

ILLB Sem.-3 Examination
ILBCom-201/BCom (Hons)
Advance Accounting-I/Corpo A/C
May-2025

Time : 2-30 Hours]

[Max. Marks : 70

Q.1 The balance sheet of Tarun Limited as on 31st March, 2024 is as under : (18M)

Particulars	Note	Rs.
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
1,60,000 Equity Shares of Rs. 10 each		16,00,000
(b) Reserves and surplus : Profit and loss A/c		13,20,000
(2) Non – Current Liabilities :		
(a) Long Term Borrowings : 12% Debentures		4,00,000
Total		33,20,000
II. Assets :		
(1) Non - Current Assets :		
(a) Fixed Assets		16,00,000
(2) Current Assets :		
(a) Inventories : Stock		4,00,000
(b) Trade Receivables : Debtors		5,20,000
(c) Cash and Cash Equivalents : Balance at Bank		8,00,000
Total		33,20,000

At the annual general meeting it was agreed :

(P.T.O)

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- (a) To pay a dividend of 8%
- (b) To issue one Bonus Share for every four old shares held.
- (c) To repay the Debentures at a premium of 3%

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

OR

Q.1 (a) Payal Ltd declared bonus shares out of general reserve so as to make partly (10M) paid equity shares fully paid. Later on securities premium and capital reserve be utilised for giving fully paid three shares as bonus in exchange for 5 shares on 31st March, 2024 balances in the books of company were as under :

Particulars :	Rs.
Paid up Equity Shares Capital (Rs. 100 each, per share Rs. 75 paid up)	12,00,000
General Reserve	5,00,000
Capital Reserve	6,60,000
Securities Premium	3,00,000

Pass necessary journal entries in the books of the company.

Q.1 (b) Write a Short Note : Buy back of Shares (8M)

Q.2 The balance sheet of Mansi Limited as on 31st March, 2024 is as under : (18M)

Particulars	Note	Rs.
I. Equity and Liabilities :		
(1) Shareholder's Funds :		
(a) Share Capital :		
8,000 Equity Shares of Rs. 100 each		8,00,000
9% Red. Pref. Shares of Rs.100 each, Rs.80 Paid up		1,60,000
10% Red. Pref. Shares of Rs.100 each, fully Paid up		2,00,000
(b) Reserves and surplus :		

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Profit and loss A/c	70,000
General Reserve	1,50,000
Security Premium	20,000
(3) Current Liabilities :	
(a) Trade Payables : Creditors	2,00,000
Total	16,00,000
II. Assets :	
(1) Non - Current Assets :	
(a) Fixed Assets :	9,70,000
(b) Non – Current Investment	1,40,000
(2) Current Assets :	
(a) Inventories : Stock	2,00,000
(b) Trade Receivables : Debtors	1,80,000
(c) Cash and Cash Equivalentents : Balance at Bank	1,10,000
Total	16,00,000

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 cumulative preference shares of Rs.100 each are issued at par. Cash Balance of Rs. 60,000 is to be maintained in the business. All the investments are sold away for Rs. 1,20,000. All the Pref. shareholders are paid in full.

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

(P.T.O)

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Q.2(a) Write journal entries for the following transactions in the books of the company. (10M)

- (1) The company decided to raise its authorised capital from 2,00,000 to 5,00,000.
- (2) The share capital of the company consist 10,00,000 Equity shares of Rs. 100 each. The company has passed resolution to subdivide its each equity shares of Rs.100 in to 4 equity shares of Rs.10 each and 5 Pref, shares of Rs.4 each.
- (3) The company decided to issue equity stock of Rs. 60,000 in exchange of capital of Rs. 65,000.
- (4) A company has decided to issued equity stock in the following manner in exchange of 20,000 equity shares of Rs. 100 each fully paid:
 - (a) At the rate of Rs.103 for each share
 - (b) At the rate of Rs.93 for each share
- (5) The company has converted its 200 equity shares of Rs.100 each into equity stock of Rs. 18800.

Q.2(b) What is the meaning of share and alteration of share capital? Explain the modes of alteration of share capital. (8M)

Q.3 The following is the trial balance of Krishna Ltd as on 31-3-2024 (18M)

Debit balances	Rs.	Credit balances	Rs.
Debenture Interest paid	60,000	Share capital	40,00,000
Calls in Arrears	2,00,000	General Reserve	2,40,000
Purchases	20,00,000	Debenture Red. Reserve	1,60,000
Opening stock	3,20,000	10% Debentures	8,00,000
Debtors	8,00,000	Public Deposit	3,20,000
Telephone Deposit	1,20,000	Purchase return	80,000
10% Govt Loan	4,00,000	Sales	48,00,000
Land & Building	56,00,000	Creditors	1,20,000
Plant & Machinery	9,20,000	Unclaimed dividend	40,000
Sales Return	1,00,000	Bad debt reserve	72,000
Employees' Salaries	2,00,000	Statement of profit and loss	1,68,000

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Office Expenses	80,000	(1-4-20)	
	1,08,00,000		1,08,00,000

Additional Information :

- (1) Closing stock Rs. 1,60,000.
- (2) Make provision for bad debt reserve, at 10% on debtors.
- (3) Provide depreciation on Land and building at 5% and plant and machineries at 10%.
- (4) Make provision for taxation at 50% of profit.
- (5) Proposed dividend 10% on share capital, after transferring Rs. 80,000 to General reserve.
- (6) Provide corporate dividend tax at 20% on dividend.

Prepare Final Accounts as per Schedule III of companies Act 2013.

OR

Q.3 (a) Write the proforma of Balance sheet and Profit and loss statement (10M)

Q.3 (b) The following items are appeared in the trial balance of Keshav Ltd on 31-03-2024: (8M)

Particulars	Debit (Rs.)	Credit (Rs.)
Provision for Income tax (1-4-2023)	-	40,000
Advance payment of Income tax (1-4-2023)	30,000	-
Advance payment of Income tax (paid during the year 2023-2024)	40,000	-

Assessment year for the year 2022-2023 has been completed during the current year and tax liability is determined at Rs. 36,000. Provision for income tax is to be made at Rs. 50,000 for the year 2023-24.

How would you show the above information in the final accounts of Keshav Ltd?

Prepare necessary accounts.

(P.T.O)

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Q.4 (a) Following are the Balance sheets of Jay Ltd and Vijay Ltd. as on 31st March 2024: (10M)

Particulars	Note	Jay Ltd Rs.	Vijay Ltd Rs.
I. Equity and Liabilities :			
(1) Shareholder's Funds :			
(a) Share Capital :			
Equity Shares of Rs. 10 each		48,00,000	28,80,000
12% Red. Pref. Shares of Rs.100 each		21,12,000	16,32,000
(b) Reserves and surplus :			
Profit and loss A/c		7,20,000	4,80,000
General Reserve		4,80,000	2,40,000
Statutory Reserve		2,88,000	2,88,000
(2) Non – current Liabilities :			
(a) Long term Borrowings : 14% Debentures		4,80,000	3,36,000
(3) Current Liabilities :			
(a) Trade Payables : Creditors		6,24,000	4,80,000
Total		95,04,000	63,36,000
II. Assets :			
(1) Non - Current Assets :			
(a) Fixed Assets :			
(b) Non -current Investment		60,72,000	34,56,000
(2) Current Assets :		6,72,000	4,80,000
Total		27,60,000	24,00,000
		95,04,000	63,36,000

On 1st April,2024 Jay Ltd takes over Vijay Ltd. on the following terms:

- (1) Jay Ltd will issue 3,36,000 equity shares of Rs. 10 each at par to the equity shareholders of Vijay Ltd.
- (2) Jay Ltd. will issue 17,952, 12% preference shares of Rs. 100 each at par to the preference shareholders of Vijay Ltd.
- (3) 14% debentures were issued to debenture holders of Vijay Ltd. , so that they get a premium of 10%.
- (4) Statutory reserves of Vijay Ltd are to be maintained for two more years.

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

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(a) The amalgamation is in nature of purchase

OR

(b) The amalgamation is in nature of merger

OR

Q.4 (a) Difference between Polling of Interest Method and Purchase Method (10M)

Q.4 (b) MCQs (6M)

(1) Corporate dividend tax is calculated on

- (a) Proposed dividend
- (b) Provision for taxation
- (c) Profit after tax
- (d) Income from business operations

(2) Dividend are usually paid on

- (a) Authorised capital
- (b) Issued capital
- (c) Paid up capital
- (d) Reserve capital

(3) The Amalgamation adjustment account appears in the books, it is shown under the heading of ____ in the balance sheet.

- (a) Reserve and surplus
- (b) Non-current assets
- (c) Non-current Investment
- (d) Current assets

(4) When two or more companies carrying on similar business decide to combine, a new company is formed, it is known as _____

- (a) Amalgamation
- (b) Absorption
- (c) Reconstruction
- (d) None of the above

(5) Company can issue Bonus shares out of source of

- (a) Capital
- (b) Reserve Capital
- (c) Capital Reserve
- (d) None of the above

(P.T.O)

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(6) When Preference shares are redeemed at a premium, provision for premium amount is made from

- (a) Security premium
 - (b) Amount received from issue of new shares
 - (c) Forfeited shares a/c
 - (d) None of the above
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