

# Chapter Tests of FR of CA Ashish Lalaji 9825856155

## FR Test 2: CFS Test 1

Maximum Marks: 20

Time Allowed: 1 hour

- Q 1** Balance Sheets of Football Ltd. and its subsidiary Hockey Ltd. as on 31<sup>st</sup> March 2022 are as under:

Liabilities	Football Ltd.	Hockey Ltd.	Assets	Football Ltd.	Hockey Ltd.
Equity shares of Rs.10 each	48,00,000	20,00,000	Goodwill	4,50,000	3,00,000
General Reserve	5,50,000	4,20,000	PPE	28,00,000	16,50,000
Retained Earnings	10,00,000	6,00,000	Investments	26,00,000	4,50,000
Bank Overdraft	8,20,000	4,50,000	Stock	4,50,000	7,20,000
Creditors	4,30,000	4,80,000	Cash and Bank	2,25,000	2,10,000
Bills Payable	-----	1,60,000	Debtors	9,30,000	7,80,000
			Bills Receivable	1,45,000	-----
	76,00,000	41,10,000		76,00,000	41,10,000

1,50,000 shares of Hockey Ltd. were acquired by Football Ltd. on 1<sup>st</sup> June, 2021 at Rs.15 per share. Following additional information is available:

- i. Retained Earnings and general reserve of Hockey Ltd. had a credit balance of Rs.3,20,000 and Rs.1,80,000 respectively as on 1-4-2021.
- ii. Hockey Ltd. had paid a dividend @ 10% on its paid up capital out of its Retained Earnings balance on 1-4-2021 for the year 2020-21 on 1<sup>st</sup> July, 2021. The entire dividend received by Football Ltd. has been included in its Retained Earnings.
- iii. Bills receivable of Football Ltd. of Rs.1,30,000 were drawn upon Hockey Ltd. out of which bills amounting to Rs.25,000 have been discounted with Bank.
- iv. During the year 2021-22, Football Ltd. purchased goods from Hockey Ltd. for Rs.1,00,000 at a sale price of Rs.1,20,000. 40% of the goods remained unsold as at end of the year.
- v. On 1-6-2021 machinery of Hockey Ltd. was overvalued by Rs.1,20,000 for which necessary adjustments are to be made. The company charges depreciation @ 20%.
- vi. Football Ltd. and Hockey Ltd. propose equity dividend of 15% and 10% respectively.

Prepare the consolidated balance sheet as on 31<sup>st</sup> March 2022.

**(16 Marks)**

- Q 2** A Ltd. acquired 30% additional shares of its 60% subsidiary. The following relevant information is available in respect of the change in non-controlling interest on the basis of Balance sheet finalized as on 31.03 2022:

Rs. in thousands

	<b>As on 31.3.2022</b>
<b>Separate financial statements</b>	
Investment in subsidiary (60% interest) – at cost	14,000
Purchase price for additional 30% interest	6,000
<b>Consolidated financial statements</b>	
Non-controlling interest (40%)	6,600
Consolidated profit & loss account balance	10,000
Goodwill	2,600

The reporting date of the subsidiary and the parent is 31 March, 2022.

Recommend the required accounting entry.

(4 Marks)

## Question Paper set by **CA. Ashish Lalaji**

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