

Roll No.

[2]

BBA-305(N)

BBA-305(N)

B. B. A. (Third Semester) EXAMINATION, Dec., 2016

(New Course)

Paper Fifth

COMPANY ACCOUNTS

Time : Three Hours] [Maximum Marks : 70

Note : Attempt all questions. All questions carry equal marks. Write on both sides of the page. Don't waste paper.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A 3 each

(Short Answer Type Questions)

Note : Attempt all questions.

1. (A) Explain Issue of Debenture as a collateral security.
- (B) Define AS-14.
- (C) Differentiate between Equity and Preference share.
- (D) Define Contingent liabilities.

D-56

P. T. O.

- (E) What are the SEBI Guidelines for the redemption of debenture ?
- (F) Define Internal Reconstruction of Company.
- (G) The Directors of Nilesh Ltd. resolved that 12000 equity shares of ₹ 10 each, forfeited for non-payment of final call of ₹ 2.50, 2000 of these shares were re-issued for ₹ 8 per share. Pass Journal Entries. <http://csjmuonline.com>
- (H) A company purchased assets of book value ₹ 99,000 from another company. It was agreed that the purchase consideration be paid by issuing 11% Debentures of ₹ 100 each. Assume debentures have been issued (i) at par (ii) at premium of 10%. Give necessary Journal entries.
- (I) Net Profit of Company at the end of year is 240000. Manager is entitled to take 10% commissions on Net Profit after charging such commission. Calculate amount of Manager's Commission.
- (J) For Redemption of 3000, 11% redeemable preference shares of ₹ 100 each at a premium of 10%, company used its profit. Pass Journal Entries.

Section—B 10 each

(Long Answer Type Questions)

Note : Attempt any two questions.

2. Aash Limited Company was registered with an authorized capital of ₹ 2,00,000 in ₹ 10 per share. Of these 600 shares were issued to the vendors as fully

D-56

[3]

DBA-305(N)

paid for the purchase of building. ₹ 8000 shares were subscribed for by the public and during the first year ₹ 5 per share were called up, payable ₹ 2 on application, ₹ 1 on allotment, ₹ 1 on first call and ₹ 1 on second call. The amount received in respect of these shares were as follows :

On 6,000 shares the full amount called

On 1,250 shares ₹ 4 per share .

On 500 shares ₹ 3 per share

On 250 shares ₹ 2 per share

The directors forfeited 750 shares on which less than ₹ 4 per share had been paid. Show journal entries in the books of the company and also show the share capital, as it would appear in the balance sheet at the end of year.

3. The following particulars relate to Mahindra Limited which has gone into voluntary liquidation. You are required to prepare the liquidation' final statement of account, allowing for his remuneration at 2% on the amount realized and 2% on the amount distributed to unsecured creditors other than preference creditors :

Preference Creditors	10000
Unsecured Creditors	32000
Debentures	10000

The assets were realized as follows :

Land and Building	20000
Plant and Machinery	18650
Fixtures and fittings	1000
Liquidation expenses amounted to	1000

[4]

DBA-305(N)

4. What is Consolidated Balance Sheet ? How is it prepared ? What points should be taken into consideration while preparing a consolidated Balance sheet ?
5. What do you mean by Internal Reconstruction ? Differentiate between Internal and External Reconstruction.

Section—C

10 each

(Long Answer Type Questions)

Note : Attempt any two questions.

6. Anthony & Co. Ltd. acquire 8,000 equity shares of Cannon & Co. Ltd. on 1st January, 2016. The following are the Balance Sheets of the two companies as at 31st December, 2016 :

Liabilities	Anthony (₹)	Cannon (₹)
Equity shares of ₹ 100 each	20,00,000	10,00,000
General Reserve (1.1.16)	4,00,000	2,00,000
Profit & Loss A/c (1.1.16)	1,00,000	60,000
Profit & Loss A/c (2016)	2,00,000	80,000
Sundry Creditors	1,00,000	1,00,000
Bills Payable	30,000	10,000
	28,30,000	14,50,000

[5]

BBA-305(N)

Assets	Anthony (₹)	Canning (₹)
Land and Building	5,00,000	1,00,000
Plant and Machinery	5,00,000	6,00,000
Stock	1,50,000	1,00,000
Sundry Debtors	1,00,000	1,20,000
Investment in Shares of Canning Co. Ltd.	10,00,000	-
Bills Receivable	80,000	10,000
Cash and Bank	5,00,000	3,20,000
	28,30,000	14,50,000

- (i) Bills Receivable of Anthony and Co. Ltd. included ₹ 10,000 accepted by Canning and Co. Ltd.
- (ii) Sundry Debtors of Anthony and Co. Ltd. includes ₹ 50,000 due to from Canning & Co. Ltd.
- (iii) Stock of Canning & Co. Ltd. includes goods purchased from Anthony & Co. Ltd. for ₹ 60,000 which were invoiced by Anthony & Co. Ltd. at a profit of 25% on cost.

Prepare a consolidated Balance Sheet of Anthony and Co. Ltd. and its subsidiary Canning & Co. Ltd.

D-88

P. T. O.

[6]

BBA-305(N)

7. What is Liquidator Final Statement of Account ? How is it prepared ? Explain with suitable examples.
8. What do you mean by Debentures ? Explain various methods of Redemption of Debentures.
9. Give a Specimen form of Balance Sheet of a company. Explain each item in brief.

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D-88