

(4)

Explain with the help of journal entries how sinking fund method for redemption of debentures is used.

2. Explain the provisions of The Companies Act regarding the issue and redemption of redeemable preference shares.
3. Define buyback of shares. What are the conditions which must be satisfied for buyback of shares?
4. Distinguish between amalgamation in the nature of merger and amalgamation in the nature of purchase. Explain the conditions to be satisfied amalgamation in the nature of merger.
5. Discuss the various modes of calculation of purchase consideration.
6. Discuss about SEBI. Enlist the guidelines issued by SEBI regarding issue of bonus shares.
7. Explain the various provisions relating to managerial remuneration.
8. Write a note on purchase by a company of its own debentures in the open market.

S-617

Total No. of Pages : 04

Roll No.

BBA-203

Company Accounts

Bachelor of Business Administration

(BBA-10/12/16/17)

Second Semester

Examination, 2019

Time : 3 Hours

[Maximum Marks : 80

Note : This paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein.

Section–A

Long Answer Types Questions

Note : Section 'A' contains Five (05) long-answer-type questions of Fifteen (15) marks each. Learners are required to answer any three (03) questions only. **(3×15=45)**

1. Rama Limited invited applications for 40,000 shares of Rs 50 each payable as under:

On application: 15

On allotment: 15

S-617

P.T.O.

(2)

On first call: 10

On final call: 10

Applications were received for 50,000 shares. Applications for 10,000 shares rejected and full allotment was made to the remaining applicants. Mr. Rohan to whom 2,000 shares were allotted, failed to pay two calls and his shares were forfeited. Out of the forfeited shares, 1500 shares were re-issued at Rs. 30 per share, credited as Rs 40 and paid up. Another shareholder, Mr. Naresh, holding 1,000 shares failed to pay second call money.

For the above data Pass journal entries and prepare balance sheet.

2. A company issued Rs 1,00,000 debentures at 10% discount on 1 January, 2008 and decided to redeem debentures out of profits in two equal installments. On 31st December 2010 and 31st December 2011 pass journal entries for issue and redemption of debentures.

3. The balance sheets of X Ltd. and Y Ltd. as at 31.03.2015 were as follows:

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share capital (Rs 10 each)	1,00,000	1,50,000	Sundry Assets	5,00,000	5,00,000
Sundry liabilities	4,00,000	3,50,000			
	5,00,000	5,00,000		5,00,000	5,00,000

S-617

(3)

XY Ltd. was formed to takeover X Ltd. and Y Ltd. and in exchange shares of Rs 10 each of XY Ltd were issued. To arrive at the purchase consideration, sundry assets of X Ltd. and Y Ltd. were valued at Rs 7,00,000 and Rs 5,50,000 respectively.

Find out the purchase consideration and the number of shares to be issued at par to the shareholders of X Ltd. and Y Ltd. if issued share capital was not increased . Also calculate the exchange ratio.

4. Define underwriting. What are the rules relating to payment of underwriting commission?
5. What is meant by capitalization of profits and reserves? Discuss the guidelines issued by SEBI regarding issue of bonus shares.

Section–B

Short Answer Types Questions

Note :Section ‘B’ contains Eight (08) short-answer-type questions of Seven (07) marks each. Learners are required to answer any Five (05) questions only. **(5×7=35)**

1. What is meant by redemption of debentures?

S-617

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