

Seat No. : 497

DD-101

December-2023

B.B.A., Sem.-III

CC-205 : Company Accounts

Time : 2½ Hours]

[Max. Marks : 70

- Instructions :** (1) Figures to the right indicate the marks.
(2) Show calculations as part of your answer.

The Balance Sheet of Shruti Company Ltd. as on 31-3-2023 is as under :

14

Particulars	Note No.	₹	₹
(A) Equity and Liabilities :			
[1] Shareholders Funds :			
(a) Share Capital			
Issued and paid up Share Capital (60,000 Shares of ₹ 10 each)			6,00,000
(b) Reserves & Surplus			
Profit & Loss a/c			4,95,000
[2] Non Current Liabilities:			
12% Debentures			1,50,000
[3] Current Liabilities :			
Creditors			75,000
TOTAL			13,20,000
(B) Assets :			
[1] Non Current Assets :			
Fixed Assets			6,00,000
[2] Current Assets :			
Stock		2,25,000	
Debtors		1,95,000	
Cash and Bank Balance		<u>3,00,000</u>	7,20,000
TOTAL			13,20,000

It was resolved at Annual General Meeting :

- (1) To pay dividend of 10%.
- (2) To issue one Bonus Share for every four shares held.
- (3) To repay the debentures at a premium of 3%.

Pass the necessary Journal Entries and prepare the Balance Sheet of the company after transactions are completed.

OR

1. (A) Explain Sub division and Consolidation of Shares with suitable examples.
- (B) XYZ Ltd. decides to purchase its own 75,000 equity shares of ₹ 10 each. The company had a balance of ₹ 15,00,000 in its General Reserve and Bank Balance of ₹ 12,00,000. In order to Buy Back the shares, company issued 30,000, 10 % Redeemable Preference Shares of ₹ 10 each, which were fully subscribed and paid up. The company bought all the shares at ₹ 15 per share. Make Journal Entries in the books of the company.

Following is the Trial Balance of Chetna Co. Ltd., as on 31-3-2023 :

Debit Balances	₹	Credit Balances	₹
Office Expenses	4,60,000	10% Preference Share	
Salary	1,20,000	Capital	8,00,000
Director Fees	50,000	Equity Share Capital	26,00,000
Interest on Debentures	20,000	Share Forfeiture a/c	20,000
Preliminary Expenses	30,000	Securities Premium	36,000
Audit Fees	32,000	Capital Reserve	1,10,000
Investments	2,80,000	General Reserve	2,40,000
Income Tax paid in advance	1,00,000	Provident Fund	1,40,000
Debtors	10,00,000	10% Debentures	4,00,000
Bills Receivable	60,000	Sales	37,00,000
Stock (1-4-2022)	1,00,000	Creditors	6,00,000
Purchases	18,00,000	Bills Payable	40,000
Land & Building	24,00,000	Profit & Loss a/c (1- 4-2022)	1,60,000
Plant & Machinery	20,00,000	Public Deposit	1,20,000
Furniture	4,00,000	Income from Investments	18,000
Cash & Bank	96,000	Reserve for Bad debts	16,000
Calls in arrears on equity shares	10,000		
Bad debts	30,000		
Provident Fund Contribution	12,000		
	90,00,000		90,00,000

After considering the following information, prepare the Vertical Final Accounts as per revised Schedule III, according to Companies Act, 2013:

- (1) The Closing Stock on 31-3-2023 was ₹ 1,50,000.
- (2) Provide 5% reserve for Bad Debts on debtors.
- (3) Provide depreciation on Fixed Assets at 10%.
- (4) Write off 20% of Preliminary expenses.
- (5) The directors of the company recommended dividend on Preference Share Capital and 10% on Equity Share Capital.
- (6) Transfer ₹ 60,000 to General Reserve.
- (7) Make Provision for Taxation ₹ 2,80,000.

OR

2. (A) Prepare Balance Sheet with imaginary figures as per Schedule III of Companies Act, 2013. 7
- (B) Prepare Profit & Loss Account with imaginary figures as per Schedule III of Companies Act, 2013. 7

3. Udit Ltd. and Aditya Ltd. were amalgamated on 1-4-2023. A new company Kajal Ltd. was formed to take over the business of both the companies. The Balance Sheets of Udit Ltd. and Aditya Ltd. as on 31-3-2023 are given as under : 14

Particulars	Note No.	Udit Ltd. ₹	Aditya Ltd. ₹
[A] Equity and Liabilities :			
[1] Shareholders Funds:			
(A) Share Capital :			
Equity Shares of ₹ 10 each		9,60,000	9,00,000
12% Preference Shares of ₹ 100 each		3,60,000	2,40,000
(B) Reserves & Surplus :			
Revaluation Reserve		1,80,000	1,20,000
General Reserve		2,04,000	1,80,000
Investment Allowance Reserve		60,000	60,000
Profit & Loss A/c		60,000	36,000
[2] Non Current Liabilities :			
10% Debentures		72,000	36,000
[3] Current Liabilities :			
Creditors		5,04,000	2,28,000
TOTAL		24,00,000	18,00,000

[B] Assets :			
[1] Non Current Assets:			
(A) Fixed Assets		10,80,000	7,80,000
(B) Non-Current Investments		1,80,000	60,000
[2] Current Assets :			
Stock		4,20,000	3,00,000
Debtors		3,00,000	3,60,000
Bills Receivables		60,000	60,000
Bank Balance		3,60,000	2,40,000
TOTAL		24,00,000	18,00,000

Additional Information :

- (1) 10% Debenture of Udit Ltd. and Aditya Ltd. are discharged by Kajal Ltd. issuing such number of its 15% Debentures of ₹ 100 each so as to maintain the same amount of interest.
- (2) Preference Shareholders of both the companies are issued equivalent number of 14% preference shares of Kajal Ltd. at a price of ₹ 140 per share (face value ₹ 100).
- (3) Kajal Ltd. will issue 1 equity share for each 2 equity shares of Udit Ltd. and 2 equity shares for each 5 equity shares of Aditya Ltd. The shares are to be issued at ₹ 30 each, having a face value of ₹ 10 per share.
- (4) Investment Allowance Reserve is to be maintained for 3 more years.

Prepare the Balance Sheet of Kajal Ltd. as on 1-4-2023 after the amalgamation has been carried out on the following basis :

- (A) Amalgamation is in nature of Purchase.
- (B) Amalgamation is in nature of Merger.

OR

3. The following are the Balance Sheets of Sushma Ltd. and Neeraj Ltd. as on 31-3-2023 : 14

Particulars	Note No.	Sushma Ltd. ₹	Neeraj Ltd. ₹
[A] Equity and Liabilities :			
[1] Shareholders Funds :			
(A) Share Capital :			
Equity Share Capital		10,00,000	7,50,000
(B) Reserves & Surplus :			
General Reserve		5,00,000	—
[2] Non Current Liabilities :			
10% Debentures		7,50,000	5,00,000
[3] Current Liabilities :			
Creditors		5,00,000	2,50,000
TOTAL		27,50,000	15,00,000
[B] Assets :			
[1] Non Current Assets:			
(A) Fixed Assets :			
Land & Building		11,25,000	4,50,000
Plant & Machinery		3,75,000	1,50,000
(B) Non-Current Investments :			
Investments (M. V. ₹ 1,65,000)		—	1,25,000
(C) Other Non- Current Assets :			
Discount on Debentures		37,500	25,000
Profit & Loss A/c		—	3,75,000
[2] Current Assets :		12,12,500	3,75,000
TOTAL		27,50,000	15,00,000

On 1-4-2023 Sushma Ltd. agreed to absorb Neeraj Ltd. on the following conditions :

- (1) The market value of Land & Building for both the companies are ₹ 12,50,000 and ₹ 5,00,000 respectively.
- (2) The market value of Plant & Machinery for both the companies are ₹ 3,37,500 and ₹ 1,35,000 respectively.
- (3) The market value of Current Assets for both the companies are ₹ 11,62,500 and ₹ 2,50,000 respectively.
- (4) The Equity shares of both the companies are of ₹ 100 each, paid up to the extent of ₹ 80 and ₹ 50 per share respectively.
- (5) The purchase consideration is to be satisfied by issuing necessary shares of Sushma Ltd. in exchange of shares of Neeraj Ltd. on the basis of intrinsic value of their shares.

Prepare necessary ledger accounts in the books of Neeraj Ltd. and pass Journal Entries in the books of Sushma Ltd.

4. Explain advantages and limitations of Human Resource Accounting. 14

OR

4. (A) What is Environmental Accounting ? Discuss the utility of Environmental Accounting. 7
- (B) What is Forensic Accounting ? Discuss the role of Forensic Accountant. 7

5. Do as directed : (Any Seven) 14

- (1) Give the full form of ESOP. Employee Stock Option Purchase
- (2) Define : Bonus Shares
- (3) Amount of dividend is calculated on _____.
 - (a) Authorized Capital
 - (b) Paid up Capital
 - (c) Both (a) & (b)
 - (d) None of the above
- (4) Fully paid up share can be converted into stock. (True/ False)
- (5) For Company Plant & Machinery is _____. (Tangible Assets/ Intangible Assets/ Current Liability)
- (6) Under which heading of the balance sheet is general reserve shown ?
 - (a) Share Capital
 - (b) Current Assets
 - (c) Reserve & Surplus
 - (d) None of the above

- (7) Amount of Share Forfeiture account is _____ to Share Capital. (Added/
Deducted)
- (8) Accounting Standard _____ relates to Amalgamation Accounts.
(a) 12 (b) 14
(c) 3 (d) 6
- (9) If Purchase Consideration is ₹ 15,00,000 and Net Assets is ₹ 10,00,000 then the
value of Goodwill will be ₹ _____. (5,00,000/25,00,000/10,00,000)
- (10) When company purchases the business of another company _____ comes into
existence. (Amalgamation/ Absorption)
- (11) Current Purchasing Power is a method of _____ accounting. (Human Resource/
Inflation/ Environmental)
- (12) Forensic Accounting is coined by _____. (Lev/Birbal/ Maurice Paulobet)
- _____