



Seat No. : _____

NF-143

November-2025

Integrated B.Com LL.B., Sem.-V**301 : Management Accounting / Advance Accounting-II**

Time : 2:30 Hours]

[Max. Marks : 70

1. The following Balance Sheet of P Ltd. As on 31-03-2025 :

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Particulars	Note	(₹)
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
2,00,000 Equity Shares of ₹ 10 each fully paid		20,00,000
5,000, 10% Pref. Shares of ₹ 100 each fully paid		5,00,000
(b) Reserves and surplus :		
General Reserve		7,50,000
Profit and loss A/c		
Balance of 2023-24	4,00,000	
Profit for 2024-25	<u>21,50,000</u>	25,50,000
(2) Non-Current Liabilities :		
(a) Long Term Provisions :		
Depreciation Fund :		
Building		
Investments	<u>1,75,000</u>	2,75,000
(3) Current Liabilities :		
(a) Trade Payables :		
Creditors		1,75,000
Total		<u>62,50,000</u>

II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		
(i) Tangible Assets :		
Building at cost		6,50,000
Furniture at cost		50,000
(b) Non-current Investments :		
5% Govt. Securities (Face Value ₹ 20,00,000)		19,00,000
(c) Other Non-Current Asset : Preliminary Expenses		
		25,000
(2) Current Assets :		
(a) Inventories : Stock		
		22,50,000
(b) Trade Receivables :		
Debtors	12,50,000	
B.D.R.	<u>1,00,000</u>	11,50,000
Bills Receivables		50,000
(c) Cash and Cash Equivalents : Balance at Bank		
		1,75,000
Total		62,50,000

You are required to compute the value of goodwill of the company at three year's purchase of its super profit taking into account the following particulars :

- (1) The building is now worth ₹ 11,25,000.
- (2) Companies doing similar business show a profit earning capacity of 20% on market value of their shares.
- (3) The profit for the last three years have shown an increase of ₹ 1,50,000 annually.
- (4) Profit for the last year 2024-25 shown above is before tax, assume tax at 50%.
- (5) For computation of average profit, weights to be used are 1, 2 and 3 respectively.

OR

1. (A) Calculate the value of Goodwill by Capitalization of Average Profit Method : **5**
- | | |
|-------------------------|-------------|
| Total Assets | ₹ 14,40,000 |
| External Liabilities | ₹ 4,80,000 |
| Average Annual Profit | ₹ 1,00,000 |
| Expected rate of Return | 10% |
- (B) Calculate the value of Goodwill by Capitalization of Super Profit Method : **5**
- | | |
|-------------------------|-------------|
| Total Assets | ₹ 28,00,000 |
| External Liabilities | ₹ 8,00,000 |
| Average Annual Profit | ₹ 3,00,000 |
| Expected rate of Return | 8% |
- (C) What is Goodwill ? Discuss various factors affecting Goodwill. **8**

2. The Balance sheet of WEE Ltd. as on 31-03-2025 is given below : **18**

Particulars	Note	(₹)
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
Equity Shares of ₹ 10 each, ₹ 8 per share paid up		20,00,000
10% Cum. Pref. Shares of ₹ 10 each		12,50,000
(b) Reserves and surplus :		
General Reserve		15,00,000
(2) Non-Current Liabilities :		
(a) Long Term Borrowing : 12% Debenture		12,50,000
(3) Current Liabilities :		
(a) Trade Payables :		
Creditors		10,00,000
Total		70,00,000

II. Assets :	
(1) Non-Current Assets :	
(a) Fixed Assets	
(i) Tangible Assets :	12,50,000
Land & Building	3,75,000
Furniture	30,00,000
Plant & Machinery	2,50,000
(b) Other Non-Current Assets : Preliminary Expenses	
(2) Current Assets :	10,00,000
(a) Inventories : Stock	
(b) Trade Receivables :	5,00,000
Debtors	2,50,000
Bills Receivables	3,75,000
(c) Cash and Cash Equivalents : Balance at Bank	
Total	70,00,000

Additional Information :

- (1) The present value of assets of the company is to be taken as double.
- (2) Goodwill is to be valued at ₹ 14,62,500.
- (3) Average profit of last three years after deducting tax at 50% is ₹ 15,00,000.
- (4) For the last three years, the company has been transferring 25% of the profit after taxes every year to its general reserve account.
- (5) The expected rate of return in company's line of business is 10%.

From the above information, find out the fair valuer of the equity shares of the company.

OR

2. (A) Following is the Balance sheet of Mili Limited as on 31/03/2025 :

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Particulars	Note	(₹)
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
'A' Equity Shares of ₹ 10 each fully paid		6,00,000
'B' 50,000 equity shares of ₹ 8 paid per share		4,00,000
12% Pref. Shares		2,00,000
(b) Reserves and surplus :		
General Reserve		50,000
(2) Non-Current Liabilities :		
(a) Long Term Borrowing : 15% Debenture		3,00,000
(3) Current Liabilities :		
		4,50,000
Total		20,00,000
II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		
(i) Tangible Assets :		
Land & Building		8,00,000
Machinery		4,00,000
(ii) Intangible Assets : Goodwill		
		50,000
(b) Non-Current Investments		
		3,00,000
(c) Other Non-Current Asset :		
Preliminary Expenses		50,000
(2) Current Assets :		
		4,00,000
Total		20,00,000

Additional information :

- (1) Goodwill is to be valued at ₹ 1,00,000.
 - (2) Expected rate of Return is 10%. Rate of tax is 50%.
 - (3) Average profit before tax of last 3 years is ₹ 4,80,000.
- Calculate Intrinsic Value and Market Value of Equity Share.

(B) Discuss the different Methods for Valuation of Shares.

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3. J Limited went into voluntary liquidation on 31-12-2022. The balance as on that was as under :

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Particulars	Note	(₹)
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
5,000 Equity Shares of ₹ 100 each, ₹ 60 paid up		3,00,000
5,000 Equity Shares of ₹ 100 each, ₹ 50 paid up		2,50,000
10,000 12% Preference Shares of ₹ 100 each, fully paid up		10,00,000
(2) Non-Current Liabilities :		
(a) Long Term Liabilities :		
15% Debentures		4,00,000
(3) Current Liabilities :		
(a) Trade Payables : Sundry Creditors		
		7,42,000
(b) Other Current Liabilities :		
Bank Overdraft		3,03,000
Preferential Creditors		1,05,000
Total		31,00,000
II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		
(i) Tangible Assets :		
Building & Land		3,86,000
Plant & Machinery		8,21,000
(b) Other Non-Current Asset :		
Profit & Loss A/c		3,72,000
(2) Current Assets :		
(a) Inventories : Stock		
		1,84,000
(b) Trade Receivables		
		13,37,000
Total		31,00,000

Considering the following information, Prepare Liquidator's Final Statement of Receipt and Payment :

(1) Assets Realized :

Land & Building	9,84,000
Plant & Machinery	7,12,000
Stock	1,63,000
Debtors	11,91,000

- (2) Dissolution expenses were ₹ 54,000.
 (3) The remuneration of the liquidator is 3% on asset realized.
 (4) Preference dividend is in arrears for two years.
 (5) Income tax payable on liquidation is ₹ 44,500.

OR

3. (A) Explain circumstances and mode of Voluntary winding up by tribunal and Voluntary winding up. 10
- (B) At the time of liquidation of United skydive Ltd., the total liabilities of the company was 5,00,000, which include following items : 8

No.	Particulars	(₹)
1	Provident Fund of employees	1,00,000
2	Outstanding Directors' fees	7,500
3	Outstanding Salary of 2 clerks for 5 months	75,000
4	Outstanding Income tax before 2 years	65,000
5	Outstanding Wages of workers	25,000
6	Outstanding salary of one cashier of last three months	60,000
7	Outstanding Municipal tax of last year	5,000
8	Remaining amount of Sundry creditors	?

4. (A) R Ltd. and S Ltd. decided to amalgamate on 31-03-2022 for which R Ltd. takes over the business of S Ltd. Their Balance Sheet on that date were as follows : **10**

Particulars	Note	R. Ltd. (₹)	S. Ltd. (₹)
I. Equity and Liabilities :			
(1) Shareholder's Funds :			
(a) Share Capital :			
Equity Shares capital of ₹ 10 each		3,00,000	1,80,000
11% Pref. Shares of ₹ 100 each		1,32,000	1,02,000
(b) Reserve and surplus :			
General Reserve		30,000	15,000
Export Profit Reserve		18,000	12,000
Investment Allowance Reserve		—	6,000
Profit & Loss A/c		45,000	30,000
(2) Non-Current Liabilities :			
(a) Long Term Borrowings :			
14% Debentures (₹ 100 each)		30,000	21,000
(3) Current Liabilities :			
(a) Trade Payables : Creditors			
		27,000	21,000
(b) Other Current Liabilities :			
		12,000	9,000
Total		5,94,000	3,96,000
II. Assets :			
(1) Non-Current Assets :			
(a) Fixed Assets			
		3,79,500	2,16,000
(b) Non-Current Investment			
		42,000	30,000
(2) Current Assets :			
(a) Inventories : Stock			
		67,500	72,000
(b) Trade Receivables : Debtors			
		75,000	57,000
(c) Cash and Cash Equivalentents :			
Cash and Bank Balance		30,000	21,000
Total		5,94,000	3,96,000

R Ltd. took over the business of S Ltd. on 1st April, 2023. R Ltd. paid the purchase price as follows :

- (1) 21,000 Equity shares of ₹ 10 each fully paid to equity shareholders of Ved Ltd.
- (2) 14% pref. shares of ₹ 100 each to make payment to preference shareholders of S Ltd. at a premium of ₹ 10%.
- (3) Debenture of S Ltd. were converted into equal number of debentures of R Ltd.
- (4) Statutory Reserve of S Ltd. are still to be retained for 2 more years.
 - (i) If the amalgamation is in the nature of merger, prepare balance sheet of R Ltd.
 - (ii) If the amalgamation is in the nature of Purchase, prepare balance sheet of R Ltd.

OR

- (A) S Ltd. and N Ltd. were amalgamated on and from 01-04-25. A new company SN was formed to take over the business of existing companies.

Particulars	Note	S. Ltd. (₹)	N. Ltd. (₹)
I. Equity and Liabilities :			
(1) Shareholder's Funds :			
(a) Share Capital :			
Equity Shares capital of ₹ 100 each fully paid up		6,00,000	5,00,000
12% Pref. Shares of ₹ 100 each fully paid up		2,00,000	1,50,000
(b) Reserve and surplus :			
General Reserve		1,50,000	1,00,000
Investment Allowance Reserve		50,000	30,000
Export Profit Reserve		80,000	40,000
Profit & Loss A/c		60,000	40,500

(2) Non-Current Liabilities :			
(a) Long Term Borrowings :			
12% Debentures		50,000	35,000
(3) Current Liabilities :			
(a) Trade Payables :			
Creditors		90,000	40,000
Bill payables		15,000	10,000
	Total	12,95,000	9,45,500
II. Assets :			
(1) Non-Current Assets :			
(a) Fixed Assets			
(i) Tangible Assets :			
Land & Building		5,00,000	3,00,000
Plant & Machinery		3,00,000	2,00,000
(b) Non-Current Investment		2,00,000	1,00,000
(2) Current Assets :			
(a) Inventories : Stock			
(b) Trade Receivables : Debtors		1,30,000	70,000
(c) Cash and Cash Equivalentents :		1,00,000	1,50,000
Cash and Bank Balance		65,000	1,25,000
	Total	12,95,000	9,45,500

Additional Information :

- (1) 12% Debenture of S Ltd. and N Ltd. are discharged by SP Ltd. By issuing such number of its 15% debenture of ₹ 100 each so as to maintain the same amount of interest.
- (2) SN Ltd. will issue 4 equity share for each 3 equity shares of S Ltd. and 3 Equity shares for each 4 equity shares of N Ltd. The shares are to be issued at ₹ 110 each, having face value of ₹ 100 each.

- (3) Preference shareholders of the two companies are issued equivalent number of 15% preference of SN Ltd. each of ₹ 100 at a price of ₹ 120 per share.
- (4) Statutory Reserves are to maintained for 2 more years.

You are required to prepare the Balance sheet of SN Ltd. after the amalgamation has been carried out on the following assumptions :

- (i) Amalgamation in nature of Merger.

OR

- (ii) Amalgamation in nature of Purchase.

(B) Choose the most appropriate answer from the following :

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- (1) What is the capitalized value of average profit on the basis of expected rate return ?
- (a) Super profit
- (b) Goodwill
- (c) Weighted average profit
- (d) Capitalization of profit
- (2) In the fair value of an equity share for a company is ₹ 300 and its market value is 280, the intrinsic value of share is :
- (a) ₹ 320
- (b) ₹ 300
- (c) ₹ 310
- (d) ₹ 145
- (3) The first item in order of payment to be made by liquidator is :
- (a) Secured creditors
- (b) Preferential creditors
- (c) Liquidation expenses
- (d) Preferential creditors

- (4) In the case of continuous increase in the profits of the company, which profit shall be taken into consideration for goodwill valuation ?
- (a) Simple average method
 - (b) Capital profit
 - (c) Revenue profit
 - (d) Weighted average profit
- (5) Which of the following is considered as a floating charges creditors ?
- (a) PF
 - (b) Debentures.
 - (c) Government Dues
 - (d) All the Above
- (6) When one of the existing companies take over business of another company or companies, it is known as –
- (a) Absorption
 - (b) Amalgamation
 - (c) External reconstruction
 - (d) Internal reconstruction
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