

Seat No. : \_\_\_\_\_

# DF-102

December-2021

B.B.A., Sem.-III

CC-205 : Company Accounts

Time : 2 Hours]

[Max. Marks : 50

- Instruction : (1) All Question in Section - I carries equal marks.  
(2) Attempt any two question in Section - I.  
(3) Question - 5 in Section - II is Compulsory.

## Section - I

1. (A) The Balance Sheet of Swarnim Ltd. as at 31-3-2021 was as under. 10

Particulars	Note No.	Amt `	Amt `
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital (20,000 Shares of ` 10 Each)			2,00,000
(b) Reserves and surplus Profit and Loss Account			1,20,000
(2) Non-current liabilities 5% Debenture			130,000
(3) Current liabilities Creditors			70,000
TOTAL			5,20,000
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			1,00,000
(2) Current assets			
Stock			1,20,000
Debtors			1,00,000
Bank Balance			2,00,000
TOTAL			5,20,000

At the Annual Meeting, it was agreed :

- (1) To Pay Dividend at 10%.
- (2) To issue one Bonus Share for every four old shares held.
- (3) To Give Existing Share Holders the option to purchase one Share of ` 10 each at ` 15 per Share, for every four shares held prior to the Bonus distribution. All shareholders accepted the offer.
- (4) To repay the Debentures at a Premium of 3%.

Pass necessary Journal Entries in the books of the company.

- (B) Explain conditions for Buy-Back of Shares. 10

2. You are required to prepare Vertical Balance Sheet and Profit and Loss Account as per Schedule III of Companies Act 2013 from the following balances taken out from the books of Mazdur Ltd. as on 31-3-2021. 20

Trial Balance as on 31-3-2021

Debit	Amt (₹)	Credit	Amt (₹)
Opening Stock	25,000	Equity Share Capital	3,00,000
Land and Building	2,50,000	Security Premium	30,000
Plant and Machinery	2,00,000	Capital Redemption Reserve	20,000
Furniture	75,000	General Reserve	1,25,000
Investment	37,500	Provident Fund	25,000
Loose tools	10,000	12% Debentures	50,000
Debtors	40,000	Creditors	20,000
Cash and Bank balance	35,000	Profit and Loss Account	1,25,000
Purchase	1,00,000	Bank Loan	25,000
Goodwill	25,000	Public Deposit	25,000
Patents	37,500	Debenture Redemption Reserve	25,000
Debenture Redemption fund	25,000	Sales	2,50,000
Investment			
Salary	65,000	Bad Debts Reserve	3,800
Admin Expenses	20,000	Share Transfer Fees	1,200
Production Expenses	30,000		
Rent and Taxes	20,000		
Bad Debts	3,000		
Directors Fees	7,000		
Contribution to PF	15,000		
Discount on Debenture	5,000		
Total	10,25,000	Total	10,25,000

Additional information :

- (1) Closing Stock as on 31-3-2021 was ₹ 60,000
- (2) Outstanding Expenses: Salary: ₹ 2,500 and Production Expense : ₹ 4,000
- (3) Write off depreciations: 2% on Land and Building, 2.5% on Plant and Machinery and 10% on Furniture.
- (4) Provide 5% on Debtors for Bad Debts Reserve.
- (5) Provision for Taxation of ₹ 12,500 is to be made.
- (6) Write off 10% of Discount on Debenture.

3. Ami Ltd. and Way Ltd. amalgamated and from 1st April 2021 a new Company Amiway Ltd. was formed to take over the business of existing companies:

Balance sheet as on 31-3-2021

Particulars	Note No.	Ami Ltd	Way Ltd.
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital			
Equity Shares of ` 10 each fully paid up		10,20,000	8,70,000
12% Preference Share (` 100 each)		3,84,000	2,10,000
(b) Reserves and surplus			
Profit and Loss Account		90,000	62,400
General Reserve		4,98,000	3,24,000
(2) Non-current liabilities			
13% Debenture		60,000	33,600
Public Deposit		30,000	-
(3) Current liabilities			
Creditors		1,74,000	75,000
Bill Payable		24,000	15,000
<b>TOTAL</b>		<b>22,80,000</b>	<b>15,90,000</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
Land and Building		5,52,000	3,30,000
Plant and Machinery		3,90,000	2,52,000
(b) Non-Current Investment			
Investment		90,000	60,000
(2) Current assets			
Stock		3,90,000	3,22,800
Debtors		3,66,000	3,14,000
Bank Balance		4,62,000	3,01,200
Bills Receivable		30,000	10,000
<b>TOTAL</b>		<b>22,80,000</b>	<b>15,90,000</b>

Additional information :

- (1) 13% Debenture holders of Ami Ltd. and Way Ltd. are discharged by Amiway Ltd. by issuing such number of its 15% Debentures of ` 100 each, so as to maintain the same amount of interest.
- (2) Amiway Ltd. will issue four equity shares for each equity share of Ami Ltd. and three equity shares for each equity share of Way Ltd. The shares are to be issued at ` 35 each having face value of ` 10 each.
- (3) Preference Shareholders of two companies are issued equivalent number of 14% Preference Shares of Amiway Ltd. at a price of ` 125 Per Share each having a face value of ` 100 each.

Pass necessary Journal Entries in the books of Amiway Ltd and prepare opening Balance sheet.

4. (A) Explain utilities of Human Resource accounting. 10  
(B) Explain Inflation accounting method of Current Cost Accounting (CCA). 10

#### Section - II

5. Choose the correct alternative from the following : (Any 10) 10
  - (1) Company has converted its 10 Equity share of ` 10 each into Stock of ` 95. In the books of the company Equity Stock will be credited by \_\_\_\_\_.
    - (a) ` 105 (b) ` 95
    - (c) ` 90 (d) ` 110
  - (2) Bonus to existing shareholders is declared, Bonus to shareholders Account \_\_\_\_\_.
    - (a) Debited (b) Credited
    - (c) Not Recorded (d) None of the above
  - (3) Discount on Buyback must be credited to \_\_\_\_\_ Account.
    - (a) General Reserve (b) Capital Reserve
    - (c) Revaluation Reserve (d) Investment Allowance Reserve

- (4) On payment of Buy Back Expense, \_\_\_\_\_ Account is Debited.
- (a) Buy Back Expense
  - (b) Bank
  - (c) Trading
  - (d) None of the above
- (5) For a company Copy Rights is \_\_\_\_\_.
- (a) Intangible Asset
  - (b) Current Asset
  - (c) Current Liability
  - (d) Debt
- (6) Creditors is shown under \_\_\_\_\_ head of Vertical Balance Sheet.
- (a) Trade Receivable
  - (b) Trade Payable
  - (c) Non-Current Liabilities
  - (d) Non-Current Assets
- (7) When one existing company decides to take over the running business of another existing company then it is known as \_\_\_\_\_.
- (a) Amalgamation
  - (b) Absorption
  - (c) Both (a) and (b)
  - (d) None of the above
- (8) In amalgamation, in the books of Purchasing Company, when assets & liabilities are taken over, Liquidator of Vendor company A/c is \_\_\_\_\_.
- (a) Debited
  - (b) Credited
  - (c) Not Recorded
  - (d) None of the above

- (9) In the books of purchasing company, liquidation expenses paid on behalf of the vendor company is debited to \_\_\_\_\_ Account.
- (a) Realisation
  - (b) Goodwill
  - (c) Expense
  - (d) Income
- (10) \_\_\_\_\_ is a method of recording Environmental Elements in the books of accounts.
- (a) Human resource
  - (b) Environment
  - (c) Inflation
  - (d) Forensic
- (11) Current Cost Accounting is a method of \_\_\_\_\_ Accounting.
- (a) Human resource
  - (b) Environment
  - (c) Inflation
  - (d) Forensic
- (12) Waste management costs are \_\_\_\_\_ costs.
- (a) Environment
  - (b) Finance
  - (c) Employee benefit
  - (d) None of the above
- (13) Directors Fees is shown under which head of Profit and Loss account as Schedule III of Companies Act 2013 ?
- (a) Cost of Goods Sold
  - (b) Other income
  - (c) Employee benefit expenses
  - (d) Other expenses

(14) Rent Expense is shown under which head of Profit and Loss account as per Schedule III of Companies Act 2013 ?

- (a) Cost of Goods Sold
- (b) Other income
- (c) Employee benefit expenses
- (d) Other expenses

(15) Interest Received is shown under which head of Profit and Loss account as per Schedule III of Companies Act 2013 ?

- (a) Cost of Goods Sold
- (b) Other income
- (c) Employee benefit expenses
- (d) Other expenses

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