

TGK — MCQ Answer Key with Explanations

Case Scenario I — Unicorn Limited

Q1. What would be the Cost of Self Constructed Asset as per AS 10?

Answer: (C) ₹30,50,000

Standard: AS 10 (Property, Plant & Equipment) read with AS 16 (Borrowing Costs)

- Raw material used for asset: $15,000 \text{ units} \times ₹125 = ₹18,75,000$
- Labour and overhead charges: ₹9,00,000
- Installation charges: ₹1,50,000
- Borrowing cost (AS 16): $₹18,75,000 \times 10\% \times 8/12 = ₹1,25,000$
- The loan was taken on 1st August 2025, so interest is for 8 months (Aug 2025 to Mar 2026). Since raw material worth ₹18,75,000 was used for the qualifying asset, the attributable borrowing cost is capitalised.
- Total Cost = $₹18,75,000 + ₹9,00,000 + ₹1,50,000 + ₹1,25,000 = ₹30,50,000$

Q2. What will be the carrying amount of investment as on 31st March, 2026 as per AS 13?

Answer: (D) Carrying amount ₹8,20,000; dividend received deducted from cost of investment

Standard: AS 13 (Accounting for Investments)

- Investment purchased on 25th March 2026: 90,000 equity shares at ₹10,00,000.
- Royal Limited declared dividend @ 20% on 30th March 2026 for the year 2024-25.
- Dividend = $90,000 \times ₹10 \times 20\% = ₹1,80,000$.
- Since the dividend relates to the pre-acquisition period (year 2024-25), it represents pre-acquisition profits.
- Under AS 13, for long-term investments, dividend received out of pre-acquisition profits is deducted from the cost of investment (not credited to P&L).
- Carrying amount = $₹10,00,000 - ₹1,80,000 = ₹8,20,000$

Q3. How the loss due to fraud by cashier will be recognised in the books of Unicorn Limited?

Answer: (B) Loss of ₹2,80,000 should be recognised in P&L for the year ended 31st March, 2026

Standard: AS 4 (Contingencies and Events Occurring After the Balance Sheet Date)

- The fraud of ₹2,80,000 was committed by the cashier in January 2026, i.e., during the financial year ended 31st March 2026.
- It was detected in April 2026, before the financial statements were approved by the Board (1st May 2026).
- Under AS 4, events that provide evidence of conditions that existed at the balance sheet date are adjusting events — the financial statements must be adjusted.
- Since the fraud actually occurred within the reporting year (January 2026), the entire loss of ₹2,80,000 is an adjusting event and must be recognised in P&L for the year ended 31st March 2026.

Q4. What would be the value of closing stock of Raw Material and Finished Goods as on 31st March, 2026?

Answer: (B) Closing Stock of Raw Material = ₹5,00,000 and Finished Goods = ₹30,00,000

Standard: AS 2 (Valuation of Inventories)

- Raw material: Purchased 40,000 units. Used for FG production: 20,000 units (10,000 FG $\times$ 2 units). Used for qualifying asset: 15,000 units.
- Closing raw material = $40,000 - 20,000 - 15,000 = 5,000 \text{ units}$.

- Cost of finished goods per unit = $(20,000 \times ₹125 + ₹10,00,000) / 10,000 = ₹350/\text{unit}$.
- NRV of finished goods = ₹300/unit. Since $\text{NRV} < \text{Cost}$, finished goods are written down to NRV.
- Since finished goods are being sold below cost, raw material is also written down to net replacement value = ₹100/unit (as per AS 2).
- Closing raw material = $5,000 \times ₹100 = ₹5,00,000$.
- Closing finished goods = $10,000 \times ₹300 = ₹30,00,000$.

Standalone MCQ

Q5. What amount should be reported as adjusted Profit Before Tax for the third quarter? (Volt Tech Limited)

Answer: (A) ₹13,20,000

Standard: AS 25 (Interim Financial Reporting)

- Reported PBT for Q3: ₹14,00,000.
- (i) Sales promotion expenses ₹50,000 — 80% (₹40,000) was deferred to Q4. As per AS 25, costs should be charged in the period incurred. Hence, ₹40,000 must be charged back to Q3. Adjustment: -₹40,000.
- (ii) Investment gain of ₹1,60,000 in Q1 was spread over 4 quarters (₹40,000/quarter). Under AS 25, gains on disposal must be recognised in the quarter they arise (Q1). Adjustment for Q3: -₹40,000.
- (iii) Additional depreciation of ₹80,000 (due to change in method) was entirely charged to Q3. Assuming that the change happened in Q3, no adjustment required.
- Adjusted PBT = ₹14,00,000 - ₹40,000 - ₹40,000 = ₹13,20,000.

Case Scenario II — Softline Limited

Q6. What is the Net Cash Flow from Operating Activities for the financial year ended 31st March, 2026? (Softline Limited)

Answer: (D) ₹10,00,000

Standard: AS 3 (Cash Flow Statements) — Indirect Method

- Profit Before Tax: ₹12,00,000
- Add: Depreciation: ₹2,00,000
- Cash from operations before working capital changes: ₹14,00,000
- Less: Increase in trade receivables: -₹1,00,000
- Cash generated from operations (before tax): ₹13,00,000
- Less: Income tax paid: -₹3,00,000
- Net Cash Flow from Operating Activities = ₹10,00,000.

Q7. What is the total amount that Softline Limited must transfer to Capital Redemption Reserve (CRR) out of free reserves?

Answer: (A) ₹9,40,000

- After reconstruction, preference shares: 10,000 shares $\times ₹70 = ₹7,00,000$ (nominal value). Redeemed entirely out of free reserves.
- CRR for preference redemption = Nominal value = ₹7,00,000.
- Equity buyback: 40,000 shares $\times ₹6$ (face value after reconstruction) = ₹2,40,000.
- CRR for buyback = Nominal value of shares bought back = ₹2,40,000.
- Total CRR = ₹7,00,000 + ₹2,40,000 = ₹9,40,000.

Q8. What will be the balance of Cash and Cash Equivalents for Softline Limited after completing all operations?

Answer: (A) ₹1,05,000

Standard: AS 3 (Cash Flow Statements)

- Opening cash (31 Mar 2025): ₹2,00,000.
- Add: Net cash from operating activities (2025-26): ₹10,00,000.
- Cash at 31 Mar 2026: ₹12,00,000.
- 1st April 2026 — Preference share redemption: $10,000 \times ₹70 \times 1.05 = ₹7,35,000$ (outflow).
- Equity buyback: $40,000 \times ₹9 = ₹3,60,000$ (outflow).
- Closing cash = ₹12,00,000 – ₹7,35,000 – ₹3,60,000 = ₹1,05,000.

Q9. After executing the scheme of reconstruction on 1st April, 2025, what will be the remaining carrying amount of goodwill in the Balance Sheet?

Answer: (C) ₹4,00,000

Standard: AS 14 / Capital Reduction Accounting

- Capital Reduction from equity: $2,00,000 \text{ shares} \times (₹10 - ₹6) = ₹8,00,000$.
- Capital Reduction from preference shares: $10,000 \text{ shares} \times (₹100 - ₹70) = ₹3,00,000$.
- Total Capital Reduction Account = ₹11,00,000.
- Used to write off accumulated P&L debit balance: ₹7,00,000.
- Balance available for goodwill write-off: $₹11,00,000 - ₹7,00,000 = ₹4,00,000$.
- Goodwill written off = ₹4,00,000. Remaining goodwill = ₹8,00,000 – ₹4,00,000 = ₹4,00,000.

Standalone MCQ

Q10. Amalgamation Adjustment Reserve is opened in the books of the amalgamated company to incorporate —

Answer: (C) Statutory reserves of the amalgamating company

Standard: AS 14 (Accounting for Amalgamations)

- Under the pooling of interests method, when the amalgamating company has statutory reserves (e.g., Investment Allowance Reserve, Development Rebate Reserve, Export Profit Reserve) that must be maintained under law, they cannot simply be merged into free reserves.
- The Amalgamation Adjustment Reserve (also called Amalgamation Adjustment Account) is specifically created in the books of the amalgamated company to incorporate such statutory reserves of the amalgamating company.
- This reserve is created by debiting the Amalgamation Adjustment Account and crediting the respective statutory reserve.

Case Scenario III — RoadBuilders Corp.

Q11. What is the amount of goodwill or capital reserve arising when RoadBuilders Corp. achieves significant influence in GeoSurvey Limited?

Answer: (A) Goodwill ₹4,00,000

Standard: AS 23 (Accounting for Investments in Associates)

- Tranche 1 (1 Apr 2025): Cost = ₹40,00,000; Share of net assets = $10\% \times ₹3,40,00,000 = ₹34,00,000$.
Goodwill = ₹6,00,000.

- Tranche 2 (1 Oct 2025): Cost = ₹58,00,000; Share of net assets = $15\% \times ₹4,00,00,000 = ₹60,00,000$. Capital Reserve = ₹2,00,000.
- On achieving significant influence (25%), goodwill and capital reserve are netted.
- Net Goodwill = ₹6,00,000 – ₹2,00,000 = ₹4,00,000.

Q12. What amount should be recognised as revenue for the contract to construct underpass for the year ended 31st March, 2026?

Answer: (B) ₹68,34,000

Standard: AS 7 (Construction Contracts) — Percentage Completion Method

- Total Contract Price = ₹1,02,00,000.
- Cost incurred till 31 Mar 2026 = ₹77,98,800.
- Prudent estimate of additional cost = ₹38,41,200.
- Total estimated cost = ₹77,98,800 + ₹38,41,200 = ₹1,16,40,000.
- Stage of completion = $₹77,98,800 / ₹1,16,40,000 = 67\%$.
- Revenue to be recognised = $67\% \times ₹1,02,00,000 = ₹68,34,000$.

Q13. Which treatment is most appropriate for recording net operating costs/revenue of the Multiplex theatre for the period 1st February 2026 to 31st March 2026?

Answer: (B) Net operating costs/revenue should not be capitalised but should be recognised in PL

Q14. The amount of annual depreciation on machinery for the year 2025-26 for the construction project in backward area?

Answer: (D) ₹23.4 Lakhs

Standard: AS 10 + AS 12 (Government Grants)

- Cost of machinery = ₹320 Lakhs.
- Government grant received = ₹80 Lakhs (deducted from asset cost as per company policy per AS 12).
- Net cost of asset = ₹320 – ₹80 = ₹240 Lakhs.
- Estimated salvage value = ₹6 Lakhs.
- Useful life = 10 years (Straight Line Method).
- Annual depreciation = $(₹240 - ₹6) / 10 = ₹234 / 10 = ₹23.4$ Lakhs.

Standalone MCQ

Q15. What will be the basic Earnings Per Share for the year ended 31st March, 2026 for Zed Limited?

Answer: (C) ₹4.40 per share

Standard: AS 20 (Earnings Per Share)

- Net profit attributable to equity shareholders = ₹23,25,500 – ₹4,50,000 (preference dividend) = ₹18,75,500.
- Under AS 20, partly paid shares are counted as a fraction of fully paid shares (proportionate to amount paid).
- 1 Apr 2025 to 30 Jun 2025 (3 months): 5,00,000 shares $\times (\₹5 / ₹10) = 2,50,000$ equivalent shares.
- 1 Jul 2025 to 31 Mar 2026 (9 months): 4,70,000 fully paid + $30,000 \times 0.5 = 4,85,000$ equivalent shares.
- Weighted Average Number of Shares = $(2,50,000 \times 3 + 4,85,000 \times 9) / 12 = (7,50,000 + 43,65,000) / 12 = 4,26,250$.
- Basic EPS = $₹18,75,500 / 4,26,250 = ₹4.40$ per share.

(2)

TGK

PART – I
(MCQ Portion)

30 Marks

- *Answers to MCQs are to be marked on the OMR answer sheet as given on the cover page of the descriptive answer book only. Answer to MCQs, if written inside the descriptive answer book shall not be evaluated.*
- *Please write and darken correct MCQ booklet number in the OMR answer sheet. The correct MCQ booklet number must also be written in the attendance register.*

Case Scenario-I :

Unicorn Limited is engaged in manufacturing of building material. The company has manufacturing plants at Bhopal (MP) and Nashik (Maharashtra). The company prepares the financial statements by following financial year 1st April to 31st March.

The company took a loan of ₹ 60 Lakhs carrying interest @ 10% p.a. on 1st August, 2025 to purchase raw material. On the same day, the company purchased 40,000 units of raw material @ ₹ 125 per unit. For each unit of finished goods 2 units of raw material is required. On 31st March, 2026 the company provides you the following information :

- (i) 10,000 units of finished goods were produced.
- (ii) Net realizable value of finished goods is ₹ 300 per unit.
- (iii) Net replacement value of raw material was ₹ 100 per unit.
- (iv) Labour charges and variable overheads incurred are ₹ 10,00,000 to produce 10,000 units of finished goods.
- (v) All the finished goods produced were lying in the stock as on 31st March, 2026.
- (vi) There was no opening stock of raw material and finished stock.

Unicorn Limited used 15,000 units of raw material to construct an asset (Qualifying Asset). Labour and other overhead charges incurred on construction of asset are ₹ 9,00,000. The company also paid ₹ 1,50,000 to install the asset at factory premises.

+

TGK

(3)

TGK

Unicorn Limited used Balance of loan proceeds of ₹ 10,00,000 to invest in Equity shares of Royal Limited. The company purchased 90,000 equity shares (Face value ₹ 10 each) for ₹ 10,00,000 on 25th March, 2026. Royal Limited declared and paid dividend @ 20% on 30th March 2026 for the year 2024-25.

A fraud of ₹ 2,80,000 done by the cashier of Unicorn Limited in January, 2026 was detected in April, 2026. The financial statements for the year ended 31st March, 2026 were approved by the Board of Directors of the company on 1st May, 2026.

Based on the information given in the above case scenario, answer the following questions from 1 to 4 :

1. What would be the Cost of Self Constructed Asset as per AS 10 ?

2

(A) ₹ 29,25,000

(B) ₹ 27,75,000

(C) ₹ 30,50,000

(D) ₹ 29,00,000

2. What will be the carrying amount of investment as on 31st March, 2026 as per AS 13 and the treatment of dividend received from Royal Limited ?

2

(A) Carrying amount of investment as on 31st March, 2026 will be ₹ 7,20,000 and dividend received from Royal Limited will be deducted from the nominal value of investment.

(B) Carrying amount of investment as on 31st March, 2026 will be ₹ 9,00,000 and dividend received from Royal Limited will be credited to Profit and Loss account.

TGK

+

(4)

TGK

- (C) Carrying amount of investment as on 31st March, 2026 will be ₹ 10,00,000 and dividend received from Royal Limited will be credited to Profit and Loss account.
- (D) Carrying amount of investment as on 31st March, 2026 will be ₹ 8,20,000 and dividend received from Royal Limited will be deducted from the cost of the investment.

3. How the loss due to fraud by cashier will be recognized in the books of Unicorn Limited ?

2

- (A) Loss of ₹ 2,80,000 should be recognized in the Profit and Loss account for the year ended 31st March, 2027.
- (B) Loss of ₹ 2,80,000 should be recognized in the Profit and Loss account for the year ended 31st March, 2026.
- (C) Loss of ₹ 1,40,000 should be recognized in the Profit and Loss account for the year ended 31st March, 2026.
- (D) Loss of ₹ 2,10,000 should be recognized in the Profit and Loss account for the year ended 31st March, 2026 and balance loss of ₹ 70,000 should be recognized in the Profit and Loss account for the year ended 31st March, 2027.

4. What would be the value of closing stock of Raw Material and Finished goods as on 31st March, 2026 ?

2

- (A) The value of Closing Stock of Raw Material would be ₹ 5,00,000 and the value of Finished goods would be ₹ 35,00,000.
- (B) The value of Closing Stock of Raw Material would be ₹ 5,00,000 and the value of Finished goods would be ₹ 30,00,000.

TGK

+

(5)

TGK

- (C) The value of Closing Stock of Raw Material would be ₹ 6,25,000 and the value of Finished goods would be ₹ 30,00,000.
- (D) The value of Closing Stock of Raw Material would be ₹ 6,25,000 and the value of Finished goods would be ₹ 35,00,000.

5. Volt Tech Limited is engaged in the business of manufacturing electric Vehicle (EV) batteries. Accountant of Volt Tech Limited showed Profit Before Tax (PBT) of ₹ 14,00,000 for the third quarter ending 31st December, 2025 after incorporating the following :

2

- (i) During the quarter sales promotion expenses were ₹ 50,000. 80% of these sales promotion expenses has been deferred to the fourth quarter as the sales in last quarter is high.
- (ii) Sale of investments in the first quarter resulted in a gain of ₹ 1,60,000. The company had apportioned this equally to the four quarters.
- (iii) Additional depreciation of ₹ 80,000 resulting from the change in the method of depreciation. The entire amount has been debited in the third quarter, though the share of the third quarter is only ₹ 20,000.

20

20 00

What amount should be reported as adjusted Profit Before Tax for third quarter ?

6

- (A) ₹ 13,20,000
- (B) ₹ 13,80,000
- (C) ₹ 14,60,000
- (D) ₹ 13,60,000

TGK

+

(6)

TGK

Case Scenario-II :Softline Limited gives you the following balance sheet as at 31st March, 2025 :

	Particulars	Notes	Amount ₹
	Equity and Liabilities :		
	Shareholders fund :		
	Share Capital	1	30,00,000
	Reserve and Surplus	2	4,00,000
	Current Liabilities :		
	Trade Payables		5,00,000
	Other Current Liabilities		1,00,000
	Total		40,00,000
	Assets :		
	Non-current Assets :		
A	Property, plant and equipment		23,00,000
B	Intangible assets (Goodwill)		8,00,000
	Current Assets :		
A	Inventories		5,00,000
B	Trade Receivables		2,00,000
C	Cash and Cash Equivalents		2,00,000
	Total		40,00,000

+

TGK

Notes to accounts :

		31 st March, 2025 ₹
1	Share Capital	
	2,00,000 Equity Shares of ₹ 10 each fully paid up	20,00,000
	9% Redeemable Preference Shares of ₹ 100 each	10,00,000
2	Reserves and Surplus	
	General Reserve	11,00,000
	Profit and Loss Account (Dr. Balance)	(7,00,000)

12,00,000

7,00,000

4

Softline Limited had been facing financial difficulties due to past operational inefficiencies, leading to an accumulated debit balance in its Profit and Loss account. It was decided to reconstruct the company for which necessary special resolution was passed in general meeting and approval were obtained from appropriate authorities including NCLT and notify creditors.

The following reconstruction scheme was approved and to be executed on 1st April, 2025 :

- The equity shares were reduced from ₹ 10 to ₹ 6 per share, fully paid up.
- All the 9% redeemable preference share were reduced to ₹ 70 fully paid up.
- The balance created in Capital Reduction account was utilized to completely write off the accumulated debit balance of Profit and Loss account, and remaining balance was used to write off goodwill.

(8)

TGK

Following the reconstruction, the company revamped its business model and provide you with the following information as on 31st March, 2026 :

- (1) Profit Before Tax (PBT) for the year 2025-26 was ₹ 12,00,000.
- (2) This profit was arrived after charging depreciation of ₹ 2,00,000 on PPE.
- (3) During the year, trade receivables increased by ₹ 1,00,000 but inventories, trade payables and other liabilities remained unchanged.
- (4) The company paid Income tax amounting to ₹ 3,00,000 during the year.

With sufficient liquidity and a healthy General reserve supplemented by current year profits, the Board of Directors passed the following resolution on 1st April, 2026 which was fully executed on the same day.

- i. Redeem the entire outstanding 9% Redeemable Preference Shares at a premium of 5%.
- ii. Offer buy back of 40,000 Equity shares at a price of ₹ 9 per share. Both the redemption and buy back carried out entirely out of free reserves (General reserve and Current year Profit).

Based on the information given in the above case scenario, answer the following questions from 6 to 9 :

6. What is the Net Cash Flow from Operating Activities for the financial year ended 31st March, 2026 ?

- (A) ₹ 12,00,000
- (B) ₹ 14,00,000
- (C) ₹ 13,00,000
- (D) ₹ 10,00,000

2

7. As per the provisions of the Companies Act, what is the total amount that Softline Limited must transfer to the Capital Redemption Reserve (CRR) out of free reserves immediately after the redemption and buy-back ? 2
- (A) ₹ 9,40,000
(B) ₹ 10,40,000
(C) ₹ 10,00,000
(D) ₹ 8,40,000
8. What will be the balance of Cash and Cash equivalent for Softline Limited after completing all operations, redemption of preference shares and buy-back of equity shares ? 2
- (A) ₹ 1,05,000
(B) ₹ 2,00,000
(C) Zero Balance
(D) ₹ 3,60,000
9. After executing the scheme of reconstruction on 1st April, 2025, what will be the remaining carrying amount of goodwill in the Balance Sheet ? 2
- (A) ₹ 5,00,000
(B) ₹ 8,00,000
(C) ₹ 4,00,000
(D) Nil
10. Amalgamation adjustment reserve is opened in the books of the amalgamated company to incorporate – 2
- (A) Non-current assets of the amalgamating company
(B) Non-Statutory reserves of the amalgamating company
(C) Statutory reserves of the amalgamating company
(D) General reserves of the amalgamating company

Case Scenario-III :

RoadBuilders Corp. is a publicly traded infrastructure and commercial real estate development company specializing in the construction and operation of major over bridges, integrated service complexes and large scale commercial properties including shopping malls. They follow financial year from 1st April to 31st March.

On 1st April, 2025, Roadbuilders Corp. undertook the following major transactions :

1. The company acquired 200 acres of land at a cost of ₹ 35,000 per acre to establish a new central equipment yard and fabrication facility.
2. The company purchased a machinery costing ₹ 320 Lakhs for a construction project in backward area. The company immediately received a government grant of ₹ 80 Lakhs related to this purchase. The company's policy is to recognize the grant as a deduction from cost of the asset. The estimated useful life of the asset 10 years, with an estimated salvage value of ₹ 6 Lakhs. The company uses the straight line method for depreciation.

Roadbuilders Corp. acquired equity stakes in GeoSurvey Limited, a specialized topographical surveying firm, on two dates :

- On 1st April, 2025 : Acquired 10% stake for ₹ 40,00,000
- 1st October, 2025 : Acquired a further 15% stake for ₹ 58,00,000 reaching a total holding of 25% and gain significant influence.

The net assets of GeoSurvey Ltd. (Book Value) were as follows :

Date	Net Assets ₹
On 1 st April, 2025	3,40,00,000
1 st October, 2025	4,00,00,000

On 1st April, 2025 Roadbuilders Corp. undertook a contract to construct an underpass. The following details are available from the records kept for the year ended 31st March, 2026.

	₹
Total Contract Price	1,02,00,000
Cost Incurred till 31 st March, 2026	77,98,800
Prudent estimate of additional cost for completion	38,41,200

Roadbuilders Corp. is currently developing a huge shopping mall with all the amenities including multiplex theatre. The mall is expected to be completed by the end of March, 2026. The inauguration of the mall is planned on 1st April, 2026.

However, the construction of Multiplex theatre within the mall complex was completed earlier, on 1st February, 2026. The company decided to have a 'soft' opening of the theatre to the public. During this soft opening :

- Tickets are sold at a discount of 50%.
- The theatre operates at 70% capacity.
- Management claims that the soft opening of the theatre is a trial run necessary to check the operational capability and system integration for the entire mall complex.

Based on the information given in the above case scenario, answer the following questions from 11 to 14 as per relevant accounting standards :

11. What is the amount of goodwill or capital reserve arising when RoadBuilders Corp. achieves significant influence in GeoSurvey Limited ? 2
- (A) Goodwill ₹ 4,00,000
(B) Goodwill ₹ 8,00,000
(C) Capital Reserve ₹ 4,00,000
(D) Capital Reserve ₹ 8,00,000
12. What amount should be recognized as revenue for the contract to construct underpass for the year ended 31st March, 2026 as per the provisions of Accounting Standard 7 (Revised) ? 2
- (A) ₹ 77,98,800
(B) ₹ 68,34,000
(C) ₹ 9,64,800
(D) Revenue will be recognized only on completion of the contract.
13. Which of the following treatment is most appropriate for recording net operating costs/revenue of the Multiplex theatre for the period 1st February, 2026 to 31st March, 2026 ? 2
- (A) Net operating costs/revenue should be capitalized as the entire shopping Mall complex has not officially started functioning.
(B) Net operating costs/revenue should not be capitalized but should be recognized in the statement of profit and loss account.
(C) 70% of net operating cost /revenue should be capitalized.
(D) 50% of net operating cost /revenue should be capitalized.

14. The amount of annual depreciation to be charged as an expense in the profit and loss account for the year 2025-26 for the machinery purchased for the construction project in backward area will be

2

(A) ₹ 31.4 Lakhs

(B) ₹ 32 Lakhs

(C) ₹ 24 Lakhs

(D) ₹ 23.4 Lakhs

15. On 1st April, 2025 Zed Limited had 5,00,000 equity shares of ₹ 10 each (₹ 5 paid up) and 45,000 10% Preference shares of ₹ 100 each fully paid up. On 1st July, 2025 the remaining ₹ 5 was called up on equity shareholders and paid by all shareholders except one shareholder having 30,000 shares. The net profit for the year ended 31st March, 2026 was ₹ 23,25,500 before considering dividend on preference shares of ₹ 4,50,000. What will be the basic Earnings Per Share for the year ended 31st March, 2026, as per Accounting Standard 20 "Earnings per share" ?

2

(A) ₹ 3.75 per share

(B) ₹ 4.00 per share

(C) ₹ 4.40 per share

(D) ₹ 4.51 per share

1875500

14

465.05