

**Pg. 1 of 4**  
**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF**  
**COMMERCE AND ECONOMICS PONDA – GOA**  
**B.COM. CBCS (SEMESTER VI) REPEAT EXAMINATION,**  
**NOVEMBER 2022**  
**ADVANCE COMPANY ACCOUNTS (DSE 5)**

**Duration: 2 Hours**

**Marks: 80**

**NOTE:** 1) *QUESTION NO. 1 IS COMPULSORY*  
 2) *ATTEMPT ANY THREE QUESTIONS FROM REMAINING*

Q.1) Following is the Trial Balance of M/s NOVA Ltd as on 31/3/2022. **(20 Marks)**

Particulars	Amount	Particulars	Amount
Stock (at cost)	Rs. 10,00,000	Share Capital (Equity shares of 100/- each)	Rs. 40,00,000
Fixed Assets (Net Block)	Rs. 24,70,000	General Reserve	Rs. 1,40,000
Sundry Debtors (All good)	Rs. 8,00,000	Loan from Bank (Long Term)	Rs. 6,00,000
Staff Advances (short term)	Rs. 1,70,800	Provision for Taxation	Rs. 22,000
Cash in Hand	Rs. 1,20,000	Net profit for the year	Rs. 5,40,000
Bank Balance	Rs. 9,88,000	Profits & Loss A/c (Opening Balance)	Rs. 2,00,000
Preliminary Expense	Rs. 53,200	Unsecured Loans (Long Term)	Rs. 1,00,000
Advance Tax	Rs. 24,000	Sundry creditors	Rs. 2,80,000
Bills Receivable (Trade)	Rs. 1,16,000	Unclaimed Dividend	Rs. 10,000
Investments (At cost – Long Term)	Rs. 1,50,000		
	Rs. 58,92,000		Rs. 58,92,000

Additional information:

- a) Transfer Rs. 1,00,000/- to General Reserve.
- b) Directors recommend 6% Dividend.
- c) Debts Due for more than six months Rs. 1,04,000/-
- d) Loan from Bank is secured against stock.
- e) Market value of investments is Rs. 1,56,000/- while its face value is Rs. 1,20,000/-

Prepare Balance sheet of the company as on 31/3//2022 as per the provisions of Companies Act, 2013.

Q.2) Following is the Summarised Balance Sheet of J B Ltd as on 31<sup>st</sup> March, 2022.

**(20 Marks)**

Liabilities	Amount	Assets	Amount
12,000 – 8% Preference shares of Rs. 100/- each	Rs. 12,00,000	Goodwill	Rs. 2,00,000
1,00,000 Equity shares of Rs. 10/- each	Rs. 10,00,000	Building	Rs. 6,00,000
Capital Reserve	Rs. 1,00,000	Plant & Machinery	Rs. 6,00,000
6% Debentures of Rs. 100/- each	Rs. 6,00,000	Furniture	Rs. 2,00,000
Interest Due on Debentures	Rs. 1,00,000	Stock	Rs. 3,00,000
Sundry Creditors	Rs. 3,60,000	Sundry Debtors	Rs. 1,50,000
		Cash & Bank Balance	Rs. 2,50,000
		Discount on Debtors	Rs. 60,000
		P & L A/c (Debit Balance)	Rs. 10,00,000
	<b>Rs. 33,60,000</b>		<b>Rs. 33,60,000</b>

NOTE: Preference Dividend is in arrears for three years.

The following scheme of reconstruction was prepared and approved.

1. Preference shares to be converted into equal number of 9% preference shares of Rs. 50/- each.
2. Equity shares shall be reduced to Rs. 3/- each. However face value will remain the same.
3. 6% Debentures to be converted into equal number of 7% Debentured of Rs. 75/- each. Debenture holders also agreed to waive off interest due.
4. Arrears of preference dividend to be reduced to one year's dividend and paid in cash.
5. Assets to be revalued as under  
Building Rs. 7,00,000; Plant & Machinery Rs. 5,00,000; Furniture Rs. 1,60,000  
Stocks Rs. 2,00,000; Sundry Debtors Rs. 1,40,000.
6. Write off all intangible assets

Pass journal entries in the books of J B Ltd. to record the above transactions.

Q.3) The following particulars are available in respect of business carried by M/s Amey.

**(20 Marks)**

- 1) Capital invested – Rs. 50,000/-
- 2) Trading Results

2018-19	Profit	Rs. 12,200/-
2019-20	Profit	Rs. 15,000/-
2020-21	Loss	Rs. 2,000/-
2021-22	Profit	Rs. 21,000/-

- 3) Normal rate of return : 10%
- 4) Remuneration from alternative employment of proprietor (if not engaged in Business)  
Rs. 3,600/-

Calculate value of Good will on the basis of 3 years purchase of super profits.

Q.4) Following is the extract of Balance sheet of Anupam Ltd. as on 31/03/2022. (20 Marks)

Liabilities	Amount	Assets	Amount
Share capital		Land Building (At cost)	₹30,000/-
3000, 5%.Pref.shares of ₹10/- each fully paid	₹30,000/-	Plant and Machinery (at cost Less Depreciation)	₹50,000/-
9000, equity shares of ₹10/-each fully paid	₹90,000/-	Furniture and Fixtures (At cost Less depreciation)	₹10,000/-
Reserves	₹30,000/-	10% Investments (At cost)	₹12,000/-
Profit & Loss A/c	₹12,000/-	(Nominal value ₹10,000/- ; Market value ₹14,000/-)	
6% Debentures	₹20,000/-	Debtors (all good)	₹39,000/-
Creditors	₹15,000/-	Stocks	₹46,000/-
		Cash in Hand	₹5,000/-
		Preliminary Expenses	₹5,000/-
	<b>₹1,97,000/-</b>		<b>₹1,97,000/-</b>

Find out the fair value of equity shares after considering the following information.

- 1) Average annual profits (before taxation) ₹52,500.
- 2) Rate of income tax is 25%.
- 3) ₹5000/- is transferred to General Reserve, each year.
- 4) Normal rate of return is 8% on capital employed.
- 5) Good will is to be valued at 3 years purchase of super profits.
- 6) All assets are worth book values, subject to following changes; Land and Building is valued at ₹35,000/- and investments as given in the Balance sheet.

Q.5) Following are the Balance sheet of Mahindra Ltd and Satyam ltd as on 31/3/2022 on which date Mahindra Ltd agreed to absorb Satyam Ltd. (20 Marks)

Summarised Balance Sheet					
Liabilities	Mahindra Ltd	Satyam Ltd	Assets	Mahindra Ltd	Satyam Ltd
Equity shares of Rs. 100 each	Rs. 2,00,000	Rs. 2,40,000	Plant & Machinery	Rs. 60,000	Rs. 80,000
General Reserve	Rs. 30,000	Rs. 37,000	Stocks	Rs. 40,000	Rs. 40,000
Creditors	Rs. 28,000	Rs. 34,000	Debtors	Rs. 60,000	Rs. 60,000
Profit & Loss A/c	Rs. 16,000	Rs. 20,000	Building	Rs. 1,00,000	Rs. 1,20,000
			Cash in Hand	Rs. 14,000	Rs. 31,000
	Rs. 2,74,000	Rs. 3,31,000		Rs. 2,74,000	Rs. 3,31,000

All the assets and liabilities of Satyam Ltd are taken over by Mahindra Ltd at book values except building which is taken over at Rs. 1,80,000.

Mahindra Ltd paid purchase consideration by allotting fully paid shares of Rs. 100/- each at par. Draft journal entries in the books of Satyam Ltd and close the books of accounts and also draft journal entries in the books of Mahindra Ltd to record the above transactions.

