K-281

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[Roll No.

BBA-203

BBA IInd Semester Examination Dec., 2023

COMPANY ACCOUNTS

Time : 2 Hours]

[Max. Marks: 70

Note :- This paper is of Seventy (70) marks divided into two (02) Sections 'A' and 'B'. Attempt the questions contained in these Sections according to the detailed instructions given there in. *Candidates should limit* their answers to the questions on the given answer sheet. No additional (B) answer sheet will be issued.

Section-A

(Long Answer Type Questions) 2×19=38

Note :- Section 'A' contains Five (05) Long-answer type questions of Nineteen (19) marks each. Learners are required to answer any *two* (02) questions only.

(1)



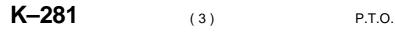
- A company forfeits 500 shares (face value ₹ 10 each) bought at a premium of ₹ 3 per share, having paid only up to the application money of ₹ 5 per share. These shares are later re-issued at ₹ 9 per share. Calculate the loss/gain on re-issue.
- 2. Describe the accounting treatment and considerations involved in the redemption of preference shares. How does this transaction affect a company's balance sheet and overall financial health ?
- 3. Discuss the different methods a company can use to redeem debentures. What are the advantages and disadvantages of each method ?
- 4. What are the key provisions of Schedule VI to the Companies Act, 1956, that a company must adhere to while preparing its final accounts ?
- 5. Company C is being acquired by Company D. Company C's net assets are valued at ₹ 400,000. If Company D agrees to a purchase consideration of ₹ 450,000, how will the excess amount be treated in the books of Company D ?



Section-B

(Short Answer Type Questions) 4×8=32

- *Note* :- Section 'B' contains Eight (08) Short-answer type questions of Eight (08) marks each. Learners are required to answer any *four* (04) questions only.
- Discuss the financial and legal considerations a company must take into account when re-issuing forfeited shares.
- A company issues 10,000 ordinary shares at a par value of ₹ 10 each. Calculate the total amount of capital raised.
- 3. From an investor's standpoint, what are the risks and benefits of investing in debentures compared to other securities like stocks or government bonds ?
- 4. What are some of the key legal and regulatory considerations that a company must be aware of when issuing and redeeming debentures ?
- 5. What is an underwriting agreement ? Explain its key elements.
- 6. How would the accounting treatment for underwriting commissions differ in scenarios where the issue is fully subscribed versus partially subscribed ?



- 7. Company J and Company K are amalgamating. Company J's shareholders are to receive 1.5 shares in the new company for every share they hold in Company J. If a shareholder has 200 shares in Company J, how many shares will they hold in the new company ?
- 8. How should the accumulated profits or reserves of the absorbed company be treated in the books of the absorbing company ?
