

A
(21119)

Roll No.

Total Questions : 13]

[Printed Pages : 8

18053

B.B.A. IIIrd Semester Examination, Nov., 2019

COMPANY ACCOUNTS

(BB-305)

Time : 3 Hrs.]

[M.M. : 75

Note :- Attempt all questions from all Sections as per instructions.

Section-A

(Very Short Answer Type Questions) 3x5=15

Note :- Attempt all the five questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words.

1. What do you mean by Forfeiture of Shares ?
2. What is the definition of Private Company ?
3. Define Holding Company.

ND-186

(1)

Turn Over

Or

How and why Sinking Fund Account is prepared ?

4. Define Buy-back of Shares.

Or

Explain Capital Profits.

5. What is purchase consideration ?

Or

Can purchase consideration exceed 'Net Value' of a company ?

Section-B

(Short Answer Type Questions) 7½x2=15

Note :- Attempt any two questions. Each question carries 7½ marks. Short answer is required not exceeding 200 words.

6. Enumerate the guidelines for issue of Bonus Shares in India.

Or

The paid up capital of a company consists of 4000 equity shares of ₹ 100 each, ₹ 75 per share paid up. The balance of General Reserve was ₹ 4,00,000 and share premium ₹ 50,000. The company declared a bonus of ₹ 50 per share in payment of which the shares were made fully paid and remaining was paid in cash. Give Journal Entries.

ND-186

(2)

7. Is it possible to decline dividend out of Reserves ?

Or

Rama Ltd. issued ₹ 10,00,000, 14% debenture in 1912 and the same were redeemed on January 1, 2019 out of profits. The debenture redemption reserve stood at ₹ 2,70,000 on that date. Show the entries presuming that debentures were redeemed at a premium of 5%.

8. Describe the preferential creditors relating to liquidation of company.

Or

Pass journal entries in the following cases :

- In 2019 Bindal Ltd. redeemed ₹ 1,00,000 preference shares by converting them into equity shares issued at 25% premium.
- In 2019 Bindal Ltd. redeemed ₹ 95,000 preference shares by converting them into equity shares issued at 5% discount.
- In 2019 Bindal Ltd. redeemed 10,000 preference shares of ₹ 10 each at a premium of ₹ 1.25 per share by converting them into equity shares of ₹ 10 each issued at 10% discount.

Section-C

(Long Answer Type Questions) 15×3=45

Note :- Attempt any three questions. Each question carries 15 marks. Answer is required in detail.

9. The following are the Balance Sheet of H. Ltd. and S. Ltd. as on Dec. 31, 2019 :

Balance Sheet

Liabilities	H. Ltd. (₹)	S. Ltd. (₹)
Share Capital	5,00,000	1,00,000
Reserves	2,00,000	75,000
Profit and Loss A/c	1,00,000	25,000
Creditors	1,50,000	50,000
	9,50,000	2,50,000
Assets	H. Ltd. (₹)	S. Ltd. (₹)
Machinery	3,00,000	90,000
Furniture	50,000	17,000
Other Assets	4,40,000	1,43,000
Shares in S. Ltd. (800 at ₹ 200 each)	1,60,000	-
	9,50,000	2,50,000

You are required to prepare consolidated balance sheet with the following informations :

- (a) Reserve and P/L (Cr.) stood at ₹ 25,000 and ₹ 15,000 respectively on the date of acquisition of its 80% shares by H Ltd.
- (b) Machinery (Book value ₹ 1,00,000) and furniture (book value ₹ 20,000) of S. Ltd. were revalued of ₹ 1,50,000 and ₹ 15,000 respectively for the purpose of fixing the price of its share, book value of the assets remaining unadjusted.

Or

The following are the Balance Sheets of A Ltd. and B Ltd. at Dec. 31, 2017.

Balance Sheet

Liabilities	A Ltd.	B Ltd.
	(₹)	(₹)
Capital (900 shares @ 270 each)	2,43,000	6,00,000 (@ 150 each)
Sundry Creditors	11,000	13,000
Reserve Fund	80,700	2,57,000
P & L A/c	3,000	7,000
	3,37,700	8,77,000

Assets	A Ltd.	B Ltd.
	(₹)	(₹)
S. Assets	3,37,000	8,71,500
Cash at Bank	700	5,500
	3,37,700	8,77,000

The A Ltd. was absorbed by B Ltd. with effect from Jan. 1, 2018 and the arrangement accepted by shareholders of both the companies was that the holder of every 3 shares in A Ltd. would receive 5 shares in B Ltd. plus as much as is necessary to adjust the right of shareholders of both companies in accordance with the intrinsic value of shares.

You are required to pass the necessary journal entries in the books of B Ltd. and Balance Sheet on that date.

10. What accounting entries are made in the books of Amalgamating Company and Amalgamated Company ?

Or

What informations are required to be attached to the balance sheet of holding company in respective of each of its subsidiary companies ?

11. Tata Ltd. offered 1,00,000 equity shares @ ₹ 10 each but offer to public at a premium of ₹ 2 each. The amount payable on shares were : On application ₹ 4.50; on allotment ₹ 4.50 (including premium) and on first and final call ₹ 3.

The public subscribed 90,000 shares. All money payable by shareholders was received except from Ram who had taken 1,000 shares but failed to pay final call. His shares were forfeited and reissued to Rakesh at ₹ 6 each.

Show journal entries in the books of company.

12. Prepare Liquidator's Statement of Account from the following :

Balance Sheet of 01-01-2016

Liabilities	(₹)
<i>Share Capital :</i>	
1,000 preference shares of ₹ 100 each but ₹ 70 called up	70,000
4,000 equity shares of ₹ 100 each but ₹ 80 called up	3,20,000
Bank loan (secured by machines and building)	1,50,000
Trade creditors	2,60,000
	8,00,000
Assets	(₹)
<i>Fixed Assets :</i>	
Machine and Building	4,00,000
Debtors	3,00,000
Loss	1,00,000
	8,00,000

Assets were realised as follows : 01-04-2016, Fixed Assets ₹ 1,00,000; Debtors ₹ 1,00,000; Liquidation expenses ₹ 4,000. On 01-04-2016 Fixed Assets (last) ₹ 2,00,000; Debtors ₹ 1,00,000. On 01-08-2016 Debtors (last) ₹ 50,000. Liquidator's remuneration is 5% on realised amount (excluding total amount of securities with Bank for loan) and 2% on the amount given to equity shareholders but he does not get any commission on the amount realised by the Bank.

13. Write short notes on the following :

- (a) Issue of Share at Premium
- (b) Issue of Share of Discount

Or

Enumerate these points which are to be noted while preparing Final Accounts of a company.