

Roll No.

BBA–203

Company Accounts

Bachelor of Business Administration

(BBA–10/12/16/17)

Second Semester, Examination, 2018

Time : 3 Hours

Max. Marks : 80

Note : This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

Section–A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. Define preference shares. Explain the different methods of redeeming the redeemable preference shares. Also give the necessary journal entries under each method, giving imaginary figures.
2. What is managerial remuneration ? Describe the provisions of Companies Act, 2013 regarding managerial remuneration.
3. Define amalgamation. Explain the various methods for calculating of purchase consideration with regard to amalgamation of companies.
4. A and B companies carrying on similar business decided to amalgamate and a new company C Ltd. being formed to take over the assets and liabilities. The

(B-70) P. T. O.

following are the respective Balance Sheets, showing the value of assets as agreed in the contract. It is provided that fully paid-up shares of ₹ 50 shall be issued by the new company to the value of the net assets of the old companies :

Balance Sheets (as on 31st March, 2016)

Liabilities	A Ltd. (₹)	B Ltd. (₹)
Share Capital :		
2500 equity shares of ₹ 100 each	2,50,000	—
2000 equity share of ₹ 100 each	—	2,00,000
Sundry Creditors	41,000	30,000
Reserve Fund	—	50,000
P & L A/c	—	10,000
	2,91,000	2,90,000

Assets	A Ltd. (₹)	B Ltd. (₹)
Sundry Assets	95,000	75,000
Machinery	90,000	1,00,000
Stock	75,000	45,000
Debtors	—	35,000
Cash at Bank	11,000	35,000
P & L A/c	20,000	—
	2,91,000	2,90,000

Pass journal entries in the books of C Ltd. and prepare Balance Sheet.

Section–B**(Short Answer Type Questions)**

Note : Section ‘B’ contains eight (08) short answer type questions of eight (8) marks each. Learners are required to answer *four* (04) questions only.

Briefly discuss any *four* of the following :

1. Accounting of buyback of shares.
2. Provisions of Companies Act regarding the issue of debentures at discount.
3. Distinguish between surrender of shares and forfeiture of shares.
4. Abridged form of Balance Sheet with imaginary figures.
5. Pooling of Interest method of Accounting for Amalgamations with suitable example.
6. Define underwriting. How the liability of underwriters is calculated ?
7. Journal entries for forfeiture of shares in cash of shares issued at par, premium and by taking imaginary figures.
8. Legal and Accounting procedure of alteration of share capital.

Section–C**(Objective Type Questions)**

Note : Section ‘C’ contains ten (10) objective type questions of one (01) mark each. All the questions of this Section are compulsory.

Fill in the blanks :

1. Debentures bear risk than shares.
2. Premium on issue of shares can be used for

3. Only preference shares can be redeemed.
4. The profit made on acquisition of business is credited to
5. The excess of purchase consideration over net asset is

Which of the following statement is True/False ?

6. A listed company cannot be allowed to issue shares at a premium.
7. Rights share are those shares which are first offered to the existing shareholders.
8. When two or more companies going to liquidation and new company is formed then it is known as absorption.
9. Loose tools are shown in the Balance Sheet under the head fixed assets.
10. Accounting Standard for Amalgamation is AS-14.