



Seat No. : _____

NM-125

November-2025

5 Years Integrated, B.Com., L.L.B. (Hons.), Sem.-III

IL B.Com.-201 : Advanced Accounting-I

Time : 2:30 Hours]

[Max. Marks : 70

1. The Balance Sheet of Kalpana Limited as on 31st March, 2024 is as under :

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Particulars	Note	₹
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
1,00,000 Equity Shares of Rs. 10 each		10,00,000
(b) Reserve and surplus : Profit and Loss A/c		6,00,000
(2) Non-Current Liabilities :		
(a) Long Term Borrowings : 10% Debentures		6,50,000
(3) Current Liabilities :		
(a) Trade Payables : Creditors		3,50,000
Total		26,00,000
II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		5,00,000
(2) Current Assets :		
(a) Inventories : Stock		6,00,000
(b) Trade Receivables : Debtors		5,00,000
(c) Cash and Cash Equivalents : Balance at Bank		10,00,000
Total		26,00,000

At the annual general meeting it was agreed :

- (a) To pay a dividend in cash of 10% cash free of tax (Income tax deducted at 20%)
- (b) To issue one Bonus Share for every four old shares held.
- (c) To give existing shareholders the option to purchase one share of ₹ 10 at ₹ 15 per share for every four shares held prior to the bonus distribution. All the shareholders exercised their option.
- (d) To repay the Debentures at a premium of 3%.

Give the necessary Journal Entries and give the Balance Sheet after transactions are completed.

OR

1. (a) The Balance Sheet of Sagar Ltd as on 31-3-2024 :

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Particulars	Note	₹
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
80,000 Equity Shares of ₹ 10 each		8,00,000
(b) Reserve and surplus :		
General Reserve		3,80,000
Profit and Loss A/c		3,00,000
Securities Premium		1,80,000
(2) Current Liabilities :		
(a) Trade Payables : Creditors		1,40,000
	Total	18,00,000
II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		12,00,000
(2) Current Assets :		6,00,000
	Total	18,00,000

The company has issued 3 bonus shares for every 4 shares held. For this purpose, Security Premium A/c and General Reserve to the extent of ₹ 2,60,000 are utilised and balance from P & L A/c. Write Journal entry and prepare Balance Sheet after issue of bonus shares.

1. (b) Write a Short Note : Buy-back of Shares

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2. The Balance Sheet of Mansi Limited as on 31st March, 2024 is as under :

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Particulars	Note	₹
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
12,800 Equity Shares of ₹ 100 each		12,80,000
3,200 10% Red. Pref. Shares of ₹ 100 each, ₹ 80 Paid up		2,56,000
3,200 11% Red. Pref. Shares of ₹ 100 each, fully Paid up		3,20,000
(b) Reserve and surplus :		
General Reserve		2,40,000
Profit and Loss A/c		1,12,000
Security Premium		32,000
(2) Current Liabilities :		
(a) Trade Payables :		
Creditors		2,24,000
Bills Payables		32,000
Total		24,96,000
II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets :		
Land & Building		11,68,000
Plant & Machinery		3,20,000
(b) Non-Current Investment		2,24,000
(2) Current Assets :		
(a) Inventories : Stock		3,20,000
(b) Trade Receivables :		
Debtors		2,56,000
Bills Receivables		32,000
(c) Cash and Cash Equivalents : Balance at Bank		1,76,000
Total		24,96,000

On this date the company decided to redeem both the classes of Red. Pref. shares at 10% premium after complying with the provisions laid down under Section 55 of the Companies Act, 2013.

For this purpose, necessary number of equity shares of ₹ 100 each are issued at 15% premium. Cash Balance of ₹ 96,000 is to be maintained in the business. All the investments are sold away for ₹ 1,92,000. All the shareholders are paid in full.

The company has then decided to utilize the resultant reserve, created out of the redemption of preference shares for issuing fully paid bonus shares to its equity shareholders.

Pass necessary Journal Entries in the books of the company and also prepare Cash and Bank Account and New Balance Sheet in the books of the company.

OR

2. (a) Write Journal Entries for the following transactions in the books of the company. **10**

- (1) A company issued an Equity stock of ₹ 950 for every 100 Equity shares of ₹ 10 each fully paid.
- (2) The paid up capital of the company is ₹ 15,00,000 divided into shares of ₹ 100 each. They decided to sub-divide the same into Equity shares and Pref. shares of ₹ 10 each in the ratio 3:2.
- (3) The company decided to issue Equity stock of ₹ 30,000 in exchange of capital of ₹ 35,000.
- (4) A company has decided to issue equity stock in the following manner in exchange of 30,000 equity shares of ₹ 100 each fully paid:
 - (a) At the rate of ₹ 97 for each share
 - (b) At the rate of ₹ 107 for each share
- (5) The company has converted its 6000 equity shares of ₹ 100 each into equity stock of ₹ 6,300.

2. (b) What is the meaning of share and alteration of share capital ? Explain the modes of alteration of share capital.

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3. The following is the trial balance of Krishna Ltd. as on 31-3-2024 :

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Debit balances	₹	Credit balances	₹
Land and Building	72,00,000	Equity Share Capital	1,02,00,000
Plant and Machinery	60,00,000	Share Forfeiture A/c	60,000
Furniture	12,00,000	Securities Premium	1,08,000
Purchase	54,00,000	Capital Reserve	3,30,000
Cash and Bank	2,88,000	General Reserve	7,20,000
Long-term Investment	30,000	Provident Fund	4,20,000
Bad debts	90,000	10% Debentures	12,00,000
Contribution to Provident Fund	36,000	Sales	1,11,00,000
Office Expense	4,80,000	Creditors	18,00,000
Salary	3,60,000	Bills Payables	1,20,000
Audit Fees	1,50,000	Profit and Loss Statement	
Directors' fees	9,00,000	– Surplus (1-4-2024)	4,80,000
Interest on debentures	60,000	Public Deposit	3,60,000
Preliminary expenses	90,000	Sundry Incomes	54,000
Advertisement expenses	96,000	Bad Debt Reserve	48,000
Income tax paid in advance	3,00,000		
Debtors	30,00,000		
Bills Receivable	1,80,000		
Stock (1-4-2024)	3,00,000		
Goodwill	8,40,000		
	2,70,00,000		2,70,00,000

Additional Information :

- (1) The closing stock on 31-3-2025 was ₹ 4,50,000, out of which Stock costing ₹ 1,00,000 is having market value of ₹ 1,30,000, stock costing ₹ 40,000 is having market value of ₹ 20,000, remaining stock requires repairing expenses of ₹ 40,000.
- (2) Make provision for taxation at ₹ 8,40,000.
- (3) Provide 10% bad debts and 5% bad debts reserve on debtors.
- (4) Provide depreciation on Land and Building at 10% and 5% on Other Tangible Fixed Assets.
- (5) Write off preliminary expenses.
- (6) ₹ 1,00,000 is required to be transferred to General Reserve from the current year's profit.

Prepare Final Accounts as per Schedule III of Companies Act, 2013.

OR

3. (a) Write the proforma of Balance Sheet and Profit and Loss Statement.

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3. (b) From the following information, prepare Profit and Loss Statement as per the Part-II of Schedule -III of the Companies Act, 2013 :

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Particulars	₹
Revenue from Operations	52,00,000
Employees Benefit Expenses	9,00,000
Depreciation and Amortisation of Assets	3,00,000
Consumption of Raw materials	20,00,000
Others Incomes	2,80,000
Finance Costs	1,20,000
Other Expenses	3,70,000
Changes in value of stock	(3,10,000)
Tax Rate is 50%	

4. (a) Following are the Balance Sheets of Aarav Ltd. and Aanya Ltd. as on 31st March, 2024:

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Particulars	Note	Aarav Ltd. ₹	Aanya Ltd. ₹
I. Equity and Liabilities :			
(1) Shareholder's Funds :			
(a) Share Capital :			
Equity Shares of ₹ 10 each		50,00,000	30,00,000
10% Red. Pref. Shares of ₹100 each		22,00,000	17,00,000
(b) Reserve and surplus :			
Profit and Loss A/c		7,50,000	5,00,000
General Reserve		5,00,000	2,50,000
Statutory Reserve		3,00,000	3,00,000
(2) Non-current Liabilities :			
(a) Long-term Borrowings :			
12% Debentures		5,00,000	3,50,000
(3) Current Liabilities :			
(a) Trade Payables : Creditors		6,50,000	5,00,000
Total		99,00,000	66,00,000

II. Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets :	63,25,000	36,00,000
(b) Non-current Investment	7,00,000	5,00,000
(2) Current Assets :	28,75,000	25,00,000
Total	99,00,000	66,00,000

On 1st April, 2024 Aarav Ltd. takes over Aanya Ltd. on the following terms :

- (1) Aarav Ltd. will issue 3,50,000 equity shares of ₹ 10 each at par to the equity shareholders of Aanya Ltd.
- (2) Aarav Ltd. will issue 10% preference shares of ₹ 100 each at par to the preference shareholders of Aanya Ltd. at 10% premium.
- (3) The debenture holders of Aanya Ltd. will be converted into an equal number of debentures of Aarav Ltd.
- (4) Statutory reserves of Aanya Ltd. are to be maintained for two more years.

You are required to show the balance sheet of Aarav Ltd. assuming that :

- (a) The amalgamation is in nature of purchase.

OR

- (b) The amalgamation is in nature of merger.

OR

4. (a) Difference between Polling of Interest Method and Purchase Method. **10**
4. (b) MCQs : **6**
 - (1) Corporate dividend tax is calculated on
 - (a) Proposed dividend
 - (b) Provision for taxation
 - (c) Profit after tax
 - (d) Income from business operations
 - (2) Security Premium A/c is shown in the balance sheet under the head of _____.
 - (a) Share Capital A/c
 - (b) Reserve and Surplus
 - (c) Current Liabilities
 - (d) Non-Current Liabilities
 - (3) Maximum buy-back limit in any year is _____ of total paid up equity share capital and free reserves of the company.
 - (a) 10%
 - (b) 20%
 - (c) 5%
 - (d) None of the above
 - (4) Maximum permitted capital of the company is known as _____.
 - (a) Issued Capital
 - (b) Authorised Capital
 - (c) Subscribed Capital
 - (d) None of the above

- (5) Minimum time period for two bonus shares must be _____.
- (a) 12 months
 - (b) 24 months
 - (c) 36 months
 - (d) None of the above
- (6) _____ preference shares cannot be redeemed.
- (a) Redeemable
 - (b) Fully paid up
 - (c) Within 5 years of the issue
 - (d) Partly paid up
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