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(20221) Roll No.
BBA-III Sem.

18053

**B.B.A. Examination, Dec.-2020
COMPANY ACCOUNTS
(BBA-305)**

Time : Three Hours] [Maximum Marks : 75

Note : Attempt questions from **all** the sections as per instructions.

Section-A

(Very Short Answer Questions)

Note : Attempt all the **five** questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words. $3 \times 5 = 15$

1. What do you mean by reissue of shares?
2. Explain Foreign Exchange Transactions.
3. What do you mean by Bonus Shares?

OR

Give Journal entries related to issue of bonus shares.

4. Can dividend be paid out of Capital profits?

P.T.O.

OR

What is Interim Dividend?

5. What is Purchase consideration?

OR

What do you mean by Minority Interest?

Section-B

(Short Answer Questions)

Note : Attempt any **two** questions out of the following three questions. Each question carries $7\frac{1}{2}$ marks. Short answer is required not exceeding 200 words. $7\frac{1}{2} \times 2 = 15$

6. What points should be taken into consideration while preparing a Consolidated Balance Sheet?

OR

The paid up capital of a company consists of 10,000 equity shares of Rs. 10 each, Rs. 7 per share paid up. The balance of General Reserve was Rs. 1,50,000. The company declared a bonus of Rs. 1,05,000. Firstly the bonus is to be

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utilised for making partly paid shares as fully paid and the balance to be used for fully paid shares at 25% premium. Pass the necessary Journal entries.

7. How is remuneration to liquidator is calculated? Explain by an example.

OR

Pass the necessary entries in the following cases : <https://www.ccsustudy.com>

- (a) 8,000, 7% debentures of Rs. 100 were given to creditors who supplied plant Rs. 7,50,000.
- (b) 4,000, 7% debentures of Rs. 100 each at a premium of 5%.
- (c) 7% debentures of Rs. 100 each have been deposited with bank as collateral security against a bank loan of Rs. 3,00,000.
8. What entries are made in The books of Amalgamating Company?

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P.T.O.

OR

On March 31, 2018, Tata Ltd. had a debenture redemption fund of Rs. 5,00,000, represented by the investment amounting to Rs. 5,90,000 in 4½% Gold Bonds. The balance was Rs. 60,000 in bank current account. The debentures amounting to Rs. 5,00,000 were paid off on Sept. 30, 2018. Gold Bonds were sold and realised 83% net and deposited in bank. Record the above transactions in Company's ledger.

Section-C

(Detailed Answer Questions)

Note : Attempt any **three** questions out of the following five questions. Each question carries 15 marks. Answer is required in detail. $15 \times 3 = 45$

9. Rama Ltd. issued 10,000 shares of Rs. 100 each at 10% premium. Applications were received for 18,000 shares of which Applications for 3,000 shares were

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rejected and their money was refunded. Rest of the applicants were issued shares on pro rata basis and their excess money was adjusted towards allotment. The money was called as follows : on application Rs. 20, on allotment Rs. 40, on first call Rs. 30 and on final call Rs. 20. Hari, a holder of 300 shares paid only the application money and Shyam, a holder of 600 shares paid upto the first call money. All the calls were made and payment received except that in case of Hari and Shyam. Their shares were forfeited after the IIInd call and final call and reissued at 15% discount.

Pass the journal entries to the above transactions.

10. What do you understand by the forfeiture of shares? Can forfeited shares be issued at discount? If so, what extent? Where is the balance of shares forfeited account transferred?

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P.T.O.

OR

Prepare a consolidated Balance Sheet of the following as at 31.03.2016 :

| | | Rs. | | | |
|--|---------|--------|--------------|---------|--------|
| Liabilities | A Ltd. | B Ltd. | Assets | A Ltd. | B Ltd. |
| Share Capital (15000 shares of 50 each) | 750000 | | Land & Build | 515000 | 150000 |
| 5000 shares of 5 each | - | 250000 | Plant | 150000 | 135500 |
| Creditors | 75000 | 80500 | Debtors | 140000 | 79000 |
| General Reserve | 475000 | 10000 | Stock | 170000 | 101000 |
| P. & L. A/c | 400000 | 180000 | Investment | 560000 | - |
| | 1700000 | 520500 | Bank | 165000 | 55000 |
| | | | | 1700000 | 520500 |

A Ltd. acquired all the shares of B Ltd. on 01.04.2016. The balance of P. & L. A/c at 01.04.2016 was Rs. 1,40,000; an Interim Dividend of 16% p.a. free of tax having been paid during the year in respect of the year ended 31.03.2017.

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11. What points should be considered while preparing Final Accounts of a company?

OR

What is divisible profit? What various provisions have been made in Companies Act regarding the distribution of dividend? Can dividend be paid out of reserves?

12. What do you mean by Purchase consideration? Explain its various methods with example.

OR

On the reconstruction of a company, the following terms were agreed upon :

The share holders to receive in lieu- of their present holding (viz. 50,000 shares of Rs. 10 each) the following:

- (a) Fully paid Equity shares to 2/5 of their holding.
- (b) 12% preference shares, fully paid to the extent of 1/5th of the above new Equity shares.
- (c) Rs. 60,000, 16% second Debentures.

An issue of 50,000, 15% First debentures was made and payment for the same fully received in cash.

The goodwill, which stood at Rs. 3,00,000 was written down to Rs. 1,50,000. The plant and machinery which stood at Rs. 1,00,000, was written down to Rs. 75,000. The Freehold premises which stood at Rs. 1,50,000, were written down to Rs. 1,25,000.

Make the journal entries in the books of the company based on the above reconstruction.

13. Differentiate the following : $3 \times 5 = 15$
- (a) Share warrant and Share certificate.
 - (b) Equity share and Preference share.
 - (c) Statement of Affairs and Balance sheet.