

**K-281**

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**BBA-203**

**BBA IInd Semester  
Examination Dec., 2023**

**COMPANY ACCOUNTS**

**Time : 2 Hours]**

**[Max. Marks : 70**

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*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.*

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( 1 )

P.T.O.

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.

1. Discuss the financial and legal considerations a company must take into account when re-issuing forfeited shares.
2. 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 ?

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