchase a business that has net tangible assets valued at 75,000 The purchase price will consist of 150,000 of ordinary shares of 0.50 fully paid. The shares are currently worth Rs: 0.65 each.

Required: How much is paid for the goodwill of the business? (3 Marks)

Q4. What is "Consolidation"? (3 Marks)

Q5. …show the presentation of "Contra item of financial statement" separately? (5 Marks)

Q6. P company 90% of the shares of S company? (5 Marks)

	P	S
Profit before tax	Rs. 85,000	Rs. 50,000
Income tax	Rs. 15,000	Rs. 19,000
Profit after tax	Rs. 70,000	Rs. 31,000

Required: Prepare a consolidated Income Statement?

Q7. Identify which of the followings are (Qualifying assets or not)? (5 Marks) "Red Answer"

1. **Power plant being in the process of manufacturing. (Qualifying)**
2. **Inventories routinely manufactured. (Not Qualifying)**
3. **Asset ready for use. (Not Qualifying)**
4. **Inventories requiring a substantial period for manufacturing. (Qualifying)**
5. **Special order for a special inventory that will be manufactured in 5 months. (Qualifying)**

Q8. P has just bought all the shares of S at the balance sheet Value (5 Marks)

P Balance sheet	
Investment in S	6,000,000
Bank	4,000,000
Total	1,000,000
Share Capital	1,000,000
Total	1,000,000
S Balance sheet	
Stock	5,000,000
Bank	1,000,000
Total	6,000,000
Share Capital	6,000,000
Total	6,000,000

Required: Draw Consolidated Balance Sheet of P and S?

Finance FIN611

FIn611 paper... Objective question were quite esay ,, mostly from the quiz ... in OBjective ..
1. this was example 8 at page 144..
2. two question were to find the profit/loss of the firm...
given were
opening balance
closing balance
drawings
fresh capital..
these question were quite esay..
3. two companies P n S were given n p purchase all shares of S.. you hv you praper consolated balance sheet...
4. consolidated blance sheet were given , you hv to find out the goodwill of the company

Fin611

2 balnce sheet bnai the.. wohi end walay chpterz main sy... or 3 they eps waly or aik net book value waala.. bs itna hi yaad hy

FIN 611 Exam on 20th July 2012
MCQ's were quite tough and mostly from Mid Term
1) A company is to purchase a business that has net tangible assets valued at 75,000
The purchase price will consist of 150,000 of ordinary shares of 0.50 fully paid.
The shares are currently worth Rs: 0.65 each
Required:
How much is paid for the goodwill of the business?
2) Calculate COGS
Given Opening Stock, Closing Stock, Purchases, Sales, General Expenses and Transfer of Goods from Company A to Company B.
3) Consolidated Balance Sheet
4) Two Questions were of calculating EPS