

Time: 2 Hours

Marks: 60

Note: All Questions are compulsory.

Figures to the right indicate full marks.

Working notes should form part of your answer.

Use of simple calculator is allowed.

Q .1A) The following is the Balance Sheet of Pallavi Ltd as on 31st March 2024 **(15)**

Liabilities	₹	Assets	₹
Equity Share Capital (₹ 10 each)	7,00,000	Building	10,00,000
9% Preference Share Capital	6,00,000	Plant	5,00,000
General Reserve	1,75,000	Furniture	3,00,000
Profit and Loss Account	3,65,000	Stock	2,81,000
8% Debentures	4,00,000	Sundry Debtors	3,21,000
Sundry Creditors	3,00,000	Cash and Bank Balance	2,00,000
Bills Payable	1,10,000	Preliminary Expenses	48,000
	26,50,000		26,50,000

The Pallavi Ltd decided to get merged with other company and hence decided to value its goodwill and equity shares for determination of purchase consideration.

Other information.

- Building and Plant are valued at ₹ 14,00,000 and ₹ 5,50,000 respectively
- Normal rate of return in the same industry is 15%
- The company will save the expenses of rent payment of ₹ 50,000 p.a.
- Company transfers 25% of Net Profit to General Reserve
- The profit of the previous years ending 31st March were

Year	₹
2021	2,87,000
2022	3,25,000
2023	2,70,000
2024	2,95,000

You are required to find out:

- a) Goodwill on the basis of Capitalisation of FMP
- b) Yield value of Equity Share

OR

Q.1) B) Determine the Capitalization Rate from the following information. The company operates on Financial Year ending 31st March every year. **(7)**

Date of Borrowing	Amount Borrowed	Rate of interest
01-04-2023	60,00,000	12 %
01-07-2023	12,00,000	14%
01-10-2023	18,00,000	13%
01-01-2024	9,00,000	10%

Q.1C) Following information is extracted from the books of Auto Craft ltd. **(8)**

	Cars	Bikes	Tractor	Cranes	Forklifts	Cycles	Total
Segment Revenue	960	480	400	1,040	480	—	3,360
External Sales							
Inter-Segment Sales	2000	80	640	160	160	560	3,600
Total	2,960	560	1,040	1,200	640	560	6,960

You are required to determine reportable segment from the above information.

Q.2A) Following are the Balance sheets of Sangita Ltd and Rangita Ltd as at 31st March,

2024 : **(15)**

Liabilities	Sangita Ltd	Rangita Ltd	Assets	Sangita Ltd	Rangita Ltd
Equity Share Capital (of Rs.10 each)	17,00,000	6,00,000	Fixed Assets	14,56,000	9,27,000
General Reserve	95,000	3,10,000	Investment(48,000 equity shares in Rangita Ltd)	9,95,000	nil
Profit & Loss A/c :	1,65,000	2,30,000	Current Assets	6,69,000	3,43,000
Current Liabilities	11,60,000	1,30,000			
	31,20,000	12,70,000		31,20,000	12,70,000

Sangita Ltd acquired the shares in Rangita Ltd on 1stOctober, 2023.

On 1st April 2023 Profit and Loss A/c of Rangita Ltd showed a credit balance of ₹80,000 out of which a dividend of 10% was paid on 3rd October, 2023. The dividend was credited by Sangita Ltd to its profit and loss account. Profit may be assumed to have accrued evenly throughout the year.

You are required to prepare a Consolidated Balance Sheet of the two companies as at 31st March, 2024.

OR

Q.2B) Pritam Ltd. acquired 3,000 shares in Amolika Ltd on 1st April, 2023. The Balance Sheet of the two companies as on 31st March, 2024 were as follows: **(15)**

Particulars	Pritam Ltd. (₹)	Amolika Ltd (₹)
I. Equity and Liabilities:		
Equity share capital (Face Value Rs.100 each)	20,00,000	5,00,000
General Reserve	3,70,000	80,000
Surplus (Balance in Statement of Profit and Loss)	1,60,000	50,000
10% Debentures	1,50,000	2,60,000
Bills Payable	80,000	50,000
Trade Creditors	1,00,000	70,000
Total	28,60,000	10,10,000
II. Assets:		
Building	16,00,000	3,00,000
Machinery	3,50,000	3,70,000
Investment in Equity Shares of Amolika Ltd	3,10,000	Nil
Inventories	2,50,000	1,00,000
Trade Debtors	1,20,000	90,000
Bills Receivable	50,000	60,000
Bank Balance	1,80,000	90,000
Total	28,60,000	10,10,000

Additional Information:

- On 01-04-2023 Amolika Ltd had a credit balance of ₹40,000 in the General Reserve and ₹10,000 in the surplus.
- The directors have decided to revalue Building and Machinery of Amolika Ltd. at ₹3,50,000 and ₹3,00,000 respectively.
- Out of Bills Receivable drawn by Pritam Ltd of ₹20,000, which were accepted by Amolika Ltd.
- Creditors of Pritam Ltd includes amount due to Amolika Ltd ₹30,000.

Prepare a Consolidated Balance Sheet of Pritam Ltd and its subsidiary Amolika Ltd as on 31st March, 2024 as per Schedule III of Companies Act, 2013.

Q.3 A) From the following particulars calculate the value per share under the Net Assets method. (15)

The Balance Sheet of Z Ltd. as on 31st March, 2024

Liabilities	Amt in ₹	Assets	Amt in ₹
11% Preference shares capital	1,00,000	Land and Buildings	2,00,000
Equity Share Capital of Rs. 10 each fully paid	2,00,000	Plant and Machinery	1,70,000
Profit and loss A/c	1,30,000	Trade Investment	1,30,000
General reserve	70,000	Inventory	70,000
9% Debentures	1,50,000	Sundry Debtors	1,40,000
Creditors	1,10,000	Bills receivable	1,00,000
Bills Payable	30,000	Bank Balance	40,000
Provision for tax	40,000		
Proposed dividend	20,000		
Total	8,50,000	Total	8,50,000

Additional information,

- Goodwill is valued at a two year purchase of super profit for the valuation of shares.

Year	profit
2021-22	50,000
2022-23	60,000
2023-24	70,000

- Land and building are revalued at ₹3,00,000 and plant and machinery are revalued at ₹1,50,000.
- Normal rate of returns in similar businesses is 8%.
- Consider closing capital as an average capital employed.

OR

Q.3 B) Maya Ltd. earned net profit of INR 16,00,000 for the year ended 31st March 2024. The company has issued 1,20,000 equity shares of INR 10 each and 80,000 convertible preference shares that can be converted into equity shares at a ratio of 1:1. The convertible preference shares were converted into equity shares on 1st Oct 2023. Calculate Earning per share. (8)

C) Parag Ltd. Purchased Equipment for Rs. 11,00,000 on which GST paid Rs. 50,000. The company paid freight Rs. 40,000, custom duty of Rs. 50,000, installation charges Rs.20,000. The estimated dismantling cost will be Rs.25,000. After the equipment was put to use Rs 12,000 was spent on maintenance. Calculate Cost of the Asset as per IND AS 16. (7)

- Q.4A) Choose the correct alternate (**any 8**) **(8)**
- 1] The _____, a private sector body, who develops and approves IFRS.
 - a. International Accounting Standard Board
 - b. International Auditing Standard Board
 - c. Industrial Accounting Standard Board
 - d. Internal Accounting Standard Board

 - 2] Minority Interest consists of
 - a. Face Value of Shares, Proportional Revenue and Capital Profits
 - b. Proportional Revenue Profit only
 - c. Proportional Capital Profit only
 - d. Face value of Shares only

 - 3] Accounting Standards are not applicable to _____.
 - a. Non-Profit Organization
 - b. An enterprise which is established with the sole objective to collect donations and giving it to the needy peoples
 - c. Co-operative enterprise
 - d. Charitable Institute

 - 4] Minority Interest should be shown in the Consolidated Statement in
 - a. Balance Sheet on Liability side
 - b. Balance Sheet on Asset side
 - c. Revenue Statement in Income side
 - d. Revenue Statement in Expenses side

 - 5] SMS Ltd acquired 75% Shares in MMS Ltd on 1st April 2023 at a price of Rs 9,00,000, the Profit and Loss Account of MMS Ltd showed a Credit balance of Rs 3,20,000 on 1st April 2023, the capital profit of Holding company is
 - a. Rs 3,20,000
 - b. Rs 80,000
 - c. Rs 1,25,000
 - d. Rs 2,40,000

 - 6] Debtors of A Ltd [Subsidiary Company] and B Ltd [Holding Company] are Rs 12,10,000 and Rs 9,40,000 respectively , the debtors of A Ltd includes the goods sold on credit to B Ltd worth Rs 85,000, the effect in the Consolidated Balance Sheet will be
 - a. Deduct Rs 85,000 from Debtors only
 - b. Deduct Rs 85,000 from Creditors only
 - c. Deduct Rs 85,000 from both Debtors and Creditors
 - d. Add Rs 85,000 to Debtors only

 - 7] Yield value per share = Expected Rate of Dividend/Normal Rate of Dividend x _____.of share.
 - a. Face value
 - b. Agree value
 - c. Called up
 - d. Paid up value

- 8] Ind AS applicable to operating segments is _____
- 108
 - 110
 - 105
 - 112

- 9] While preparing Accounting Standards, which of the following factor doesn't considered by Accounting Standard Board
- Indian Laws
 - International Accounting Standards
 - Role of Accountant
 - Customs and Business Environment

- 10] Super Profit is Rs 44,000, NRR 8% , Goodwill on the basis of capitalized value of super profit is _____
- Rs. 4,40,000
 - Rs. 5,50,000
 - Rs. 44,000
 - Rs. 55,000

B) State whether the following statement are True or False (Any 7) (7)

1.	Consolidated Financial Statement are prepared as per Ind AS 112.
2.	US GAAP are issued by FASB.
3.	Consolidated statements are prepared by subsidiary company.
4.	Segment reporting includes reporting about inter-segment and external sale.
5.	Accounting Standards converged with IFRS are known as Ind AS.
6.	Yield value depends on Net Assets.
7.	Holding company is the company which holds more than 50% shares of the other company.
8.	Asset hold for sale in temporary period is known as qualifying asset.
9.	Framework is the basis of Ind AS.
10.	Tax base of asset is equal to fair value.

OR

Q.4) Write Short Notes on any three (15)

- Financial Reporting and its objectives.
- Tax Base of an Asset
- Yield valuation of shares
- Earning per Share
- Operating Segment