

✓ 4. FINAL ACCOUNTS

Q.1 The following balances were recorded in the books of “M” Co. Ltd. on 31st March, 2026:

Debit Balances	Amount	Credit Balances	Amount
Calls- in –arrears(on Equity shares)- Note-1 less from Equity share cap	10,000	7.5% Preference Share capital B/S –SF	1,00,000
Opening Stock P & L – Change in stock	33,300	Equity Share capital B/S –SF	2,00,000
Purchases P & L A/c-purchases	1,06,500	Share Forfeiture A/c B/S –(+in ESC	4500
✓ Land & Building B/S FA	1,70,000	Security Premium B/S –R&S	16,500
✓ Plant & Machinery B/S FA	1,15,000	Capital Reserve B/S – R&S	55,000
Preliminary Expenses B/s-R & S-less from P & L A/c	6000	✓ General Reserve B/S – R&S	90,000
✓ Furniture B/S FA	32,000	Provident Fund B/S –LTP	13,000
Investments B/S NCI	1,65,700	5% debentures (Mortgage) B/S –LTB	50,000
Loose-Tools B/S Inventories	12,000	Sales P & L A/c- Revenue from operation	2,60,000
Debtors B/S TR	66,000	Creditors B/S –TP	33,000
✓ Productive Wages P & L A/c –OE	35,200	P & L A/c B/S – R&S	5500
Debenture Redemption Fund Investments B/S Note :NCI	20,000	Bank loan B/S –LTB	25,400
✓ Salaries P & L A/c-EBE	57,000	Public Deposit B/S –LTB	14,600
✓ Rent, rates & Taxes P & L A/c –OE	20,000	Income from Investments P & L A/c –OI	9500
Director’s Fees P & L A/c –OE	3500	Debenture Redemption Fund B/S – R&S	20,000
Postages & Telegrams P & L A/c –OE	6500	✓ Reserve for Bad debts P & L A/c –OE (old)	3000
Provident Fund Contribution P & L A/c –EBE	2500		
Cash & Bank Balance B/S- C&CE	10,800		
Stationery Expenses P & L A/c –Note No.24	28,000		
	9,00,000		9,00,000

You are required to prepare final accounts of the company as per Companies Act, 2013 for the year ended on 31st March, 2026. After taking into account the following additional information:

1. The stock on 31-03-2026 was Rs.95,400. – Cl.stock – **P & L A/c Change in stock, B/s-CA-Inventories**
2. Provide 5% reserve for Bad debts on Debtors.-(New) **P & L A/c-Other expenses, B/S-CA-TR (-) from Debtors**
3. Prepaid rent amounted to Rs.2000.- **P & L A/c-(-)from rent, B/S-CA-Other CA**
4. Provide depreciation on plant & machinery at 2%, on furniture at 5% and on land & building at 4%. - **P & L A/c-Dep. & Amor., B/S- FA-(-)from asset**
5. Outstanding expenses: Productive wages Rs.2500, Salaries-Rs.3000, and Rates & Taxes Rs.1500.- **P & L A/c-Added in expenses, B/s- CL- Other CL**
6. Transfer Rs.25,000 to general reserve.- **B/S-R & S-(-)from P & L A/c, B/s –R & S-(+) GR**
7. The directors of the company recommended 7.5% dividend on preference share capital and 10% on equity share capital.- **B/S-R & S-(-)from P & L A/c, B/s- CL-Short term provisions**
8. The authorised capital of the company amount to Rs.5,00,000.- **B/s- Shareholders Fund-Share capital**

Q.2 The following is the trial balance of Shree Bharat Co. Ltd. as on 31-03-2026:

Debit Balances	Amount	Credit Balances	Amount
Debenture Interest- Finance cost	36,000	Equity shares of Rs.10 each , Fully paid up	3,00,000
Sales Return-(-) Sales	11,500	10% Preference share capital	2,50,000
Salary-EBE	1,28,000	12% Debentures	6,00,000
Wages-OE	14,500	General Reserve	1,30,000
Director Fees-OE	12,000	Creditors	1,10,000
Computers-TA	1,50,000	Income Tax Provision(2024-25)	1,30,000
Furniture-TA	60,000	P & L A/c(1-04-2025)	1,25,000
Land & Buildings-TA	4,50,000	Interest received on investments (Gross-Rs.16,000)	16,000
Plant & Machinery-TA	3,40,000	Subsidy for purchase of goods	30,000
Motor Car (Purchased on 1-7-2025)-TA- (DEP.9 MONTHS)	3,00,000	Public Deposit	45,000
Preliminary Expenses-(-)P&L A/C	10,000	Sales	14,78,000
Tata company share of Rs.10 each, Rs.8 paid up per share-NCI	40,000	Subsidy for purchase of Computers	30,000
Sima co.'s debentures fully paid up-NCI	70,000	Bank overdraft	60,000
Debtors-TR	1,53,000	Deferred Tax liabilities-DTL	7416
Purchases-Purchases	10,00,000		
Opening Stock-P&L A/c- Difference in Stock	1,00,000		
Advance tax paid (2024-25)-WN.1	1,30,000		
Advance tax paid (2025-26)-OCA	1,00,000		
Bills Receivables-TR	15,200		
Cash & Bank Balance-C&CE	1,87,416		
Deferred Tax Assets-DTA	3800		
	33,11,416		33,11,416

Additional Information:

1. Provide depreciation at 5% on Land & Building, 10% on furniture, 15% on Plant & Machinery, 20% on Motor car and on computer at the rate of 20% p.a.-
Effects: P&L A/c- Depreciation & Amortisation Expenses

- B/S-(-)from FA
- Sundry debtors include **Rs.23,000 for more than 6 months**.-only Disclosure in TR
 - Provide Rs.5500 on debtors for bad debts reserve.-P&L A/c-OE, B/S- TR(-) from debtors
 - The details of Closing stock: cost price- Rs.1,75,000, Required repair expenses-Rs.15,000 and Market price-Rs.1,70,000
Cost price=1,75,000-15,000=1,60,000. P&L A/c-Difference in stock, B/S-Inventories
 - The management recommended dividend of 10% on equity share capital after transferring Rs.15,000 to General Reserve.
Rs.15,000 to General Reserve-B/S- R&S (-)P&L A/c, R&S (+) General Reserve
Dividend on Shares- B/S- R&S (-)P&L A/c, B/S- STP
 - The IT liability for the last year fixed at Rs.1,40,000. P&L A/c- (-) PBT, B/S- STP
Provide Rs.1,00,000 for taxation- P&L A/c- (-) PBT, B/S- STP
corporate dividend tax at 20%. -B/S- R&S (-) P&L A/c, B/S- STP
 - Bank overdraft secured against stock. No effect

From the above information prepare final accounts of company as per company act, 2013.

Q.3 The following is the trial balance of Naresh Ltd. as at 31-03-2026:

Particulars	Debit Balances	Particulars	Credit Balances
Opening Stock P & L A/c -change in stock	1,50,000	Equity Share Capital B/S- SF	5,00,000
Purchases P & L A/c- Purchases	3,82,000	Purchase Return P & L A/c- less from purchases	10,000
Wages- P & L A/c-OE	60,000	Sales P & L A/c- Receipts from ope.	11,50,000
Furniture B/S- FA	25,000	Discount P & L A/c- OI	6300
Salaries P & L A/c- EBE	12,000	Profit & Loss Account B/S R & S- R&S	1,70,000
Rent P & L A/c- OE	15,000	Trade creditors B/s- TP	33,700
Trade Expenses P & L A/c- OE	11,000	General Reserve B/S R & S- R&S	82,000
Trade Debtors B/S- TR	54,000	Provision for doubtful debts P & L A/c- OE	3000
Plant & Machineries B/S- FA	12,00,000	Bills payable B/s- TP	13,000
Cash at bank B/s- C&CE	21,500		
Computer Software B/S- FA	9000		
Bills receivable B/S- TR	14,000		
Bad debts P & L A/c- OE	6500		
Discount allowed P & L A/c- OE	8000		
Total	19,68,000	Total	19,68,000

Additional Information:

- Closing stock on 31-03-2026 was amounted to Rs.2,00,000

P & L A/c- Change in stock, B/s –Inventories

2. Depreciate plant & Machinery at 12%, Furniture at 10%, and computer software at 20%. P & L A/c- **B/S- FA (deducted from asset)**
3. Further bad debts amounted to Rs.4000 and provide 5% on debtors for doubtful debts.

P & L A/c- OE, B/s TR

4. Provide for income-tax at 35% P & L A/c-Prov. Tax B/s – Note No.-9 and dividend distribution tax at 20% of dividend. **B/s- less from P & L balance in R&S, B/s STP**
5. The Board of Directors recommended a dividend of 25%. **less from P & L balance in Note No.2, B/s STP**
6. Equity share capital consists of 50,000 equity shares of Rs.10 each, fully paid. **Authorised capital**
7. Transfer 10% of net profit to general reserve. less from P & L balance in Note No.2, **B/s R&S add in balance of GR**

Prepare Profit and Loss Account and Balance-sheet of the company as per Company Act,2013 Schedule-III.

Q.4 The following balances appeared in the books of Jai Bharat Ltd. as on 31-03-2026.

Particulars	Debit Balances	Particulars	Credit Balances
Building at cost	1,50,000	Equity Share Capital Fully paid shares of Rs.10 each	6,00,000
Purchases	5,00,900	General Reserve	2,50,000
Salaries & Wages	3,59,000	Unclaimed Dividend	6520
Repairs to Building	26,810	Trade Payables	36,880
Miscellaneous Expenses	31,090	Sales	10,83,940
Machinery at cost	2,00,000	Provision for Depreciation	71,000
Motor Vehicles at cost	30,000	Interest on Investments	8540
Furniture at cost	5,000	Profit & Loss A/c (1/04/2025)	16,840
Opening Stock	1,72,050	Staff Provident Fund	37,500
Trade Receivables	2,23,380		
Investments (Long-Term)	2,88,950		
Advance Payment of Tax	50,000		
Cash Balance	72,240		
Director's Fees	1800		
Total	21,11,220		21,11,220

Additional Information:

1. Closing stock on 31-03-2026 was valued at Rs.1,48,680.
2. Provide Rs.10,000 for depreciation on fixed assets, Rs.1800 for director's fees and Rs.6200 for the company's contribution to Staff Provident Fund.
3. Interest accrued on investment amounted to Rs.2750.
4. Make provision for income-tax Rs.50,000.
5. The board of directors proposed final dividend at 8% after transfer to General Reserve Rs.30,000. Provide corporate dividend tax at 20% of dividend.
6. A claim of Rs.2500 for workmen's compensation is being disputed by the company.
7. Out of total authorised capital, the company has issued 60,000 shares of Rs.10 each.

Prepare Profit and Loss Account and Balance-sheet of the company as per Companies Act,2013.

5.The following balances appeared in the books of Ram Ltd. as on 31-03-2026.

Particulars	Debit Balances	Particulars	Credit Balances
Goodwill	2,00,000	Equity Share Capital-33,000 Fully paid shares of Rs.10 each	3,30,000
Building	3,60,000	General Reserve	1,00,000
Debtors	5,53,000	14% Loan (secured by Stock)	2,85,000
Plant & Machinery	2,44,000	Business Creditors	2,12,000
Bank Balance	80,000	Bad debt Reserve	21,300
Cash Balance	4800	Miscellaneous Income	31,950
Bills Receivable	52,500	Bills Payable	78,400
Investments (Cost Price)	1,50,000	Sales	33,26,000
Stock (1-04-2025)	1,00,000		
Purchases	15,90,000		
Misc. Consumption of Stores	87,600		
Establishment Expenses	6,47,000		
Bad debts	15,750		
Repairing Expenses	97,000		
Selling Expenses	87,900		
Misc. Expenses	10,000		
Insurance Expenses	5,000		
Rent	20,000		
Taxes	40,000		
Electricity, Gas, Water etc.	23,600		
Auditor Fees	6000		
Interest on Loan	10,500		
	43,84,650		43,84,650

Prepare Final Accounts as per Companies Act after taking into account the following additional information:

- (1) Calculate Depreciation on Building by 5% and Plant and Machinery by 15%.
- (2) Provide bad debt reserve up to 5%.
- (3) Provide Rs. 70,000 General Reserve.
- (4) Rs. 15,000 loan to be returned on 30-9-2025.
- (5) Prepaid Insurance Premium Rs. 1,000
- (6) Outstanding expenses: Rent Rs 2000 and taxation Rs 3000
- (7) The Value of Stock on 31-3-2026 is Rs. 1,50,000
- (8) The Board has recommended 8% dividend.
- (10) Provision for income tax is to be made at the rate of 55% on profit.