

A-746

Total Pages : 3

Roll No.

BBA-203

COMPANY ACCOUNTS

Bachelor of Business Administration (BBA)

2nd Semester Examination, 2024 (June)

Time : 2:00 Hrs.

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 therein. *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. Explain the process and reasons for the forfeiture of shares. What circumstances typically lead to share forfeiture ?
2. What are the legal and regulatory considerations a company must take into account when issuing shares, especially at a premium or discount ?
3. Describe the process a company undergoes when issuing debentures. What are the key steps and considerations involved ?
4. What are the disclosure requirements for underwriting agreements and commissions in the financial statements of a company ?
5. Company A and Company B decide to amalgamate. Company A has assets worth Rs. 500,000 and liabilities of Rs. 200,000. Company B has assets worth Rs. 300,000 and liabilities of Rs. 100,000. What is the net asset value of the amalgamated company ?

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. A corporation issues 1,000 shares with a face value of \$50 each at a discount of 10%. Calculate the total discount on these shares and the amount of capital raised.
2. Explain what it means for a company to issue shares at par value and discuss the potential reasons why a company might choose to issue shares at par.
3. Describe why a company would issue shares at a premium. What are the potential benefits to the company and its shareholders ?
4. Why do companies choose to issue debentures instead of raising capital through equity ?
5. Explain what is meant by the provision for the redemption of debentures. Why is it important for a company to make such provisions ?
6. What is an underwriting commission, and in what scenarios is it typically paid by a company ?
7. Company E absorbs Company F. Company E issues shares to the shareholders of Company F as consideration. How should Company E record this transaction in its books ?
8. How should the liabilities of the companies involved be treated in the books of the new company formed after amalgamation ?
