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Roll No. -----

BBA-203

Company Accounts

Bachelor of Business Administration

(BBA-10/12/16/17)

2nd Semester, Examination June 2022

Time: 2 Hours

Max. 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 – type questions)

Note: Section 'A' contains Five (05) long-answer-type questions of Twenty (20) marks each. Learners are required to answer any two (02) questions only.

[2 x 20 = 40]

Q.1. What do you understand by redeemable preference shares? Describe the legal provisions regarding redemption of such shares.

P.T.O.

- Q.2. What is Sinking Fund? Give the accounting treatment of the maintenance of Sinking Fund for the redemption of debentures by a Joint Stock Company.
- Q.3. What is managerial remuneration? Describe the provisions of Companies Act, 1956 regarding managerial remuneration.
- Q.4. What are the essential features of internal reconstruction? Under what conditions internal reconstruction becomes desirable? Does it necessarily involve capital reduction?
- Q.5. A company issued 1,000, 6% debentures of Rs. 100 each at a premium of 10%, payable at Rs. 25 on application, Rs. 35 on allotment, Rs. 30 on 1st call and the balance on second call. Applications for 900 debentures were received and the allotment was made. One debenture holder holding 100 debentures paid the whole amount on allotment. Another debenture holder who hold 50 debentures failed to pay the amount of both the calls. The debentures were allotted on 1st Jan., 2018 date of 1st call was 1st July, 2020 and second call was made on 1st Oct. 2020. The company pays interest on advance money @ 6% p.a.
Pass the journal entries in the books of company.

P.T.O.

Section – B

(Short-answer-type questions)

Note: Section 'B' contains Eight (08) short-answer-type questions of Ten (10) marks each. Learners are required to answer any Four (04) questions only.

[4 x 10 = 40]

Briefly discuss any four (04) of the following:

1. Legal and Accounting Procedure of Alteration of Share Capital.
2. Write notes on:
 - (a) Prospectus
 - (b) Pro-rata Allotment of Shares
3. Provisions of the Company Law Regarding the Preparation of Financial Statements of a Company.
4. What is debenture redemption fund? How it is created?

P.T.O.

5. Saurav was allotted 200 equity shares of Rs. 80 each in Sachin Ltd. The company called Rs. 10 on application, Rs. 20 on allotment, Rs. 20 on first call and Rs. 30 on second call. Saurav could pay only application and allotment money. He could not pay the amount due on first call and second call. His shares were forfeited by the company. Pass the necessary journal entry in respect of this forfeiture in the books of the company.
6. Accounting Methods of Amalgamation.
7. Abridged Form of Balance Sheet with Imaginary Figures.
8. Distinguish Between Shares and Debentures.
