

Seat No. : 268

**JJ-105**

January-2021

**B.B.A., Sem.-III**

**CC-205 : Company Accounts**

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) All Questions in **Section I** carry equal marks.  
(2) Attempt any **TWO** questions in **Section I**.  
(3) Question **V** in **Section II** is **COMPULSORY**.

**Section – I**

1. (A) The Balance Sheet of Sabarmati Ltd. as at 31-3-2020 was as under :

Liabilities	Amt.	Assets	Amt.
Share capital : Authorized	<del>18,00,000</del>	Freehold properties	6,00,000
Issued : (1,20,000 shares of ₹ 10 each)	12,00,000	Stock	7,20,000
Profit and loss account	7,20,000	Debtors	6,00,000
5% Debenture	7,80,000	Balance at Bank	<del>30,00,000</del>
Creditors	4,20,000		12,00,000
<b>Total</b>	<b>49,20,000</b> 31,20,000	<b>Total</b>	<b>49,20,000</b>

At the Annual Meeting, it was agreed :

- (1) To issue one Bonus share for every four old shares held.  
(2) To repay the Debentures at a premium of 3%.

Pass necessary Journal Entries and prepare the Balance Sheet after transactions are completed. 10

- (B) Explain Employee Stock Option Scheme. 10

2. (A) You are required to prepare Vertical Balance Sheet as per Schedule III of Companies Act 2013 as on 31-3-2020 from the following balances taken out from the books of Archana Ltd. as on 31-3-2020.

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**Trial Balance as on 31-3-2020**

Debit	Amt. (₹)	Credit	Amt. (₹)
Call in arrears equity shares	10,000	7.5% preference share capital	1,00,000
Land and building	1,70,000	Equity share capital	2,00,000
Plant and Machinery	1,15,000	Share forfeiture account	4,500
Furniture	32,000	Security premium	16,500
Investment	1,65,700	Capital reserve	55,000
Loose tools	12,000	General reserve	90,000
Debtors	66,000	Provident fund	13,000
Cash and Bank balance	56,800	5% debentures mortgage	50,000
		Creditors	33,000
		Profit and loss account	5,500
		Bank loan	25,400
		Public deposit	14,600
		Debenture redemption fund	20,000
	<b>6,27,500</b>		<b>6,27,500</b>

**Additional information :**

1. Authorised capital of the company amounts to ₹ 5,00,000 10
- (B) Prepare Profit and Loss account with imaginary figures as per Schedule III of Companies Act 2013. 10
3. (A) Dev Ltd. and Amit Ltd. amalgamated and from 1<sup>st</sup> April 2020 a new company Aarya Ltd. was formed to take over the business of existing companies :

**Balance Sheet as on 31-3-2020**

Liabilities	Dev (Amt.)	Amit (Amt.)	Assets	Dev (Amt.)	Amit (Amt.)
<b>Share capital</b>	20,40,000	17,40,000	Land and Building	11,04,000	6,60,000
Equity shares (₹ 10 each fully paid up)					
12% preference share (₹ 100 each fully paid up)	7,68,000	4,20,000	Plant & Machinery	7,80,000	5,04,000
General reserve	8,76,000	5,76,000	Investment	1,80,000	1,20,000
Capital reserve	1,20,000	72,000	Stock	7,80,000	6,45,600
Profit and Loss Account	1,80,000	1,24,800	Debtors	7,32,000	6,28,000
13% Debentures (₹ 100 each)	1,20,000	67,200	Bills receivable	60,000	20,000
Public Deposit	60,000	—	Cash and bank	9,24,000	6,02,400
Creditors	3,48,000	1,50,000			
Bills payable	48,000	30,000			
<b>Total</b>	<b>45,60,000</b>	<b>31,80,000</b>	<b>Total</b>	<b>45,60,000</b>	<b>31,80,000</b>

**Additional information :**

1. 13% Debenture holders of Dev Ltd. and Amit Ltd. are discharged by Aarya Ltd. by issuing such number of its 15% debentures of ₹ 100 each, so as to maintain the same amount of interest.
2. Preference shareholders of two companies are issued equivalent number of 14% preference shares of Aarya Ltd. at a price of ₹ 125 per share.
3. Aarya Ltd. will issue four equity shares for each equity share of Dev. Ltd. and three equity shares for each equity share of Amit. Ltd. The shares are to be issued at ₹ 35 each, having a face value of ₹ 10 per share.

Pass necessary Journal Entries in the books of Aarya Ltd. 10

(B) State the difference between pooling of interest method and purchase method of Amalgamation. 10

4. (A) Explain Advantages of Human Resource Accounting. 10

(B) Explain inflation accounting method of Current Purchasing Power Method. 10

**Section – II**

5. Choose the correct alternative from the following : (any five) 10

(1) Company can issue bonus shares out of \_\_\_\_\_.

- |                     |                |
|---------------------|----------------|
| (a) General Reserve | (b) Capital    |
| (c) Loan            | (d) Debentures |

(2) Bonus to existing shareholders is paid to them in the form of \_\_\_\_\_.

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|----------------|------------|
| (a) cash       | (b) shares |
| (c) debentures | (d) gold   |

(3) Discount on buyback must be credited to \_\_\_\_\_ account.

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|-------------------------|----------------------------------|
| (a) General reserve     | (b) Capital reserve              |
| (c) Revaluation reserve | (d) Investment allowance reserve |

(4) 6% debenture account will be recorded under \_\_\_\_\_.

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|-----------------------------|------------------------|
| (a) Trade receivable        | (b) Trade payable      |
| (c) Non-current liabilities | (d) Non-current assets |

- (5) For a company patent is \_\_\_\_\_.
- (a) Intangible asset (b) Current asset  
(c) Current liability (d) Debt
- (6) Bill payable is shown under \_\_\_\_\_ head of vertical balance sheet.
- (a) Trade receivable (b) Trade payable  
(c) Non-current liabilities (d) Non-current assets
- (7) When two or more companies carrying on similar business decides to combine and a new company is formed, it is known as \_\_\_\_\_.
- (a) Amalgamation (b) Absorption  
(c) Business Purchase (d) Dissolution
- (8) In amalgamation, Purchase Consideration – Net Assets = \_\_\_\_\_.
- (a) Goodwill (b) Capital Reserve  
(c) General Reserve (d) None of the above
- (9) In the books of purchasing company, liquidation expenses paid by the vendor company is debited to \_\_\_\_\_ account.
- (a) Realisation (b) Goodwill  
(c) Expense (d) Income
- (10) \_\_\_\_\_ accounting is the measurement of human value of an organization.
- (a) Human resource (b) Environment  
(c) Inflation (d) Forensic
- (11) Under \_\_\_\_\_ method historical accounting data are adjusted on the basis of general price index.
- (a) CPP (b) CCA  
(c) Replacement Reserve Method (d) Putting a Note in Accounts
- (12) Waste Management costs are \_\_\_\_\_ costs.
- (a) Environment (b) Finance  
(c) Employee benefit (d) None of the above