1) c   2) c   3) c   4) b

5) a) realization concept - income is recognized as and when it is earn
accrual " - expenses are recognised as and when they incur

6) a) inappropriate defe of tangible and intangible assets
b) false valuation for inventories
c) "   "   " current assets

7) i)

	gross profit	cashflow
i)	no change	no change
ii)	no change	↓
iii)	↓	no change
iv)	↓	no change
v)	no change	no change

8) i) a) maintain the decorum of the market
b) To check regularly, that false " doest become

ii) IRDAI, PFRDA, RBI, SEBI

iii) a) RBI b) PFRDA c) IRDAI d) SEBI e)   f) SEBI
g) SEBI h) RBI

9) i) cost concept - cost of every asset should be at by defe value
ii) going concern concept - companies are treated as they will work to perfe t...

iii) due to prudence concept

10) a) investment bank
role - To invest money and generate good returns for investors
Source of fund - funded by customers
application of fund - to invest in equity, bond, etc in and generate returns

b) Pension scheme
role - to give provide annuity amounts to the employees
Source of fund - amount is invested by employees
application of fund - to invests in equity, bond etc

11) i) different treatment of incomes
ii) " " " deprc
iii) non uniformity
iv) uncomparable

12) i) income and cash flows are not certain
ii) Technical accounts includes every income

(4) wn-1 Admin exp
adm staff wages 3000

wn-2 distrib exp
Cost of mkting 55000
deliv vehicle 60000

wn-3 ~~CoS~~ CL
overdraft 18000
Trade Pay 50000
~~77000~~
68000

wn-4 NCA

		cost	Building	deliv vehicle	Land
	150000		400000	325000	600000
	(80000)	depre	(40000)	(170000)	
	(15000)		(4000)	(31000)	
	55000	Reval	700000	124000	800000

wn-6 ~~fin ext~~ fin exp
int 10000

wn-5 CoS
CoI consumed 350000
factory Running cost 100000
mfg wages 175000
Sale salary 120000
745000
depre 50000
795000

wn-7 CA
clsg invent 30000
Trad receive 210000

wn-8 NCL
Loan 145000

Revenue	1500000
CoS	(795000)
gross Profit	755000
operating income	-
admin exP	(3000)
distrib exP	(115000)
operating Profit	637000
fin exP	(10000)
fin income	-
PBT	627000
Tax	
PAT	~~627000~~ 577000

OCI

gain from reval	544000

	Sh CaP	Reserves	R.E
opng	200000	180000	230000
div Paid		544000	(45000)
PAT			577000 ~~627000~~
clsng	200000	724000	~~832000~~ 782000

NCA	1679000
CA	240000
	1919000

Sh caP	200000
Reserves	724000
R.E	~~832000~~ 782000
	~~1756000~~ 1706000
NCL	145000
CL	68000
	1919000

$1000 + 1000(1.05) + \quad + 1000(1.05)$

$6(1000 + 1000(1.05)^{11})$

15) **CL** **wn 1**

annual Pay	15917
Total rent	16262
office build rent	15917
Trade Payable	3000
unearn fee	10000+1000
~~clsg invent~~	~~(1000)~~
salary o/s	4000
	~~16056~~

CA **wn-2**

Laptop	35000
office equip	20000
" supplies	2000
Trade receive	1500
Cash	1000
bill receive	5000+5000
fee rev o/s	2000
clsg invent	1000

wn-4 admin exp

emllay salary	10000+4000
office elec bill	4000
mobile, internet bill	583
Laptop, office equip	5500 (straight line basis)
unearn fee	1000
	~~24583~~
	25083

wn-3 fin income

div	5000
bill receive o/s	5000
int income	200
	10200

wn-4 NCA

wn-5 CoS

clsg invent	1000

Revenue	55000 + 2000 = 57000
CoS	(1000)
gross Profit	56000
O op Inc	-
admin exp	~~74583~~ (25083)
distrib exp	-
op Profit	30917
Fin exp	-
Fin ~~cost~~ income	10200
PBT	41117
Tax	(3000)
PAT	38117

	sh Cap	Reserves	R.E
clbg	32000		38117
			+ 5000
	32000		~~38117~~
			43117

NCA	
CA	72500
sh Cap	32000
Reserve	~~43117~~
R.E	43117
NCL	
CL	66096