



**SECOND SEMESTER B.COM. (REVISED NEP) DEGREE
EXAMINATION, JULY 2025
COMPANY ACCOUNTS
Commerce (DSC – 1)**

Time : 3 Hours]

[Max. Marks : 80

Instructions : 1) Answer **all** the questions as per **internal** choice.
2) Simple calculators are **allowed**.

SECTION – A

Answer the following questions.

(10×2=20)

1. What do you mean by final accounts ?
2. State any two differences between Merger and Purchase.
3. Pass Journal Entry for reduction of preference share capital.
4. What is Voluntary Liquidation of company ?
5. What is preferential creditor ?
6. What is amalgamation in the nature of Merger ?
7. What do you mean by subsidiary company ?
8. What is wholly owned and partly owned subsidiary companies ?
9. What is internal reconstruction ?
10. Expand N.C.L.T.

SECTION – B

Answer **any three** from the following :

(3×5=15)

11. Draft the proforma of liquidator's final statement of account.
12. Prepare the chart of Minority Interest.

[P.T.O.]



13. Karwar Co. Ltd. decided to go for internal reconstruction on the following terms.
- 1) 5000 equity share of Rs.100 each are to be reduced to equal number of shares of Rs. 40 each.
 - 2) 1000 9% preference shares of Rs.100 each are to be reduced to 1000 10% pref. shares of Rs. 60 each.
 - 3) The Goodwill of Rs. 7,500 is to be written off.
 - 4) The value of Machinery and Building were written down by Rs. 95,000 and Rs.1,00,000 respectively. Pass Journal Entries.

14. 'X' Co. Ltd. has net profit of Rs.10,00,000/-. After considering the following :

Profit on sale of Fixed Assets	1,00,000
Subsidy from Government	2,00,000
Provision for taxation	1,00,000
Special Depreciation	50,000
Transfer to General Reserve	50,000
Salaries and wages	1,00,000

From the above calculate the Managing Director's remuneration.

15. 'A' Company Ltd. to sell its business to 'B' Ltd. on which date its Balance Sheet was as under.

Particulars	Notes	Amount
I) Equity and Liabilities		
Shareholders fund	—	4,00,000
Current Liabilities		
Trade payables		
Creditors	—	20,000
Bills payable	—	50,000
		4,70,000
II) Assets		
Non current Assets		
Tangible Fixed Assets	—	2,00,000
Intangible Fixed Assets (Goodwill)	—	50,000
Current Assets		
Stock	—	1,40,000
Trade Receivable	—	30,000
Cash and Cash equivalent	—	50,000
		4,70,000



'B' Ltd., agreed to takeover the Liabilities and Assets excluding Cash and Goodwill @ 10% less than the book value and pay Rs. 80,000 for Goodwill. The purchase consideration was to be discharged by the issue of 30000 equity shares of Rs.10 each and balance in cash. Compute the purchase consideration.

SECTION – C

Answer **any three** from the following : (3×15=45)

16. Prepare a form of Balance Sheet according to Part I of Schedule III of Companies Act, 2013.
17. What do you mean by purchase consideration ? Explain different kinds of purchase consideration.
18. The following is the Balance Sheet of Gadag Ltd. 31-03-2024.

Particulars	Note	Amount
I) Equity and Liabilities		
Shareholder fund :		
Share capital	1	10,00,000
Reserves and Surplus	2	–2,45,000
Current Liabilities		
Trade payable (Creditor)	–	50,000
		8,05,000
II) Assets		
Non current Assets		
Tangible Fixed Assets (Building)	–	1,73,000
Intangible Assets (Patents)	–	5,00,000
Current Assets		
Inventories (Stock)	–	55,000
Trade Receivable (Debtor)	–	76,500
Cash and cash equivalent	–	500
		8,05,000
Total		8,05,000
Notes :		
1) Share capital		
5000 Pref. Share of Rs.100 each fully paid		5,00,000
5000 Equity share of Rs.100 each fully paid		5,00,000
		10,00,000



2) Reserve and Surplus

Profit and Loss A/c (Debit balance)	–	2,15,000
Preliminary Expenses	–	12,000
Discount on issue of share	–	18,000
		2,45,000

The company suffered heavy losses and was not getting well. The following scheme of reconstruction was adopted :

- 1) The preference share be reduced to an equal number of fully paid share of Rs. 50 each.
- 2) The equity shares be reduced to an equal number of fully paid share of Rs. 25 each.
- 3) The amount so available be used to write off Building @20% and stock by Rs.15,000/- and Sundry Debtors @20% and balance available of patents

Prepare Balance Sheet and Pass Journal Entries after the reconstruction has been carried out.

19. The following are the Balance Sheets of 'H' Ltd. and 'S' Ltd. as at 31-3-2025.

Particulars	Note no.	H Ltd.	S Ltd.
I) Equity and Liabilities			
Shareholders fund :			
Share Capital	1	8,00,000	4,00,000
Reserve and Surplus	2	3,00,000	2,00,000
Current liabilities			
Trade payable	3	60,000	60,000
		11,60,000	6,60,000
II) Assets			
Non current Assets			
Tangible Fixed Asset	–	5,54,000	4,76,000
Non current Investments			
3000 share in S Ltd.	–	3,60,000	–
Current Assets			
Inventories (stock)		1,76,000	1,34,000
Trade receivables	4	70,000	50,000
		11,60,000	6,60,000



Notes	H Ltd.	S Ltd.
1) Share capital		
Eq. share of Rs.100 each	8,00,000	4,00,000
2) Reserve and Surplus		
Gen. Reserve on [1-4-2024]	1,60,000	1,00,000
Profit and Loss Account	1,40,000	1,00,000
	3,00,000	2,00,000
3) Trade payable		
Creditor	60,000	40,000
Bills payable	—	20,000
	60,000	60,000
4) Trade receivables		
Debtors	60,000	50,000
Bills receivable	10,000	—
	70,000	50,000

H Ltd. acquired the shares of S. Ltd. on 1-4-2024 when Profit and Loss account of S Ltd. showed a credit balance of Rs. 30,000/-. The creditors of S Ltd. include Rs. 20,000 due to H Ltd.

Prepare the consolidated Balance Sheet as at 31-3-2025.

20. Dharwad Co. Ltd. went into voluntary liquidation on 31-12-2024 the capital of the company consisted of :

- 2500 equity shares of Rs.100 each fully paid
- 3000 equity shares of Rs.100 each Rs. 80 paidup
- 4000 equity shares of Rs.100 each Rs. 70 paidup
- 20000 12% preference shares of Rs. 10 each fully paid

The dividend on the preference shares was in arrears for one year.

The unsecured creditors Rs. 1,00,000/- including Rs. 25,000 towards preferential creditors.

The Assets realised Rs. 4,49,000. The liquidation expenses amounted to Rs. 7,520. The liquidators remuneration was fixed at Rs. 8,000 and a commission of 2% on the amount paid to preferential share holders as capital and dividend.

Preference shareholders have priority in regard to repayment of capital and dividend over equity shareholders.

Prepare liquidators final statement of account.