

	Closing stock of finished goods 10,000 Wages 10,000 Salaries 20,000 Depreciation on machinery 8,000 General expenses 9,700 Bank charges 300 Interest received 12,000 Dividend received 5,000 Profit on sale of investment 2,000 Interest on debenture 5,000 Provision for taxation 25,000																																			
3 (b)	Identify and explain the benefits of preparing financial statement as per IND AS.	7	CO 3	BT 3																																
3 (c)	The following ledger balances are extracted from the books of Modern Ltd on 31-03-2023: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Rs.</th> <th></th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>1,20,000 equity shares of Rs.10 each</td> <td style="text-align: right;">12,00,000</td> <td>Land and Building</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">1,60,000</td> <td>Cash at Bank</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>10% Debenture</td> <td style="text-align: right;">5,00,000</td> <td>Stock in Trade</td> <td style="text-align: right;">3,50,000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: right;">1,00,000</td> <td>Furniture</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Securities Premium</td> <td style="text-align: right;">60,000</td> <td>Plant & Machinery</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Surplus in Profit & Loss Statement</td> <td style="text-align: right;">4,00,000</td> <td>Debtors</td> <td style="text-align: right;">3,50,000</td> </tr> <tr> <td>Live Stock</td> <td style="text-align: right;">1,00,000</td> <td>Loose tools</td> <td style="text-align: right;">20,000</td> </tr> </tbody> </table> From the above balances prepare a Balance Sheet of the company as per schedule III of the Companies Act, 2013. Directors proposed a dividend of 10% on the paid-up capital.		Rs.		Rs.	1,20,000 equity shares of Rs.10 each	12,00,000	Land and Building	6,00,000	Creditors	1,60,000	Cash at Bank	1,00,000	10% Debenture	5,00,000	Stock in Trade	3,50,000	General Reserve	1,00,000	Furniture	3,00,000	Securities Premium	60,000	Plant & Machinery	6,00,000	Surplus in Profit & Loss Statement	4,00,000	Debtors	3,50,000	Live Stock	1,00,000	Loose tools	20,000	7	CO 4	BT 4
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Q. No.	Answer any two of the following	Marks	CO	BT Level
4 (a)	Examine the concept of theoretical market price? Distinguish between Bonus shares and Right share.	2+5	CO 4	BT 4
4 (b)	What is Right Issue? Explain the advantages of Right Issue.	2+5	CO 1 CO 2	BT 1 BT 2
4 (c)	North East Coal Ltd. has paid up capital of Rs.7,00,000 divided into equity shares of Rs.10 each, Rs.7 paid up. The following balances are available in the books of the company: i) Securities Premium A/c - Rs.4,00,000 ii) surplus in the statement of profit and loss Rs.2,40,000 after declaration of dividend. iii) General Reserve – Rs.1,80,000 The company has decided in the general meeting to capitalize the necessary amount of the above balances by paying a bonus of Rs.3 per share to make the share fully paid up. Show necessary journal entries in the books of the company.	7	CO 2	BT 2

Q. No.	Answer any two of the following (Within 300 words each)	Marks	CO	BT Level
5 (a)	What is meant by amalgamation of companies? Discuss the objectives of amalgamation.	2+5	CO 1 CO 2	BT 1 BT 2
5 (b)	What is amalgamation in the nature of merger? Outline the conditions to be satisfied for amalgamation in the form of merger.	2+5	CO 1 CO 2	BT 1 BT 2

5 (c) Chakraborty Ltd. agreed to take over the business of Roy Ltd. on 31st March 2023. The summarized balance sheet of Roy Ltd. is as follows:

7

CO 2

BT 2

Roy Ltd		
Balance Sheet as at 31/03/2023		
		Rs.
I. EQUITY AND LIABILITIES:		
1. Shareholders Fund:		
a. Share Capital		
60,000 shares of Rs.10 each fully paid		6,00,000
b. Reserves and Surplus:		
Statutory Reserve	= 1,00,000	
General Reserve	= 70,000	
Surplus in the P&L A/c	= <u>1,10,000</u>	2,80,000
2. Non-Current Liabilities (6% Debentures)		1,00,000
3. Current Liabilities (Creditors)		20,000
	TOTAL	10,00,000
II. ASSETS:		
1. Non-Current Assets:		
Property, Plant & Equipment:		
Land & Building	= 6,40,000	
Goodwill	= <u>1,00,000</u>	7,40,000
2. Current Assets:		
Inventory	= 1,68,000	
Trade Receivables	= 36,000	
Cash & cash equivalents	= <u>56,000</u>	2,60,000
	TOTAL	10,00,000

The consideration payable by Chakraborty Ltd. was agreed as follows:

- i) Cash payment equivalent to Rs.2.50 for every Rs.10 share in Roy Ltd.
- ii) the issue of 90,000 shares of Rs.10 each fully paid, in Chakraborty Ltd. at an agreed value of Rs.15 per share.
- iii) The issue of such an amount of fully paid 5% debenture of Chakraborty Ltd. at 96% as is sufficient to discharge the 6% debentures of Roy Ltd. at a premium of 20%. When computing the agreed consideration, Land and Building was valued at Rs.12,00,000, stock at Rs.1,42,000 and debtors at face value subject to allowance of 5% for doubtful debts. Cost of liquidation was Rs.5,000. Show Journal entries in the books of Roy Ltd.

Course Outcomes	Marks Allotted	Percentage
CO1	22	Approx 60%
CO2	35	
CO3	20	Approx 20%
CO4	20	Approx 20%

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