

BBA-203

Company Accounts

Bachelor of Business Administration

(BBA-10/12/16/17 BBAH-11)

2nd Semester Examination 2019

Time : 3 Hrs

Maximum Marks : 80

Note : This paper is of Eighty (80) marks divided into three (03) sections A,B and C. Attempt the questions contained in these sections according to the detailed instructions given therein.

Section –A

(Long Answer Type Questions)

Note: Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer any two (2) questions only.

(2x19=38)

1. What is meant by the final accounts of a company? Describe in brief the provisions of companies Act 2013 regarding the preparation of final accounts.
2. What do you mean by buy back of shares? Explain the various conditions and restrictions on buy back of shares.
3. What is sinking fund? Give the accounting treatment of the maintenance of sinking fund for the redemption of debentures by a joint stock company.

4. Anita Ltd. having a nominal capital of Rs. 3,00,000 divided into shares of Rs. 10 each, offered for public subscription 20,000 shares at par payable Rs. 2 on application, Rs. 3 on allotment and the balance in two calls of Rs. 2.50 each. Applications were received by the company for 24,000 shares. Applications for 20,000 shares were accepted in full and the shares allotted. Applications for the remaining shares were rejected and the application money refunded.

All money due were received with the exception of the final call on 500 shares which were forfeited after legal formalities were fulfilled. 300 of the forfeited shares were reissued at Rs. 9 per share.

Pass necessary journal entries and prepare the Balance sheet showing the amount of transferred capital reserve and the balance in share forfeited Account.

Section – B

(Short- answer- type questions)

Note : Section 'B' contains eight (8) short answer type questions of Eight (8) marks each. Learner are required to answer any Four (4) questions only.

(4x8=32)

1. Distinguish between calls in Arrear and calls in Advance.
2. Legal Provisions regarding redemption of redeemable preference shares.
3. Ex-interest and cum-interest in connection with the purchase and sale of debentures
4. Statutory restrictions imposed on allotment of shares.
5. Redemption of debenture by purchasing from the open market.
6. Amalgamations in the nature of merger and purchase.
7. what is meant by underwriting of shares and debentures? how is the liability of various underwriters determined?
8. Provisions of the company law regarding the preparation of financial statements of a company.

Section –C

(Objective-type questions)

Note : Section 'C' contains ten objective type questions of one (01) mark each. All questions of this section are compulsory. (10x1=10)

Fill in the blanks with appropriate words or phrases :

1. Share allotment account is a.....
2. Premium received on issue of shares cannot be utilized for.....
3. Indian companies cannot issue..... shares.

4. When a new company is formed with the same name in order to take over the business of the existing company it is called as.....
5. The price payable by a company for business acquired is known as.....

Which of the following statement is True Or False.

6. Premium received on issue of shares is shown on asset side of the balance sheet.
7. Interest on debentures is appropriation of profit.
8. Preliminary expenses are an example of current assets.
9. For receiving the purchase consideration purchasing company's account is credited.
10. Discount of issue of shares is a revenue loss.
