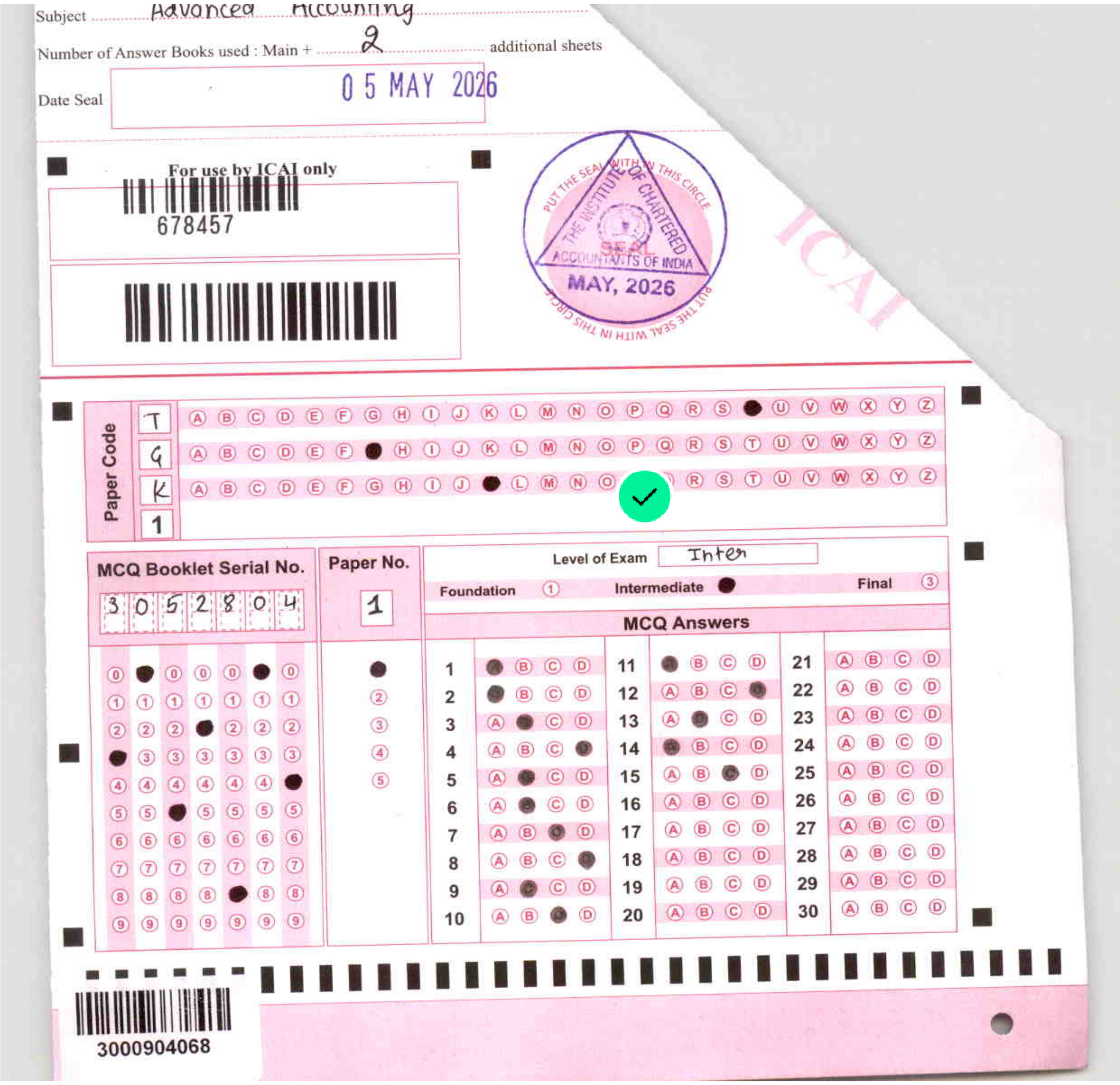
# The Institute of Chartered Accountants of India

**Code:** IN1AA678457

**Subject :** 01 Advanced Accounting

**Total Marks:** 70

**Marks Obtained :** 61.5



Subject ........ Advanced Accounting

Number of Answer Books used : Main + ........ 2 ........ additional sheets

Date Seal 05 MAY 2026

For use by ICAI only

678457

MAY, 2026

**Paper Code**

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| 1 | |

**MCQ Booklet Serial No.** 3 0 5 2 8 0 4

| 3 | 0 | 5 | 2 | 8 | 0 | 4 |
|---|---|---|---|---|---|---|
| ⓪ | ● | ⓪ | ⓪ | ⓪ | ● | ⓪ |
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| ② | ② | ② | ● | ② | ② | ② |
| ● | ③ | ③ | ③ | ③ | ③ | ③ |
| ④ | ④ | ④ | ④ | ④ | ④ | ● |
| ⑤ | ⑤ | ● | ⑤ | ⑤ | ⑤ | ⑤ |
| ⑥ | ⑥ | ⑥ | ⑥ | ⑥ | ⑥ | ⑥ |
| ⑦ | ⑦ | ⑦ | ⑦ | ⑦ | ⑦ | ⑦ |
| ⑧ | ⑧ | ⑧ | ⑧ | ● | ⑧ | ⑧ |
| ⑨ | ⑨ | ⑨ | ⑨ | ⑨ | ⑨ | ⑨ |

**Paper No.** 1

● ② ③ ④ ⑤

Level of Exam Inter

Foundation ① Intermediate ● Final ③

**MCQ Answers**

| | | | | | |
|---|---|---|---|---|---|
| 1 | ● Ⓑ Ⓒ Ⓓ | 11 | ● Ⓑ Ⓒ Ⓓ | 21 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 2 | ● Ⓑ Ⓒ Ⓓ | 12 | Ⓐ Ⓑ Ⓒ ● | 22 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 3 | Ⓐ ● Ⓒ Ⓓ | 13 | Ⓐ ● Ⓒ Ⓓ | 23 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 4 | Ⓐ Ⓑ Ⓒ ● | 14 | ● Ⓑ Ⓒ Ⓓ | 24 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 5 | Ⓐ ● Ⓒ Ⓓ | 15 | Ⓐ Ⓑ ● Ⓓ | 25 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 6 | Ⓐ ● Ⓒ Ⓓ | 16 | Ⓐ Ⓑ Ⓒ Ⓓ | 26 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 7 | Ⓐ Ⓑ ● Ⓓ | 17 | Ⓐ Ⓑ Ⓒ Ⓓ | 27 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 8 | Ⓐ Ⓑ Ⓒ ● | 18 | Ⓐ Ⓑ Ⓒ Ⓓ | 28 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 9 | Ⓐ ● Ⓒ Ⓓ | 19 | Ⓐ Ⓑ Ⓒ Ⓓ | 29 | Ⓐ Ⓑ Ⓒ Ⓓ |
| 10 | Ⓐ Ⓑ ● Ⓓ | 20 | Ⓐ Ⓑ Ⓒ Ⓓ | 30 | Ⓐ Ⓑ Ⓒ Ⓓ |

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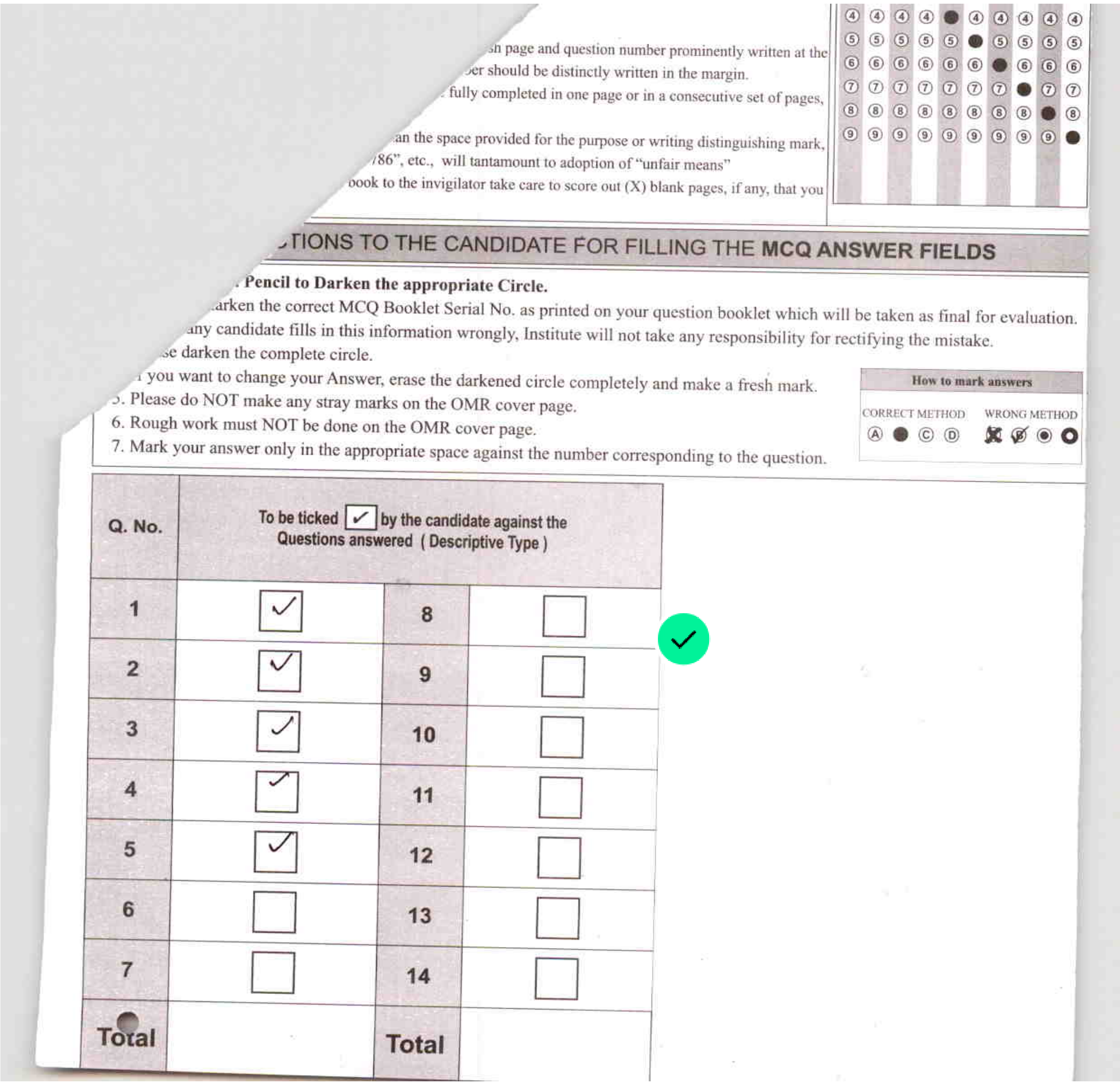

④ ④ ④ ④ ● ④ ④ ④ ④ ④
⑤ ⑤ ⑤ ⑤ ⑤ ● ⑤ ⑤ ⑤ ⑤
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⑦ ⑦ ⑦ ⑦ ⑦ ⑦ ⑦ ● ⑦ ⑦
⑧ ⑧ ⑧ ⑧ ⑧ ⑧ ⑧ ⑧ ● ⑧
⑨ ⑨ ⑨ ⑨ ⑨ ⑨ ⑨ ⑨ ⑨ ●

sh page and question number prominently written at the
per should be distinctly written in the margin.
fully completed in one page or in a consecutive set of pages,

an the space provided for the purpose or writing distinguishing mark,
786", etc., will tantamount to adoption of "unfair means"
book to the invigilator take care to score out (X) blank pages, if any, that you

## TIONS TO THE CANDIDATE FOR FILLING THE MCQ ANSWER FIELDS

**Pencil to Darken the appropriate Circle.**
arken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation.
any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
se darken the complete circle.
you want to change your Answer, erase the darkened circle completely and make a fresh mark.
5. Please do NOT make any stray marks on the OMR cover page.
6. Rough work must NOT be done on the OMR cover page.
7. Mark your answer only in the appropriate space against the number corresponding to the question.

**How to mark answers**

| CORRECT METHOD | WRONG METHOD |
|---|---|
| Ⓐ ● Ⓒ Ⓓ | ✗ ⊘ ◉ ○ |

| Q. No. | To be ticked ☑ by the candidate against the Questions answered ( Descriptive Type ) | | |
|---|---|---|---|
| 1 | ☑ | 8 | ☐ |
| 2 | ☑ | 9 | ☐ |
| 3 | ☑ | 10 | ☐ |
| 4 | ☑ | 11 | ☐ |
| 5 | ☑ | 12 | ☐ |
| 6 | ☐ | 13 | ☐ |
| 7 | ☐ | 14 | ☐ |
| Total | | Total | |

✓

3

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE

Q:

## Ques 1(a)

Sol. Lumpsump payment to be given = 30% × last drawn salary × completed years

= 30% × 30,00,000 × 5

= $\boxed{4500000}$

WN-1) last drawn salary = 1862764 *(1.1)$^5$

= 30,00,000

1aStep1
2 Marks

⇒ ~~Amt~~ yearly contribution = $\frac{4500000}{5}$

= 900000

(i)

| Year | Amt | DF@8% | Amt charged to P&L A/c every year |
|---|---|---|---|
| 1 | 900000 | 0.735 | 661500 |
| 2 | 900000 | 0.794 | 71460 |
| 3 | 900000 | 0.857 | 77130 |
| 4 | 900000 | 0.926 | 8334 |
| 5 | 900000 | 1 | 9000 |

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(ii)

| Year | opening balance | Interest | Current service cost | Defined Benefit obligation |
|---|---|---|---|---|
| 1 | – | – | 661500 | 661500 |
| 2 | 661500 ✓ | 59920 | ~~714420~~<br>714600 | 1429020 |
| 3 | 142902 ✓ | 114322 | 771300 | 2314642 |
| 4 | 231464 ✓ | 185171 | 833400 | 3333213 |
| 5 | 33.3321 ✓ | 266657<br>+ 130 * | 900000 | 4500000 |

1aStep2 ✓
3 Marks

* 'for the approximate'

1a ✓
5 Marks

Q1(b)

(i) As per AS 10 'Property, plant & equipment" only the expenditure which is directly attributable to bring asset into location and condition, necessary to operate in manner intended by management are to be capitalised in cost of PPE

Value at which machinery to be capitalised

| particulars | ₹ |
|---|---|
| Purchase price | 735000 |
| less: GST paid (since ITC avail ✓ not to be added to cost) | (35000) |
| add: cost of preparation of site | 16500 |
| Labour charges $\left(\frac{75000}{500} \times 200\right)$ ✓ | 30000 |
| Salary of supervisor [34000 × 25%] | 85 ✓ |
| interest (since it is not qualifying asset Therefore not to be capitalised ✓ | - |
| Test run & experimental production expenses | 28200 ✓ |
| consultancy charges to architect | 18800 ✓ |
| depreciation on asset used for installation | 800 ✓ ✓ |
| value to be capitalised | 810000 |

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As per AS 10, depreciation on PPE shall begin from date when it is ready to use, not when it is actually put to use

Hence, Depreciation on machinery shall begin on October 1, 2022 and delay expenses will be charged to P&L A/c

1bStep1 ✓ 2 Marks

Amount of depreciation for year ended March 31, 2023 $= \frac{810000}{10} \times \frac{6}{12}$

$= \boxed{₹40500}$ ✓

(ii) Calculation of written down value on 31.3.2026

| | |
|---|---|
| Cost of machinery | 810000 |
| less: depreciation for year 22-23 | (40500) |
| WDV as on 31.3.23 | 769500 |
| less: dep for year 23-24 and year 24-25 and ~~year 25-26~~ $\left(\frac{810000}{10} \times 2 \text{ years}\right)$ | (162000)<br>~~(243000)~~ |
| WDV as on 31.3.25 | 607500 ✓ |
| less: dep upto 30 sep 25 | (40500) |
| WDV as on 30.9.25 | 567000 ✓ |

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| | |
|---|---|
| WDV as on 30.9.25 | 567000 |
| Fair value as on 30.9.25 | 700000 |
| Revaluation gain credited to Revaluation Reserve A/C | 133000 |
| ∴ Revised WDV as on 30.9.25 | 700000 |
| less: dep for 6 months $\left(\frac{700000}{7} \times \frac{6}{12}\right)$ | (50000) |
| Carrying amount on 31.3.26 | 650000 |
| Recoverable amount on 31.3.26 | 300000 |
| Impairment loss ~~as per~~ ~~AS26~~ as per AS28 | 350000 |

As per AS28, impairment loss is decline in value of asset when its Recoverable value is less than carrying value.

⇒ impairment loss to the extent of 123500 ~~₹133000~~ shall be debited to the Revaluation Reserve A/c

Balance 226500 ~~217000~~ ([illegible]000 - 123500 ~~133000~~) shall be debited to P&L A/c

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| | | |
|---|---|---|
| WN i) | Revaluation Reserve on 30.9.25 | 133000 ✓ |
| | Less: excess depreciation due to revaluation [50000 - 40500) | (9500) |
| | | 123500 ✓ |

1bStep2 ✓
2.5 Marks

1b
4.5 Marks

⇧ DO NOT WRITE ANYTHING HERE

⇧ DO NOT WRITE ANYTHING HERE

⇧ DO NOT WRITE ANYTHING HERE

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Q 1(c)

Sol. (i)

| | | |
|---|---|---|
| Total income | | 500000 |
| Total income excluding capital gain | ✓ | 400000 |
| Capital gain | ✓ | 100000 |

Calculation of total tax expense

| Particulars | ₹ | |
|---|---|---|
| On capital gain (100000 X 20%) | 20000 | ✓ |
| on balance income | | |
| 9 upto 200000 X 30% | 60000 | ✗ |
| more than 200000 upto 400000 X 40% | 80000 | ✓ |
| Tax on balance income | 140000 | ✗ |
| Total tax expense for year 25-24 | 160000 | ✗ |

(ii) Calculate average rate of tax

$$= 100 \times \frac{\text{tax expense excluding capital gain tax}}{\text{Total income excluding capital gain}}$$

$$= 100 \times \frac{140000}{400000}$$

$$= \boxed{35\%}$$ ✗

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| | Quater 1 | quater II | Quater III | Quater IV |
|---|---|---|---|---|
| other Income | 125000 | 25000 | 125000 | 125000 |
| Capital gain | – | 100000 | | |
| Tax expen | 43750<br>(125000x35%) | 28750<br>(25000x 35%<br>+ 100000x<br>2 | [illegible]50<br>(125000 x35%) | 43750<br>(125000x35%) |

1cStep1
1.5 Marks

1c
1.5 Marks

1
11 Marks

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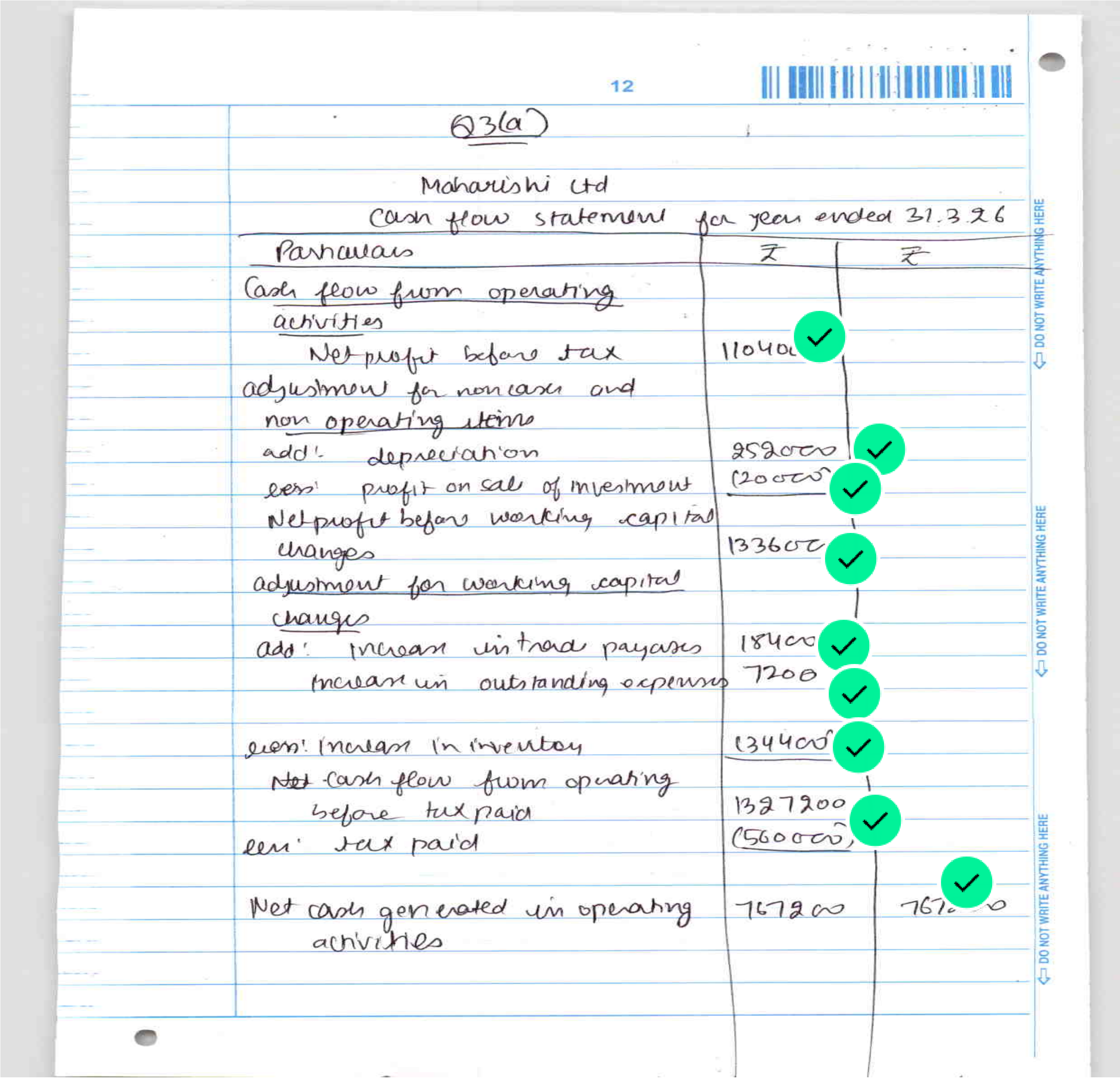

## Q3(a)

Maharishi Ltd

Cash flow statement for year ended 31.3.26

| Particulars | ₹ | ₹ |
|---|---|---|
| Cash flow from operating activities | | |
| Net profit before tax | 1104000 ✓ | |
| adjustment for non cash and non operating items | | |
| add: depreciation | 252000 ✓ | |
| less: profit on sale of investment | (20000) ✓ | |
| Net profit before working capital changes | 1336000 ✓ | |
| adjustment for working capital changes | | |
| add: increase in trade payables | 18400 ✓ | |
| increase in outstanding expenses | 7200 ✓ | |
| less: increase in inventory | (134400) ✓ | |
| Net cash flow from operating before tax paid | 1327200 ✓ | |
| less: tax paid | (560000) | |
| Net cash generated in operating activities | 767200 | 767200 ✓ |

**Code:** IN1AA678457 **Total Marks:** 70

**Subject :** 01 Advanced Accounting **Marks Obtained :** 61.5

| | | |
|---|---|---|
| Cash flow from investing activities | | |
| Purchase of machinery | (822000) | |
| Sale of investments (120000 +20000) | 140000 | |
| Net cash used in investing activities | (682000) | (68[illegible]000) |
| Cash flow from financing activities | | |
| Right issue (40000 x 14) | 5600[illegible] | |
| Dividend paid | (3312[illegible] | |
| Net cash generated in financing activities | 2'228800 | 2[illegible]800 |
| Net increase in cash & cash equivalent | | 314000 |
| add: opening balance | | 171040 |
| Closing balance of cash & cash equivalent | | 485040 |

Note 1 : Bonds issue in exchange of plant assets would not come under cash flow statement, since it does not involve cash.

3aStep1 ✓
6 Marks

3a ✓
6 Marks

~~Q3(b)~~

Q 3(b) ABC Ltd

Journal

| | Particulars | L.F | Dr | Cr |
|---|---|---|---|---|
| (1) | Equity sharecapital A/c (50) Dr. | | 1050000 | |
| | To Capital Reduction A/c | | | 840000 |
| | (21000×10) To equity share capital A/c (10) | | | 210000 |
| | (Being equity share capital reduced) | | | |
| (2) | Bank A/c Dr. | | 630000 | |
| | (63000 × 10) To equity share capital A/c | | | 630000 |
| | (Being equity share capital issued & received) | | | |
| (3) | 8% cumulativepreference share capital A/c Dr. | | 800000. | |
| | (16000 ×10) To equity share capital A/c | | | 160000 |
| | (64000 ×10) To 5% Preference share capital A/c | | | 640000 |
| | (Being preference shareholders accept for each share, 4 new shares of 5% preference share capital and, one, equity share of ₹10 each for each year) | | | |
| (4) | Capital Reduction A/c Dr. | 19000 | | |
| | To Inventories A/c | | 19000 | |
| | (Being inventories value reduce to satisfy debenture holders) | | | |

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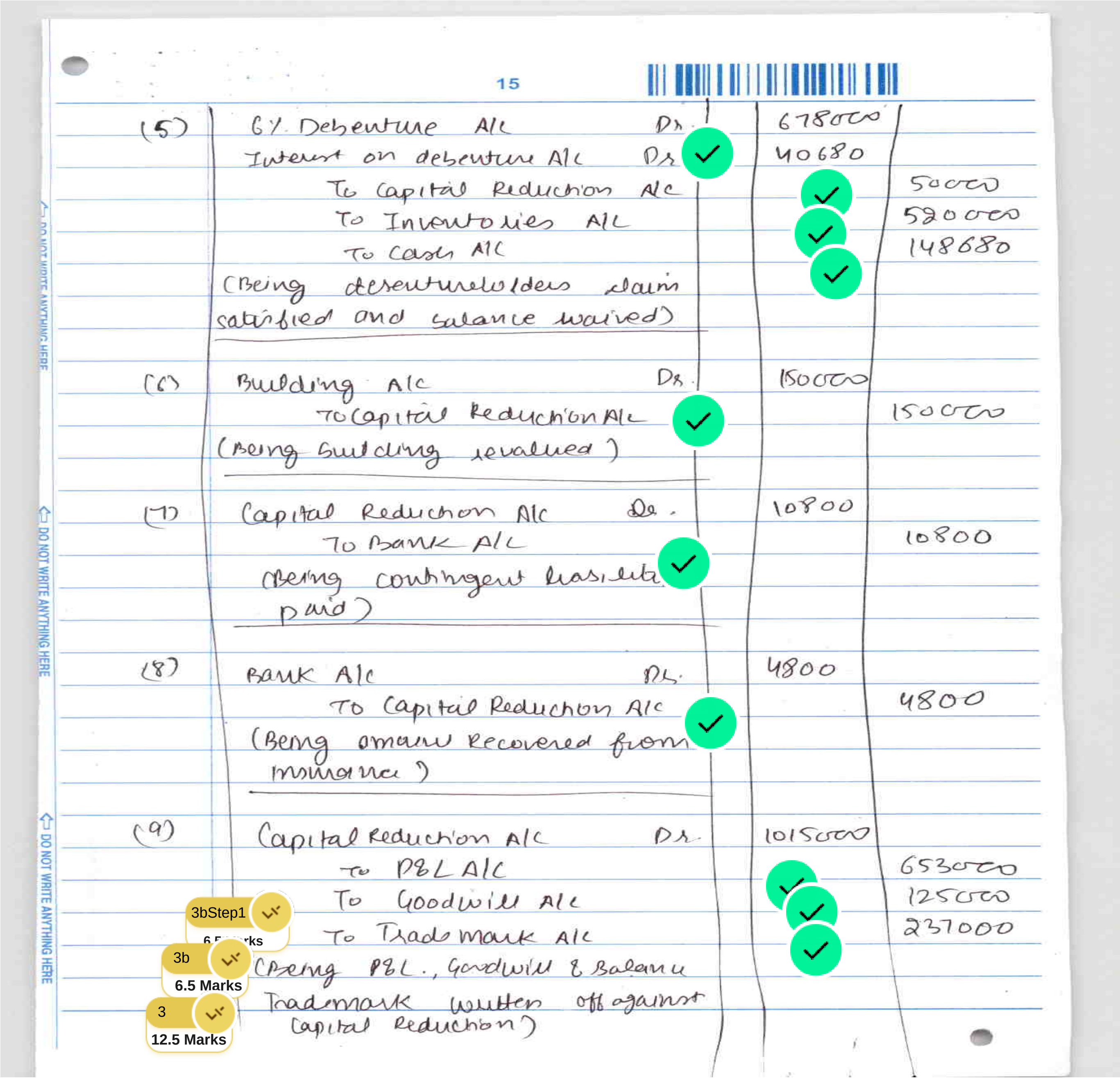

15

| | | | |
|---|---|---|---|
| (5) | 6% Debenture A/c Dr. | 678000 | |
| | Interest on debenture A/c Dr | 40680 | |
| | To Capital Reduction A/c | | 50000 |
| | To Inventories A/c | | 520000 |
| | To Cash A/c | | 148680 |
| | (Being debentureholders claim satisfied and balance waived) | | |
| (6) | Building A/c Dr. | 150000 | |
| | To Capital Reduction A/c | | 150000 |
| | (Being building revalued) | | |
| (7) | Capital Reduction A/c Dr. | 10800 | |
| | To Bank A/c | | 10800 |
| | (Being contingent liability paid) | | |
| (8) | Bank A/c Dr. | 4800 | |
| | To Capital Reduction A/c | | 4800 |
| | (Being amount recovered from insurance) | | |
| (9) | Capital Reduction A/c Dr. | 1015000 | |
| | To P&L A/c | | 653000 |
| | To Goodwill A/c | | 125000 |
| | To Trade mark A/c | | 237000 |
| | (Being P&L., Goodwill & Balance Trademark written off against Capital Reduction) | | |

3bStep1 6.5 Marks
3b 6.5 Marks
3 12.5 Marks

16

Q5(a)

~~Glamour Ltd~~

Consolidated Profit & Loss A/c
for the year ended 31.3.2026

| | Particulars | Note | ₹ in 000' |
|---|---|---|---|
| I | Revenue from operations | 1. | 6690 |
| II | Other Income | 2 | 1319 |
| III | ~~ET~~ Total income | | 8009 |
| IV | Expenses | | |
| | Raw material consumed | 3 | 3380 |
| | Purchase of Stock in trade | | – |
| | Change in inventories of finished goods, work in progress | | (380) |
| | employee benefit expenses | | 1620 |
| | Finance Cost | 6 | 245 |
| | Depreciation & amortisation | 7 | 115 |
| | other expenses | 8 | 848 |
| | | | 5828 |
| | Profit before tax | | 2181 |

5aStep1
2 Marks

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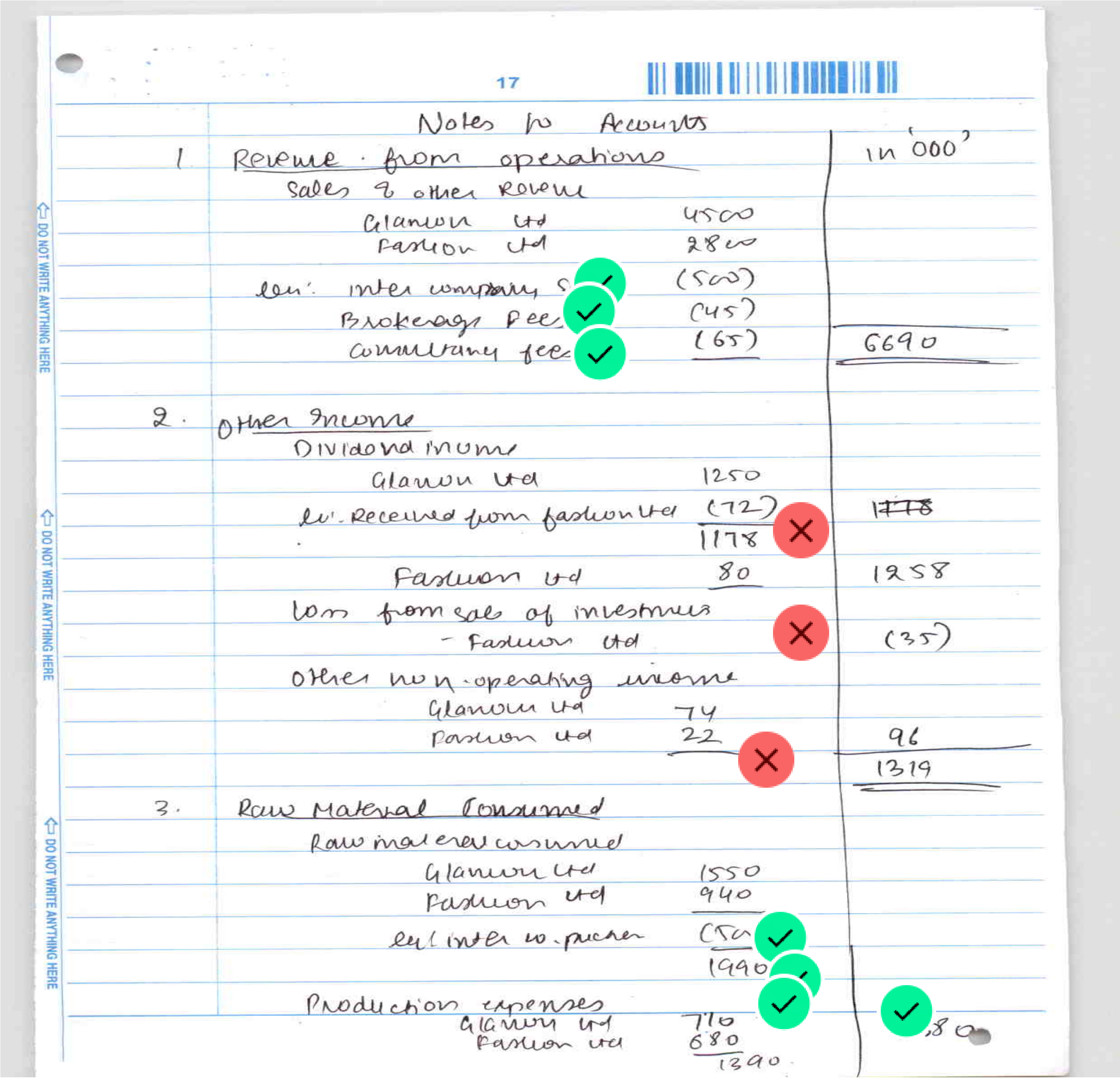

## Notes to Accounts

| | | |
|---|---|---|
| | | in '000' |
| 1 Revenue from operations | | |
| Sales & other Revenue | | |
| Glamour Ltd | 4500 | |
| Fashion Ltd | 2800 | |
| Less: inter company S | (500) | |
| Brokerage Fee | (45) | |
| Consultancy fee | (65) | 6690 |
| 2. Other Income | | |
| Dividend income | | |
| Glamour Ltd | 1250 | |
| Less: Received from fashion Ltd | (72) | ~~1778~~ |
| | 1178 | |
| Fashion Ltd | 80 | 1258 |
| Loss from sale of investments - Fashion Ltd | | (35) |
| Other non-operating income | | |
| Glamour Ltd | 74 | |
| Fashion Ltd | 22 | 96 |
| | | 1319 |
| 3. Raw Material Consumed | | |
| Raw material consumed | | |
| Glamour Ltd | 1550 | |
| Fashion Ltd | 940 | |
| Less: inter co. purchase | (50 | |
| | 1990 | |
| Production expenses | | |
| Glamour Ltd | 710 | |
| Fashion Ltd | 680 | 80 |
| | 1390 | |

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|  |  |  |  |
|---|---|---|---|
| 4. | Change in inventories |  |  |
|  | Glamour Ltd | ₹205 |  |
|  | Fashion Ltd | 225 |  |
|  | Le: unrealised profit<br>250000 x $\frac{25}{125}$ | (50 ✓ | (382 ✓ |
| 5. | Employee benefit expenses |  |  |
|  | Glamour Ltd | 880 |  |
|  | Fashion Ltd | 740 ✓ | 1620 |
| 6. | Finance Cost |  |  |
|  | interest expenses |  |  |
|  | Glamour Ltd | 150 |  |
|  | Fashion Ltd | 95 ✓ | 245 |
| 7. | Depreciation |  |  |
|  | Glamour Ltd | 70 |  |
|  | Fashion Ltd | 45 ✓ | 115 |
| 8. | Other expenses |  |  |
|  | Administrative expenses |  |  |
|  | Glamour Ltd | 314 |  |
|  | Fashion Ltd | 129 |  |
|  | Le: consultancy fees | (65 ✓ | 37 ✓ |
|  | Selling & distribution expenses |  |  |
|  | Glamour Ltd | 285 |  |
|  | Fashion Ltd | 235 |  |
|  | Le: Brokerage | (4 ✓ | 4 ✓<br>848 |

5aStep2
5 Marks

5a
7 Marks

Q.

Q 5(b)

As per AS 24 'Discontinuing operations' means
(i) It is a component of entity that entity has decided to dispose off in pursuant to single plan. ✓
(i) by substantially disposing off in single transaction, or by Demerger, or by spinoff
(ii) by single piece meal, ie selling assets and settling liabilities individually or
(iii) by Termination through abandonment

(ii) It represents a major business line, or a geographical segment
(iii) It is distinguished oper[illegible]nally and for financial reporting purpose ✓

In the given case, Oasis Limited Runs two businesses ie super market and Restraurants

Now, company has announced that, it shall discontinue the Restraunant business, hence, it Represents a major business line of Oasis Limited, and it is distinguised ✓ operationally & for financial reporting purpose

Therefore, It meets the definition of discontinuing operation as per AS 24 Hence, it is a dis continuing operations ✓

5bStep1 ✓
4 Marks

5b ✓
4 Marks

5
11 Marks

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RR → 2400)

Q2.

WN-1)

| | | |
|---|---|---|
| Cost of machinery sold | ₹ | 360000 |
| less: Accumulated depreciation | | (300000) |
| WDV | | 60000 |
| Sale value | | 150000 |
| Profit on sale | | 90000 |

Vinayak Ltd
Statement of Profit & Loss A/c
for the year ended 31.3.2026

| | Particulars | Note | ₹ (in 000) |
|---|---|---|---|
| I | Revenue from operations | | 18000 |
| II | other ~~total~~ income | | 90 |
| III | Total income | | 18090 |
| IV | expenses | | |
| | Adjusted Purchases of stock in trade | 3 | 6000 |
| | ~~change in inventories of finished good, WIP~~ | | — |
| | Employee benefit expenses | - | |
| | Finance cost | 4 | 45 |
| | Depreciation & amortisation | 5 | 120 |
| | Other expenses | 6 | 2250 |
| | Total expenses | | 9900 |
| V | Profit before tax | | 819 |
| VI | less: provision for tax @40% | | (3276 |
| VII | Profit after tax | | 4914 |

2Step2 ✓
3 Marks

21

Vinayak Ltd
Balance sheet as on 31.3.2026

| Particulars | Note | ₹ in 000's |
|---|---|---|
| I EQUITY & LIABILITIES | | |
| 1. Shareholders' fund | | |
| (a) Share capital ✓ | 7 | 7425 |
| (b) Reserve & Surplus ✓ | 8 | 11289 |
| 2. Non current Liabilities | | |
| (a) Long term borrowings | ✓ | 4500 |
| 3. Current Liabilities | | |
| (a) Trade payables | ✓ | 450 |
| (b) Short term provision | 0 | 3276 |
| | ✓ | |
| | | 26940 |
| II ASSETS | | |
| 1. Non Current Assets | | |
| (a) Property, plant, equipment & intangible assets | | ~~23250~~ |
| (i) Property, plant & equipment ✓ | 1 | 23250 |
| 2. Current Assets | | |
| (a) Inventories ✓ | | 1440 |
| (b) Trade Receivables ✓ | 12 | 1800 |
| (c) Cash & cash equivalents ✓ | 13 | 450 |
| | | 26940 |

2Step1 ✓
3 Marks

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| | | | |
|---|---|---|---|
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Notes:

| | | | ₹ in 000' |
|---|---|---|---|
| 1. | Revenue from operations | ✗ | |
| | Sales | | 18000 |
| 2. | Other income | | |
| | Gain on sale of machinery (N1) | ✓ | 90 |
| 3. | Purchases of stock in trade | | |
| | Purchases | ✗ | 6000 |
| ~~4.~~ | ~~Change in inventories~~ | | |
| ~~5~~ | ~~Employee benefit expenses.~~ | | |
| 4. | Finance cost | | |
| | Debenture interest | ✓ | 450 |
| 5. | Depreciation & amortisation | | |
| | depreciation on Plant & machinery | ✗ | |
| | Cost 12360 | | |
| | less: Sale value on 1.4.25 (360) | | |
| | 12000 | | |
| | depn on cost @10% 12000 | | 1200 |
| 6. | Other expenses | | |
| | factory expenses | ✓ | 1200 |
| | Administrative expenses | ✓ | 625 |
| | Selling expenses | ✓ | 375 |
| | | | 2250 |

In 000

| | | | | |
|---|---|---|---|---|
| 7. | Share capital | | | |
| | Authorised capital | | | |
| | 120000 shares of ₹100 each. | | ✓ | 12000 |
| | Issued, subscribed & fully paid up capital | | | |
| | 75000 shares of ₹ 100 each | 7500 | | |
| | less: call in arrear | (75) | ✓ | 7425 |
| | (out of this 7500 shares are issued for consideration other than cash) | | ✓ | |
| 8 | Reserve & Surplus | | | |
| | Securities Premium | 600 | ✓ | 600 |
| | Revaluation Reserve | | | |
| | - op bal | nil | | |
| | add: o/w of land revalued | 2400 | ✓ | 2400 |
| | General Reserve | | ✓ | 2250 |
| | ~~Prof~~ P&L A/c | 1125 | | |
| | add: profit of current year | 4914 | ✓ | 6039 |
| | | | | 11289 |
| 9. | Long term borrowings | | | |
| | 10% debentures | | ✓ | 4500 |
| 10 | Short term provision | | | |
| | Provision for tax | | ✓ | 3276 |

**Code:** IN1AA678457
**Subject :** 01 Advanced Accounting

**Total Marks:** 70
**Marks Obtained :** 61.5

11. PPE

| | | |
|---|---|---|
| Land | 12000 | |
| add: Revaluation | 240 | 14 |
| Plant & machinery | | |
| at cost | 12360 | |
| less: ~~sal value~~ cost of sold | (360 | |
| | 12000 | |
| less: accumulated dep (2250 – 300) | (1950) | |
| WDV | 10050 | |
| less: depreciation for current year | (1200 | 50 |
| | | 23250 |

12 - Trade Receivable

| | |
|---|---|
| due for more than six mon | 750 |
| others | 1050 |
| | 1800 |

13. Cash & cash equivalent

| | | |
|---|---|---|
| Cash in hand | | 30 |
| Cash at Bank | | |
| with scheduled bank | ~~7~~ 345 | |
| with ~~others~~ not scheduled bank | 75 | 420 |
| | | 450 |

2Step3
8 Marks

2
14 Marks

Rough-

Ques 4 on Additional sheets -

The Institute of Chartered Accountants of India

**Code:** IN1AA678457

**Subject :** 01 Advanced Accounting

**Total Marks:** 70

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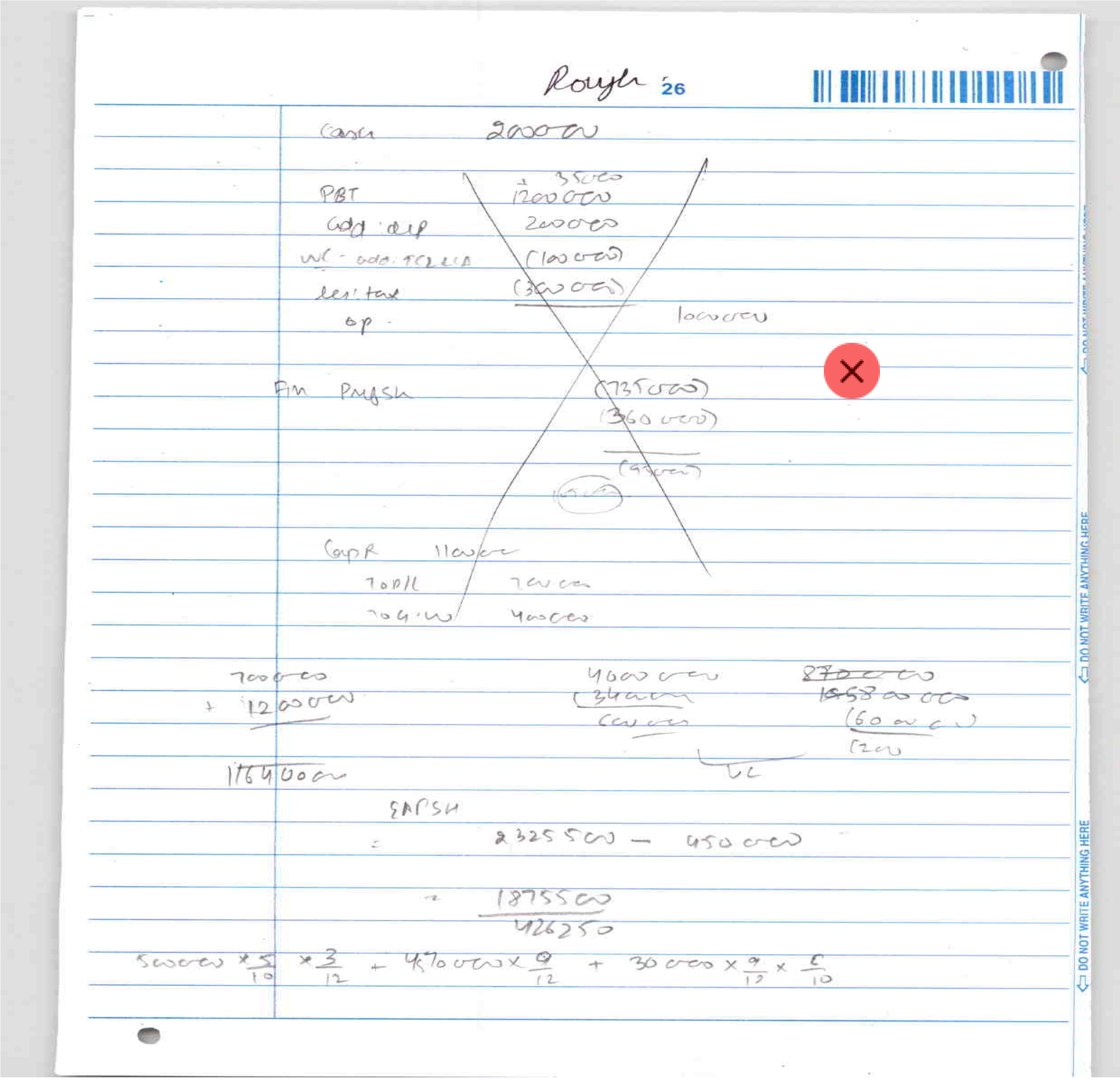

Rough 26

Cash 2000000

~~PBT + 35000 1200000~~

~~add dep 200000~~

~~WC - add: TCL&CA (100000)~~

~~less: tax (360000)~~

~~OP 1000000~~

~~Fin PMSH (735000)~~

~~(360000)~~

~~(95000)~~

~~(10000)~~

Cap R 1100000

70 D/L 700000

70 G.W 400000

700000 + 1200000

1164000

400000 (340000) 60000

~~870000~~ ~~1~~858000 (60000) 1200

LC

EAPSH

= 2325000 - 450000

= 1875000 / 426250

$500000 \times \frac{5}{10} \times \frac{3}{12} + 470000 \times \frac{9}{12} + 30000 \times \frac{9}{12} \times \frac{5}{10}$

28

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MAY, 2026

Addl. Book No. 1

THE INSTITUTE OF CHARTERED ACC
ADDL. BOOK

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ADDITIONAL ANSWER BOOK

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$\boxed{Q4}$ a

(A) WN 1:
Calculation of average profitability

| | Blue | Green |
|---|---|---|
| 2022-23 | 1348700 | 821700 |
| 2023-24 | (7500) | 1026300 |
| 2024-25 | 1133800 | 1077000 |
| Total | 2475000 | 2925000 |
| Average net profits | 825000 ✓ | 975000 ✓ |

⇒ Cal of no. of shares :-

| Particulars | Blue | Green |
|---|---|---|
| 180000 equity share in the Ratio of 825 : 975 ✓ | 82500 shares<br>$180000 \times \frac{825}{1800}$ | 97500 shares ✓<br>$000 \times \frac{975}{1800}$ |

2

WN2) Calculation of capital employed / Net Assets

| Particulars | Blue | Green |
|---|---|---|
| PPE | 2130000 | 1170000 |
| Inventories | 773500 | 323250 |
| Trade Receivables | 125000 | 150000 |
| | 3028500 | 1643250 |
| Less: Trade payables | (350000) | (225000) |
| Short term borrowings | (1441000) | (315750) |
| Capital Employed | 1237500 | 1102500 |

Cal of Debenture to be issued

| Particulars | Blue | Green |
|---|---|---|
| 8% Return on capital employed | 99000 | 88200 |
| Debenture holders settlement value | 660000 | 588000. |
| no. of debentures (assuming per debenture is of Face value ₹100) | 6600 debentures | 5880 debentures |

4Step1 ✓
4 Marks

## The Institute of Chartered Accountants of India

**Code:** IN1AA678457
**Subject :** 01 Advanced Accounting

**Total Marks:** 70
**Marks Obtained :** 61.5

3

BG Ltd
Balance sheet as at 31.3.2026

| Particulars | Note | ₹ |
|---|---|---|
| I EQUITY & LIABILITIES | | |
| 1. Shareholders fund | ✓ | |
| (a) Share capital | | 900000 |
| (b) Reserve & Surplus | ✓ | 192000 |
| ~~2. Current liabilities~~ | | |
| ~~(a) Tax~~ | | |
| 2. Non-Current liabilities | ✓ | |
| (a) Long term borrowings. | | 1248000 |
| 3. Current liabilities | | |
| (a) Trade payables | ✓ | 500000 |
| (b) Short term borrowings | ✓ | 1756750 |
| | | 4596750 |
| II ASSETS | | 2 |
| 1. Non Current Assets | | |
| (a) PPE - ✓ | 6 | 3300000 |
| 2 Current Assets | ✓ | 1096750 |
| (a) Inventories | ✗ | 200000 |
| (b) Trade Receivables | ✓ | 4596750 |

4Step2 ✓
2.5 Marks

# The Institute of Chartered Accountants of India

**Code:** IN1AA678457 **Total Marks:** 70
**Subject :** 01 Advanced Accounting **Marks Obtained :** 61.5

4

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WN 3) Calculation of Goodwill / Capital Reserve

| | Blue | Green |
|---|---|---|
| Purchase consideration | | |
| - equity Share . Issue ✓ | 41250 ✓<br>(82500 × 5) | 487500<br>(97500 × 5) |
| - Debentures value | 660000 | 588000 |
| Total purchase consideration ✓ | 10725 ✓ | 1075500 |
| Less: Net Assets / Capital employed ✓ | (1237500) ✓ | (1102500) |
| Capital Reserve | 165000 | 27000 ✓ |

4Step4 ✓
4 Marks

✓

Notes

1. Share capital

| | |
|---|---|
| Authorised share capital | |
| 2400000 equity shares of ₹5 each ✓ | 12000000 |
| Issued & Subscribed & fully paid | |
| 1800000 equity shares of ₹5 each ✓ | 9000000 |

2. Reserve & Surplus

| | | |
|---|---|---|
| Capital Reserve | | |
| op bal | nil | |
| add: Blue Ltd | 165000 ✓ | |
| add: Green Ltd | 27000 | 192000 |

# The Institute of Chartered Accountants of India

**Code:** IN1AA678457
**Subject :** 01 Advanced Accounting

**Total Marks:** 70
**Marks Obtained :** 61.5

MAY 2026

Addl. Book No. 2

THE INSTITUTE OF CHARTERED ACC... IA
ADDL. BOOK

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ADDITIONAL ANSWER BOOK

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| | | | | |
|---|---|---|---|---|
| 3. | Long term borrowings | | ✓ ✓ | |
| | 15% debentures | | | 1248000 |
| 4 | Trade payables | | | |
| | Bills payable | | | |
| | - Blue Ltd | 1000 | ✗ | 100000 |
| | Trade creditors | | | |
| | Blue Ltd | 250000 | | |
| | Green Ltd | 225000 | ✓ | |
| | Le: inter co. balance | (75000) | | 400000 |
| | | | | 500000. |
| 5. | Short term borrowings | | ✗ | |
| | Blue Ltd | 1441000 | | |
| | Green Ltd | 315750 | | 1756750 |
| 6. | PPE | ✗ | | |
| | Revalued PPE | | | |
| | Blue | 2130000 | | |
| | Green | 1170000 | | 3300000 |

2

| | | |
|---|---|---|
| 7. Inventories | | |
| Revalued : Blue Ltd | | 773500 |
| Green Ltd | | 323250 |
| | | 1096750 |
| 8. Trade Receivables | | |
| Bills Receivables | | |
| - Green Ltd | 50000 | 50000 |
| Trade Debtors | | |
| Blue Ltd | 125000 | |
| Green Ltd | 100000 | |
| Less: Inter co. balance | (75000) | 150000 |
| | | 200000 |

4Step3
2.5 Marks

4
13 Marks

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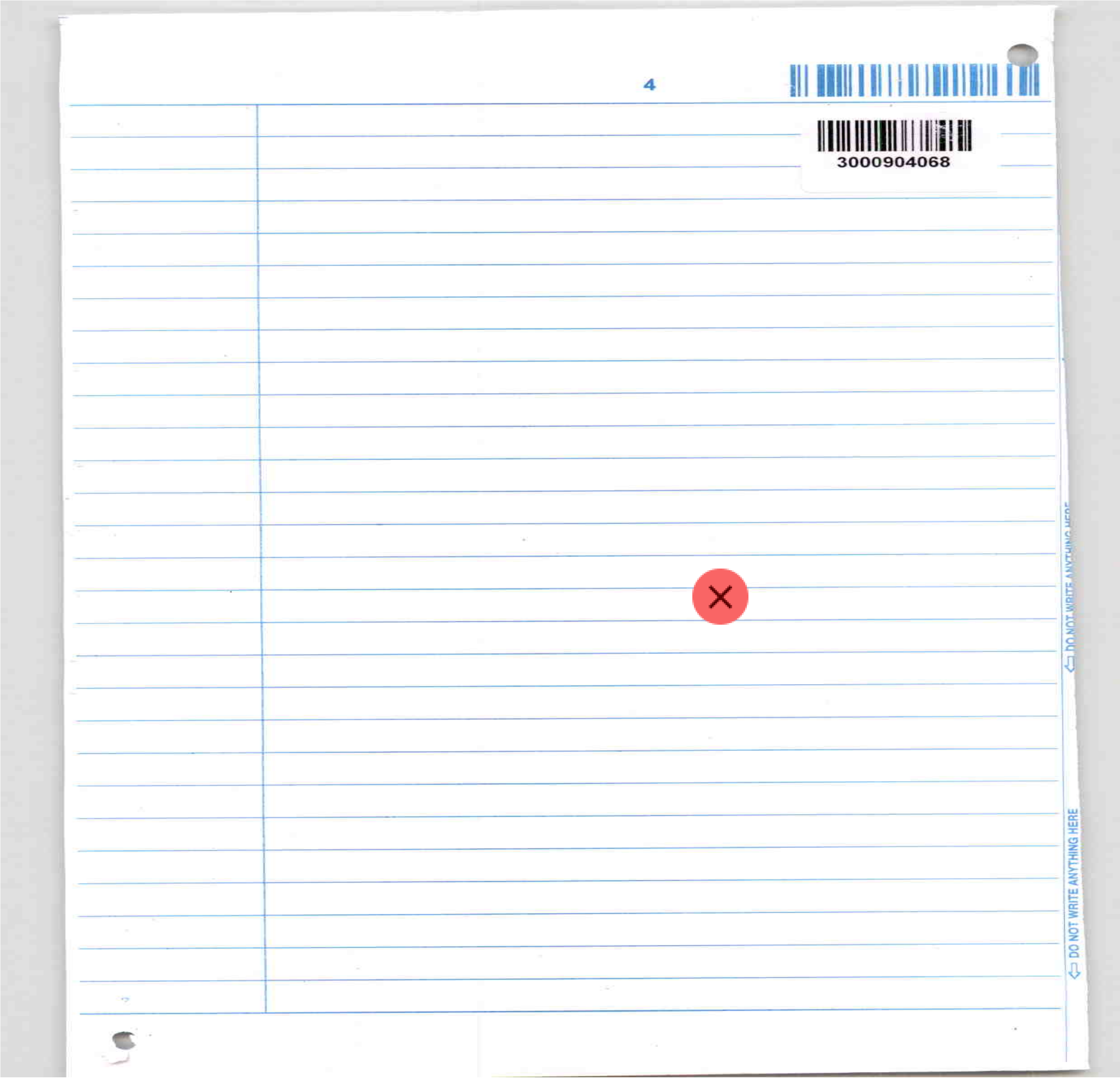

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# The Institute of Chartered Accountants of India

**Code:** IN1AA678457
**Subject :** 01 Advanced Accounting

**Total Marks:** 70
**Marks Obtained :** 61.5

# Result Overview

| Awarded Marks:61.5 | Max Marks:70 |
|---|---|

| | | |
|---|---|---|
| Not Attempted | Optional | M Marked |

## Q1_Compulsory (Score: 11/14 )

| Question No | Awarded Marks | Maximum Marks | Status |
|---|---|---|---|
| 1 | 11 | 14 | M |
| 1a | 5 | 5 | M |
| 1b | 4.5 | 5 | M |
| 1c | 1.5 | 4 | M |

## Q2_Q6 (Score: 50.5/56 )

| Question No | Awarded Marks | Maximum Marks | Status |
|---|---|---|---|
| 2 | 14 | 14 | M |
| 3 | 12.5 | 14 | M |
| 3a | 6 | 6 | M |
| 3b | 6.5 | 8 | M |
| 4 | 13 | 14 | M |
| 5 | 11 | 14 | M |

| | | | |
|---|---|---|---|
| 5a | 7 | 10 | M |
| 5b | 4 | 4 | M |
| 6 | 0 | 14 | ⑂ |
| 6a | 0 | 4 | ⑂ |
| 6b | 0 | 4 | ⑂ |
| 6c | 0 | 6 | ⑂ |