

(3)

NSG

Marks

cost for all the subsequent years. The present value of Re. 1 receivable at the end of each year based on discount factor of 10% can be taken as :

Year end	1	0.9090
	2	0.8263
	3	0.7512
	4	0.6829
	5	0.6208

3. The draft Balance Sheet of three companies W, H, O, as at 31.3.2010 is as under : 16

	Rs. in thousands		
Assets	W	H	O
Fixed assets	697	648	349
Investments			
1,60,000 shares in H	562	—	—
80,000 shares in O	184	—	—
Cash at bank	101	95	80
Trade receivables	386	321	251
Inventory	495	389	287
Total	2,425	1,453	967
Liabilities			
Share capital	600	200	200
(Nominal value Re. 1 per share)			
Reserves	1,050	850	478
Trade payables	375	253	189
Debentures	400	150	100
Total	2,425	1,453	967

You are given the following information :

- (a) W purchased the shares in H on 13.10.2005 when the balance in reserves was Rs. 500 thousands.

NSG

34103,200 P. T. O.