[This question paper contains 32 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3319 **L**

Unique Paper Code : 2412091201

Name of the Paper : Corporate Accounting

Name of the Course : **B.Com. (P) 1st Year – DSC 2.1**

Semester : II

Duration : 3 Hours Maximum Marks : 90

समय : 3 घण्टे पूर्णांक : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. All parts of a question to be attempted together.
4. **All** questions carry equal marks.
5. Use of simple calculator is allowed.
6. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।
2. सभी प्रश्नों के उत्तर दें।
3. प्रश्न के भागों को एक साथ कीजिए।
4. सभी प्रश्नों पर समान अंक हैं।
5. साधारण कैलकुलेटर का उपयोग करने की अनुमति है।
6. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

1. (a) Explain the provisions of Sec 68 of Companies Act, 2013 stating the conditions for buy-back of shares. (6)

(b) Beauty Ltd. offered 1,00,000 equity shares of ₹10 each for subscription at a premium of ₹2 per share payable as follows :

On Application	₹4
On Allotment	₹5 (including premium)
Balance on first and final call	

The prospectus provided that in case of partial allotment, money received in excess on application would be adjusted towards the amounts due on allotment and call.

The company received applications for 2,00,000 shares out of which 50,000 shares were rejected outrightly and other applicants were allotted shares on pro-rata basis.

The company received all money due on allotment and call except one shareholder (Puneet) who applied for 1500 shares failed to pay the allotment and call money and after due notice, his shares were forfeited. Out of the forfeited shares company issued 600 shares @ ₹8 per share, fully paid up. You are required to Journalise the transactions in the books of the company. (9)

OR

(c) Given the following balances in the books of Aryan Ltd.

1,00,000 Equity Shares of ₹10 each	10,00,000
General Reserve	2,00,000
Surplus	8,00,000

Ascertain the maximum number of shares the firm can buyback @20 each. (6)

(d) Following information of Divyam Ltd. as at 31st March 2025 is as follows :

Authorised Share Capital	Amount (₹)
1,50,000 Equity Shares of ₹10 each	15,00,000
Issued, Subscribed and Paid up:	
80,000 Equity Shares of ₹10 each, ₹7.50 each called up	6,00,000
Capital Redemption Reserve	1,50,000
Plant Revaluation Reserve	20,000
Securities Premium Reserve	1,50,000
Development Rebate Reserve	2,30,000
Investment Allowance Reserve	2,50,000
General Reserve	3,00,000
	17,00,000
Sundry Assets	17,00,000

The company wanted to issue bonus shares to its shareholders at the rate of one share for every two shares held. Necessary resolutions were passed; requisite requirements were complied with.

(i) Pass journal entries in the books of Divyam Ltd.

(ii) Show the amended balance sheet as per Schedule III of the Companies Act 2013 (9)

OR

Ques 2

(a) The following information is available for X Ltd. for the accounting year 2024-2025

Particulars	Amount (₹)
Net profit for the current year	20,00,000
Number of Equity shares outstanding	10,00,000
Interest expense for the current year	1,50,000
Tax relating to interest expense	30%

Number of 10,000 15% convertible debentures of ₹100 each and each debenture is convertible into 8 equity shares. Calculate Basic EPS and Diluted EPS. (6)

(b) The following is the balance sheet of Ram Ltd. as at 31st March 2024 and 2025 : (18)

Particulars	2024 (₹)	2025 (₹)
Equity and Liabilities		
1. Shareholder's Funds		
a) Share Capital		
Equity Shares of ₹10 each fully paid	5,00,000	5,00,000
b) Reserves and Surplus		
General Reserve	1,10,000	1,20,000
Surplus in P&L A/c	40,000	64,000
2. Non-Current Liabilities		
Long-term Borrowings (9% Debentures)	2,20,000	1,60,000
3. Current Liabilities		
Trade Payables	2,30,000	2,16,000
Provision for Tax	1,00,000	80,000
Outstanding Expenses	30000	48,000
Total	**12,30,000**	**11,88,000**
Assets		
1. Non-Current Assets		
a) Property, Plant and Equipment		
Land & Building	390000	4,00,000
Machinery	1,64,000	1,80,000
Less: Depreciation	-80,000	-88,000
c) Non-Current Investment		
Long-term Investments	2,62,000	1,90,000
2. Current Assets		
a) Inventories (Stock-in-trade)	2,00,000	2,28,000
b) Trade Receivables (Debtors)	1,70,000	1,62,000
c) Cash and Cash Equivalents (Bank)	1,20,000	1,10,000
d) Other Current Assets (Prepaid Exp)	4,000	6,000
Total	**12,30,000**	**11,88,000**

The following information is furnished :

(i) One old machinery, which has original cost of ₹ 30,000 was sold for 10,000. The accumulated depredation in respect of the said machinery amounts to 16,000.

(ii) One new machinery was acquired for 46,000.

(iii) 9% Debentures were redeemed at a discount of 4%, of their face value at the beginning of the year.

(iv) The proposed dividend for 2024-25 amounting 50,000 was declared and paid in 2024-25.

(v) Provision for taxation made during the current year was 30,000.

OR

(a) The following balances appeared in the books of Braj Bihari Ltd. as on 31st March, 2025 :

Debit Balances	**Amount (₹)**	**Credit Balances**	**Amount (₹)**
Trade Receivables	1,50,000	Equity Share Capital (₹ 10 each)	4,00,000
Purchases	9,80,000	General Reserve	62,000
Wages	1,20,000	Trade Payables	70,000
Furniture	68,000	Purchase Returns	40,000
Salaries	30,000	Sales	13,60,000
Rent	16,000	Discount	12,000
Opening Stock-in-trade	3,00,000	Bills Payable	28,000

General Expenses	28,000	Surplus in Statement of Profit and Loss (1-4-2024)	60,000
Dividends Paid (2023-24)	36,000		
Computers	1,16,000		
Bank	1,44,800		
Patents	19,200		
Bills Receivable	20,000		
Carriage Inward	4,000		
Total	20,32,000	Total	20,32,000

Additional Information :

(i) Stock as on 31st March, 2025 was valued at ₹3,52,000

(ii) Depreciate Computer @ 15%, Furniture @ 10% and Patents @ 5%

(iii) Make a provision for doubtful debts of ₹840.

(iv) On 31st March, 2021, salaries and rent were outstanding to extent of ₹4,000 each.

(v) Make a provision for tax @ 40%.

(vi) The directors Proposed a dividend @ 15% for the year ended 31st March, 2025

(vii) Transfer of profit to General Reserve @ 5%

(viii) Provide for manager's commission at 10% of net profits before tax and manager's commission.

You are required to prepare Statement of Profit and Loss for the year ended 31st March, 2025 and Balance Sheet in the prescribed form as at 31st March, 2025 as per schedule III of Companies. (24)

2. (a) The following balances appeared in the books of Braj Bihari Ltd. as on 31st March, 2025 :

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Land & Buildings at Cost	5,25,000	Equity Share Capital (₹ 10 each)	10,00,000
Purchases	43,85,000	General Reserve	2,90,000
Calls in Arrears (on 20,000 shares @5 per share)	1,00,000	Provision for Depreciation on Furniture	1,50,000
Selling Expenses	11,00,000	Trade Payables	2,50,000
Advance Tax Paid	12,25,000	Sales	78,10,000
Plant at Cost	12,50,000	Provision for Depreciation on Plant	2,50,000
Furniture at Cost	6,50,000	Securities Premium	2,25,000
Interest on Debentures	50,000	Surplus in Statement of Profit and Loss (1-4-2024)	60,000
Opening Stock-in-trade	2,25,000	12% Debentures	5,00,000
Trade Receivables	4,00,000	Provision for Bad Debts	15,000
Salaries	10,00,000	Commission	50,000
Rent	60,000	Provision for Tax	6,25,000
Bank	2,25,000		
Discount on Issue of Debentures	5,000		
Bad Debts	25,000		
Total	1,12,25,000	Total	1,12,25,000

Additional Information :

(i) Closing stock on 31st March, 2025 was ₹10,00,000

(ii) Provide depreciation on plant @20%p.a. and on furniture 10% p.a. written down value basis.

(iii) Maintain a provision for doubtful debts @5% on debtors.

(iv) Make a provision of 30% for tax.

(v) The board proposed a dividend at 10% on paid up share capital after the date of the Balance Sheet.

(vi) Closing stock valued at ₹10,00,000.

(vii) Transfer ₹1,00,000 to the General Reserve.

(viii) Debentures were issued on 1-4-2024.

You are required to prepare Statement of Profit and Loss for the year ended 31st March, 2025 and Balance Sheet in the prescribed form as at 31st March, 2025 as per schedule III of Companies. (24)

3. (a) The following is the balance sheet of Veera Ltd as on 31st March 2025 :

	Particulars	Note	Amount (₹)
I	**Equity and Liabilities**		
	1. Shareholder's Funds		
	a) Share Capital		
	Equity Shares of ₹10 each, fully paid up		1,00,000
	10% Preference Shares ₹10 each, fully paid up		80,000
	b) Reserves and Surplus		
	General Reserve		90,000
	2. Non-Current Liabilities		
	Long-term Borrowings (7% Debentures)		60,000
	3. Current Liabilities		
	a) Trade Payables		35,000
	b) Short-term Provision		
	Provision for tax		10,000
	Total		**3,75,000**
II	**Assets**		
	1. Non-Current Assets		
	a) Property, Plant and Equipment		2,20,000
	b) Intangible (Goodwill)		10,000
	c) Non-Current Investment (5% Tax Free Govt. Loan)		30,000
	2. Current Assets		
	a) Trade Receivables (Debtors)		1,00,000
	b) Other Current Assets		
	Share Issue Expenses		15,000
	Total		**3,75,000**

Current year's profit of the company (after deducting interest on debentures and taxes) is ₹41000. The market value of the machinery included in fixed assets is ₹15,000 more. Expected rate of return is 10%. Compute the value of goodwill of the company at 3 years' purchase of super profits.

(12)

(b) Explain the concept of a brand and discuss the need for brand valuation. Highlight at least three key reasons why organizations undertake brand valuation, supporting your answer with suitable examples." (6)

OR

(c) From the following information relating to Rana Ltd., calculate the value of its equity shares as per yield method and as per intrinsic value method:

Issued equity share capital-10,000 shares of ₹ 10 each, 8 paid up	
10% preference share capital- 10,000 shares of ₹ 10 each, fully paid up	
Annual transfer to General Reserve	
Rate of tax	20%
Expected profit (before tax)	40%
Normal rate of dividend	1,80,000
Reserves and surplus	20%
External liabilities	2,50,000
Fictitious assets	75,000
	30,000

(12)

(d) Define goodwill as an intangible asset. Explain why goodwill is important in business, and discuss the key factors that determine the valuation of goodwill, with suitable examples. (6)

4. (a) Following are the balance sheet of Alpha Ltd. and Beeta Ltd. as at 31st March 2025 :

Balance Sheet As At 31st March 2025

	Particulars	Note	Alpha Ltd.	Beeta Ltd.
I	Equity and Liabilities			(₹ In lakhs)
	1. Shareholder`s Funds			
	a) Share Capital			
	Equity Shares of ₹10 each, fully paid		4,00,000	2,00,000
	10% Preference Shares of ₹100 each, fully paid			2,00,000
	12% Preference Shares of ₹100 each, fully paid		3,00,000	
	b) Reserves and Surplus			
	General Reserve		1,00,000	1,21,000
	Surplus		50,000	40,000
	Statutory Reserve		20,000	10,000
	2. Non-Current Liabilities			
	Long-term Borrowings (10% Debentures)		1,20,000	1,20,000
	3. Current Liabilities			
	a) Trade Payables		80,000	59,000
	b) Other Current Liabilities		50,000	40,000
	Total		**11,20,000**	**7,90,000**
II	**Assets**			
	1. Non-Current Assets			
	a) Property, Plant and Equipment			
	Building		4,00,000	3,00,000
	Machinery		1,00,000	90,000
	Furniture		20,000	10,000
	Non-Current Investment		---	50,000
	b) Intangible (Goodwill)		---	50,000
	2. Current Assets			
	a) Inventories (Stock-in-trade)		1,00,000	1,00,000
	b) Trade Receivables (Debtors)		2,50,000	1,30,000
	c) Cash and Cash Equivalents (Bank)		30,000	20,000
	d) Other Current Assets		2,20,000	40,000
	Total		**11,20,000**	**7,90,000**

On the above date Alpha Ltd. takes over the business of Beeta Ltd. on the following terms and conditions :

(i) All fixed Assets (other than Goodwill) are to be taken over at 20% above book values and current assets (than cash and bank balance) are valued at 15% below book values. Goodwill to be considered as worth ₹1,50,000.

(ii) Cost of absorption amounting ₹10,000 was paid by Alpha Ltd.

(iii) Equity Shareholders of Beeta Ltd. are to be issued, 9 Equity Shares of 10 each in Alpha Ltd. at 12 each, for every 5 Equity Shares in Beeta Ltd. Balance of Purchase Consideration to be paid in cash.

(iv) 10% Preference Shareholders of Beeta Ltd. are to be paid at 10% premium by issue of 12% Preference Shares of Alpha Ltd. At par.

(v) Investments of Beeta Ltd. represent investments in own debentures of face value ₹50,000 purchased at par, which are to be cancelled before the company is taken over by Alpha Ltd.

(v) Sundry Debtors of Alpha Ltd. include ₹5,000 due from Beeta Ltd.

(vi) Statutory Reserves are to be maintained for two more years.

You are required to :

1. Compute Purchase Consideration.

2. Pass necessary Journal Entries in the books of Alpha Ltd. (12)

(b) A company suffering heavy losses is considering reconstruction. Compare internal and external reconstruction and suggest which method may be more suitable in such a case. (6)

OR

(c) Sick Ltd. decided to re-organize its structure following a period of adverse trading conditions. The Balance Sheet of the company as on 31st March 2025 showed the following :

	Particulars	Note	Amount (₹)
I	Equity and Liabilities		
	1. Shareholder's Funds		
	a) Share Capital		
	Equity Shares of ₹10 each		5,00,000
	12% Cumulative Preference Shares of ₹100 each, fully paid		1,50,000
	b) Reserves and Surplus		
	Surplus		-2,50,000
	2. Non-Current Liabilities		
	Long-term Borrowings (9% Debentures)		1,80,000
	3. Current Liabilities		
	a) Trade Payables		21,00,000
	b) Other current liabilities		
	Outstanding Expenses (including Director's remuneration ₹20,000)		1,20,000
	Total		**28,00,000**
II	**Assets**		
	1. Non-Current Assets		
	a) Property, Plant and Equipment		9,00,000
	b) Intangible (Goodwill)		1,00,000
	2. Current Assets		18,00,000
	Total		**28,00,000**

Note: Preference Dividends are in arrears for three years.

The following scheme of reconstruction is duly agreed and approved by the Tribunal:

(i) Equity shares are to be reduced to ₹2.5 per share. The Preference Shares are to be reduced to ₹50 per share.

(ii) Property. Plant & Equipment are to be written down by 33-1/3%.

(iii) Current assets are to be revalued at ₹12,00,000.

(iv) Preference shareholders decide to forego their right to arrears of dividend which are in arrears for three years.

(v) Directors agree to forego amount due on account of Director's remuneration.

(vi) One of the creditors of the company to whom the company owes ₹15,00,000 decides to forego 50% of his claim. He is allotted 1,00,000 equity shares of ₹2.5 each in part satisfaction of the balance of his claim.

(vii) The rate of interest on debentures is increased to 11%. The debenture holders surrender their debentures of ₹100 each and exchange the same for fresh debentures of ₹75 each.

Pass necessary journal entries and prepare the Balance Sheet after scheme of reconstruction as at 1st April, 20X5 as per Schedule III (12)

(d) State the conditions to be satisfied in case of amalgamation in the nature of merger as per AS-14. (6)

5. (a) During the year 2024-25, X Ltd. having a net worth of 600 crore while its annual turnover for the same year was 450 crores. The company earned net profit after tax during last 4 years where as under:

Year	Profits after tax (₹ in crores)
2024-25	6
2023-24	7.5
2022-23	4.5
2021-22	6

During 2024-25 the company contributed 8,00,000 to PM CAREs Fund and 2,00,000 for the welfare of widows of war veterans (Army) out of which 40,000 were spent on widows of former employees of the company.

Calculate qualifying amount of CSR Expenditure u/s 135 of Companies Act 2013 and amount unspent/shortfall, if any. (8)

(b) Define sustainability reporting. Discuss any four benefits it provides to organizations and stakeholders. (7)

OR

(c) Explain any three of the following : (5×3=15)

(i) Triple Bottom Line Reporting

(ii) XBRL Reporting

(iii) Human Capital and Intellectual Capital

1069000

(iv) Reportable Segment as per AS-17