

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2026

Course : Diploma Course Date : 08/07/2026
 Subject Code : DAA-03 Time : 11:30am to 01:45pm
 Subject Name : Accounting in Special Situations for Companies Duration : 02.15 Hours

Max. Marks : 70

- Q-1** Aarti Ltd. acquired 4,500 shares of Rs. 10 each of Kirti Ltd. on 1-4-2002. The Balance Sheet of both the corporates as on 31-3-2003 is as follows : **14**

Balance Sheet as on 31-3-2003

Liabilities	Aarti Ltd. Rs.	Kirti Ltd. Rs.	Assets	Aarti Ltd. Rs.	Kirti Ltd. Rs.
Share Capital: Shares of Rs. 10 each	1,00,000	60,000	Sundry Assets	1,20,000	1,10,000
General Reserve	50,000	30,000	Stock	30,000	20,000
Profit & Loss A/c	50,000	20,000	Shares in Kirti Ltd	80,000	—
Creditors	30,000	20,000			
Total	2,30,000	1,30,000	Total	2,30,000	1,30,000

When shares were acquired by Aarti Ltd. in Kirti Ltd. on 1st April 2002, Kirti Ltd. had Rs. 20,000 General Reserve and Rs. 12,000 credit balance in Profit and Loss A/c. From the above information, prepare the Consolidated Balance Sheet as at 31st March, 2003.

OR

Sita Ltd. acquired all shares of Nita Ltd. on 1-4-2001.

The Balance Sheet of both the corporates as on 31-3-2002 are as follows :

Balance Sheet as on 31-3-2002

Liabilities	Sita Ltd. Rs.	Nita Ltd. Rs.	Assets	Sita Ltd. Rs.	Nita Ltd. Rs.
Share Capital	1,00,000	60,000	Sundry Assets	1,20,000	1,30,000
General Reserve (1-4-2002)	50,000	30,000	Shares of Nita Ltd. (at cost)	1,10,000	—
Profit and Loss A/c	50,000	20,000			
Creditors	30,000	20,000			
Total	2,30,000	1,30,000	Total	2,30,000	1,30,000

On 1-4-2001 the Profit and Loss Account of Nita Ltd. showed a credit balance of Rs. 6,000.

Prepare a Consolidated Balance Sheet as on 31st March, 2002.

- Q-2** H Ltd. acquired all the shares of S Ltd. on 31st March, 1987, on which date the balance sheets of the two corporates are as under : **14**

Balance Sheets

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital: Shares of Rs. 10 each fully paid	5,00,000	2,00,000	Sundry Assets	4,80,000	2,60,000
Reserves	1,00,000	—	100% Shares in S Ltd.	2,00,000	—
Creditors	80,000	60,000			
Total	6,80,000	2,60,000	Total	6,80,000	2,60,000

Prepare a Consolidated Balance Sheet as at 31st March, 1987.

OR

The Balance Sheets of Lallu Ltd. and Chaku Ltd. as on 31-12-2001 are as follows:

Liabilities	Lallu Ltd. Rs.	Chaku Ltd. Rs.	Assets	Lallu Ltd. Rs.	Chaku Ltd. Rs.
Share Capital Shares of Rs. 10 each fully paid up	1,50,000	15,000	Freehold Assets	1,40,000	—
			Machineries	20,000	8,000
			1,200 shares in Chaku Ltd.	30,000	—
General Reserve	75,000	7,500	Investments	45,000	15,000
Profit and Loss A/c	25,000	20,000	Debtors	35,000	17,000
Creditors	45,000	4,500	Bills Receivable	4,000	—
Bills Payable	5,000	6,000	Bank balance	26,000	13,000
Contingent liabilities					
Bill discounted by Lallu but not matured Rs. 2,000					
Total	3,00,000	53,000	Total	3,00,000	53,000

Lallu Ltd. acquired shares of Chaku Ltd. on 1-4-2001. The books of Chaku Ltd. disclosed a reserve of Rs. 2,500 and credit balance of profit and loss account of Rs. 8,000 on 1-1-2001. All the bills accepted by Chaku Ltd. were drawn by Lallu Ltd., of which Lallu Ltd. has discounted bills of Rs. 2,000. The debtors of Lallu Ltd. include Rs. 3,000 receivable from Chaku Ltd. The monthly profit was evenly earned during the year. Prepare Consolidated Balance Sheets at 31-12-2001

Q-3

Balance Sheets as at 31st March, 1988.

14

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital: Shares of Rs. 10 each, fully paid	5,00,000	2,00,000	Sundry Assets	4,26,000	3,04,000
			100% Shares in S Ltd. acquired on 31st March, 1987 (cost)	2,54,000	—
Reserves	1,00,000	50,000	Preliminary Expenses	—	6,000
Creditors	80,000	60,000			
Total	6,80,000	3,10,000	Total	6,80,000	3,10,000

Prepare a Consolidated Balance Sheet as at 31st March, 1988.

OR

Balance Sheets as at 31st March, 1987

Liabilities	F Ltd. Rs.	S Ltd. Rs.	Assets	F Ltd. Rs.	S Ltd. Rs.
Share Capital: Shares of Rs. 10 each, fully paid	5,00,000	2,00,000	Fixed Assets	3,00,000	1,00,000
			60% Shares in S Ltd. at cost	1,62,400	—
General Reserves	1,00,000	50,000	Current Assets	2,77,600	2,39,000
Profit and Loss Account	60,000	35,000	Preliminary Expenses	—	6,000
Creditors	80,000	60,000			
Total	7,40,000	3,45,000	Total	7,40,000	3,45,000

H Ltd. acquired the shares on 1st April 1985 on which date the General Reserve and Profit and

Loss Account of S Ltd. showed balances of Rs. 40,000 and Rs. 8,000 respectively. No part of Preliminary Expenses was written off during the year ending 31st March, 1987.

Prepare the consolidated balance sheet of H Ltd. and its subsidiary S Ltd. as at 31st March, 1987.

Q-4

Following are the balance sheets of Jitendra Ltd. and Shailendra Ltd. as on 31-12-2002. Jitendra Ltd. had purchased 8,000 shares of Rs. 10 each of Shailendra Ltd. on 1-1-2001.

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Liabilities	Jitendra Ltd. Rs.	Shailendra Ltd. Rs.	Assets	Jitendra Ltd. Rs.	Shailendra Ltd. Rs.
Share Capital : Shares of Rs. 10 each	1,20,000	1,00,000	Land-building	80,000	1,20,000
General Reserve (1-1-1999)	24,000	20,000	Investments : Shares of Shailendra Ltd.	1,04,000	-
Profit and Loss A/c	68,000	56,000	Stock	24,000	30,000
Creditors	20,000	6,000	Debtors	20,000	40,000
Proposed Dividend	-	10,000	Bank balance	4,000	2,000
Total	2,32,000	1,92,000	Total	2,32,000	1,92,000

The credit balance of Profit and Loss Account of Shailendra Ltd. as on 1-1-2001 was Rs. 16,000. Shailendra Ltd. has paid 10% dividend during the year for the year 2000. Jitendra Ltd. has credited dividend received by it to its profit and loss account. Jitendra Ltd. has not made any entry for the proposed dividend of Shailendra Ltd. at 10%.

From the above information, prepare Consolidated Balance Sheet as on 31-12-2001.

OR

From the following balance sheets of Ursh Ltd. and its subsidiary Niki Ltd. as at 31st March, 1989 and the additional information provided thereafter, prepare a Consolidated Balance Sheet of the two corporates as at that date:

Liabilities	Ursh Ltd (Rs.)	Niki Ltd. (Rs.)	Assets	Ursh Ltd (Rs.)	Niki Ltd. (Rs.)
Share Capital: Shares of Rs. 10 each, fully paid	10,00,000	2,00,000	Fixed Assets	11,62,000	1,80,000
			70% Shares of Niki Ltd., at cost	1,42,000	—
General Reserve	3,10,000	—	Current Assets	3,86,000	1,29,000
Profit & Loss Account	1,50,000	45,000	Preliminary Expenses	—	5,000
Creditors	2,30,000	69,000			
Total	16,90,000	3,14,000	Total	16,90,000	3,14,000

Additional Information:

Ursh Ltd. acquired the shares on 31st December, 1988. On 1st April, 1988 Niki Ltd.'s Profit and Loss Account showed a debit balance of Rs. 8,000. On 31st March, 1989 Niki Ltd. decided to revalue its Fixed Assets at Rs. 2,00,000.

Q-5

(A) Short notes (Any three)

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1. Holding Company
2. Legal Provisions Relating to Accounts (Sec. 212)
3. Consolidated Balance Sheet
4. Distinguish between Holding Company and Subsidiary Company
5. Minority Interest

(B) Choose the correct option for the questions given below.

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1. Dividend-Received by the holding Co. is a -----
(A) Revenue profit (B) Both a & b
(C) Capital Profit (D) None of the above
2. Internal Bills discounted will not be Shown as _____ in the consolidated Bal. sheet.
(A) Contingent Liability (B) Reserve & Provision
(C) Assets (D) None of the above
3. Capital profit of a holding body corporate Transferred to _____.
(A) Capital Reserve A/c (B) Provision A/c
(C) Liability A/c (D) None of the above
4. _____ means all the Shares in the subsidiary company generally not acquired by the holding company.
(A) Minority Interest (B) Capital Reserve
(C) Both (D) None of the above
5. If the shares are purchased at price higher than the nominal price than the _____ is to be shown.
(A) Goodwill (B) Capital Reserve
(C) Both (D) None of the above
