

Time: 2 ½ hrs**Marks: 75****Note: 1. All questions are compulsory.****2. Figures to the right indicate full marks****3. Working Note should form part of your answers****4. Use of Simple calculator is allowed.**

Q.1 The summarized Balance Sheet of Jay Ltd. and Vijay Ltd. as on 31st March, 2025 were as under: (15)

Liabilities	Jay Ltd. ₹	Vijay Ltd. ₹	Assets	Jay Ltd. ₹	Vijay Ltd. ₹
Equity Share Capital (FV ₹10 each)	12,00,000	3,00,000	Fixed Assets	16,50,000	-
General Reserve Fund	1,80,000	60,000	Stock	2,40,000	5,10,000
Profit & Loss A/c balance as on 1st April 2024	2,40,000	1,20,000	Sundry Debtors	60,000	3,30,000
Net Profit for the year	3,00,000	1,50,000	Investment: (18000 shares of Vijay Ltd. at cost)	3,90,000	-
Creditors	4,80,000	2,70,000	Cash / Bank	60,000	60,000
	24,00,000	9,00,000	Balance		
				24,00,000	9,00,000

Additional information:

- Shares were acquired by Jay Ltd. as on 1st October, 2024.
- Included in Debtors of Vijay Ltd. is ₹60,000 due from Jay Ltd.
- The stock of Vijay Ltd. included goods purchased from Jay Ltd. at ₹ 30,000 which includes profit charged by Jay Ltd. @ 25 % on cost.

Prepare Consolidated Balance Sheet as on 31st March, 2025.**OR**

Q.1 Globex Ltd. acquired as investment 24,000 shares in Starex Ltd. for ₹ 2,48,000 on 1st July 2024. The summary Balance Sheet of the two companies on 31.03.2025 were as follows. (15)

Liabilities	Globex Ltd. ₹	Starex Ltd. ₹	Assets	Globex Ltd. ₹	Starex Ltd. ₹
Equity Share of ₹ 10 each fully paid	14,40,000	4,00,000	Machinery	11,20,000	2,40,000
General Reserve Fund	2,56,000	64,000	Furniture	1,60,000	1,12,000
Profit & Loss A/c	1,28,000	40,000	Investment	2,48,000	-
Creditors	80,000	48,000	Stocks	1,60,000	80,000
Bills Payable	64,000	32,000	Debtors	96,000	56,000
			Bills Receivable	40,000	32,000
			Cash at Bank	1,44,000	64,000
	19,68,000	5,84,000		19,68,000	5,84,000

Additional information:

1. The General Reserve appearing in the Balance Sheet of Starex Ltd. has remained unchanged since 31.03.2024.
2. Profit earned by Starex Ltd. for the year ended 31st March, 2025 amounted to ₹ 32,000.
3. On 1st February, 2025 Globex Ltd sold to Starex goods costing ₹ 12,800 for ₹ 16,000, 25% of these goods remained unsold with Starex Ltd. on 31st March, 2025. Creditors of Starex Ltd. include ₹ 6400 due to Globex Ltd. on account of these goods.

Prepare Consolidated Balance Sheet as on 31st March, 2025.

Q.2 M/s JOY Ltd. began construction of a new building on 01st April, 2024. It obtained ₹ 3,00,000 special loan to finance the construction of the building on 01st April, 2024 at an interest rate of 12% p.a. The company's other outstanding two non-specific loans were: (15)

Amount (₹)	Rate of Interest
6,00,000	11% p.a.
11,00,000	14% p.a.

The expenditure that was made on the building project were as follows:

Date	Amount (₹)
April, 2024	3,00,000
July, 2024	3,50,000
October, 2024	5,50,000
March, 2025	1,50,000

Building was completed on 31st March, 2025. Following the principles prescribed in IND AS 23 "Borrowing Cost", calculate the amount of interest to be capitalized and pass Journal Entry for capitalizing the cost and borrowing in respect of the building.

OR

Q. 2 Calculate Basic and Diluted Earnings per share given the following data: (15)

- (a) Share Capital as at 01/04/2025 - 50,000 Equity Shares of ₹ 10 each.
- (b) Issue of Rights share at par for cash on 01/07/2025 in the ratio of 1 new share for 5 shares held.
- (c) Issue of Bonus shares on 01/10/2025 in the ratio of 1 : 5 (Excl. Right Shares)
- (d) Convertible Debentures as on 01/04/2025, 10% Debentures of ₹ 1,00,000.
- (e) Net Profit After Tax @ 35% for the year 2025 – 2026 ₹ 2,00,000.

Q.3 The Balance Sheet of Shankar Ltd. as on 31st March, 2024 was as follows: (15)

Liabilities	₹ (in lakhs)	Assets	₹ (in lakhs)
Equity Share Capital of ₹ 10 each	500	Building	220
Profit & Loss A/c	103	Machinery	95
Bank Overdraft	20	Stocks	350
Creditors	77	Debtors	155
Provision for Tax	45		
Proposed Dividend	75		
	820		820

The Net Profit of the company after deducting all working capital charges and providing depreciation and taxation were as under:

Year Ending	₹ in Lakhs
31-03-2020	85
31-03-2021	96
31-03-2022	90
31-03-2023	100
31-03-2024	95

On 31st March, 2024 Building was valued at ₹ 250 lakhs & Machinery at ₹ 150 lakhs. The other assets & liabilities have been correctly valued. In view of the nature of business, it is assumed that 10% is a reasonable return on tangible capital. Consider Closing Capital as Average Capital Employed & Simple Average for computing Average Profit.

You are required to determine:

- (A) Value of Goodwill on the basis of 5 years purchase of Super Profit.
- (B) Intrinsic Value of Equity Shares.
- (C) Value of Business.

OR

Q.3 The following particulars of Gagan Ltd. as on 31st March, 2024 are available: (15)

1. 1,00,000 Equity Shares of ₹ 100 each fully paid -	₹ 1,00,00,000
2. 10,000, 12% Preference Shares of ₹ 100 each -	₹ 10,00,000
3. Securities Premium -	₹ 11,50,000
4. Profit & Loss A/c -	₹ 33,58,000
5. General Reserve -	₹ 18,85,000
6. Current Liabilities:	
Creditors -	₹ 31,20,000
Bills Payable -	₹ 10,60,000
7. Average Profit After Tax (for last three years) -	₹ 5,85,000
8. 20% of Profit after Tax is transferred to General Reserve every year.	
9. Fictitious Assets -	₹ 80,000
10. Normal Rate of Return -	10%

Considering the above information, Compute the Value of Equity Shares by:

1. Assets Backing Method
2. Yield Method
3. Fair Method

Also Compute the value of Business.

Ignore Goodwill.

Q.4 (A) State whether the following statements are True or False: (08)

1. Audit reports should be dated with the date on which the financial statements are issued.
2. Imputed cost of equity may not be eligible for capitalisation as borrowing cost under IND AS 23.
3. Operating segments can be restricted to not more than ten in the consolidated financial statement of any entity.

4. Tax expense is the amount of income taxes payable in respect of the taxable profit or loss for a period.
5. A change in estimation of useful life of PPE is termed as a change in accounting estimates.
6. Revaluation reserve can be used for writing off goodwill.
7. Holding company means the company which holds the entire shares of another company.
8. Capital reserve is the excess price paid for the investment over and above the share in equity.

Q.4 (B) Multiple Choice questions:

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1. _____ issued framework for preparation of financial statement in July 2000.
(a) ASB (b) IASB (c) ICAI (d) IFRS
2. _____ is to provide the financial information about the company to investors, creditors, bankers, public and government.
(a) Bank Report (b) Investigation Report
(c) Financial Report (d) Government Report
3. IND AS _____ prescribe the accounting treatment for income taxes.
(a) 10 (b) 11 (c) 12 (d) 16
4. _____ is not a “qualifying asset” under IND AS 23.
(a) Manufacturing Plants (b) Intangible Assets
(c) Investment Property (d) Financial Assets
5. Accounting standards are _____.
(a) Recommendatory (b) Optional (c) Profit Oriented (d) Mandatory
6. The reported revenue including both sales to external customers and intersegment sales or transfers is _____ of combined revenue.
(a) 10% or More (b) 15% or more (c) 25% or more (d) 75% or more
7. Profit available to Equity Shareholders = NPAT – _____.
(a) Preference Dividend (b) Equity Dividend
(c) Proposed Dividend (d) Interim Dividend

Q.5 Write Short Notes: (Any 3)

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1. IND AS 33 – Earning Per Share
2. Yield Method of Valuation of Shares
3. IND AS 108 – Operating Segment
4. Minority Interest
5. Holding Company & Subsidiary Company
