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Roll No. ....

BBA-III Sem.

**18053**

**B. B. A. Examination, Dec. 2018**

**Company Accounts**

**(BBA-305)**

*Time : Three Hours]*

*[Maximum Marks : 75*

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

**Section-A**

**(Very Short Answer Questions)**

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 company ? What are its characteristics ?
2. What are the kinds of preference shares ?
3. What are the methods of redemption of debentures?

*Or*

Explain compulsory winding-up of a company.

(2)

4. Explain minority interest and preacquisition profits.

*Or*

What is liquidator's final statement of account ?

5. Define a holding and subsidiary company.

*Or*

Define amalgamation and reconstruction.

**Section-B**

**(Short Answer Questions)**

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 do you mean by liquidation of a company ? Describe the different modes of winding-up ?

*Or*

Pass necessary journal entries in the books of a company :

For the redemption of 1000, 5% redeemable preference shares of ₹100 each at a premium of 15%, company issued 1000 equity shares of ₹50 each at 10% premium and total amount received. Remaining balance was paid out of profits.

(3)

7. A limited company issued 1,000 3% debentures of ₹100 each which were redeemable after three years. For this purpose a debenture redemption fund was raised. From the sinking fund table it was ascertained that an annual instalment of ₹32,353 transferred to the redemption fund will yield at 3% interest ₹,00,000 after 3 years.  
From the above transactions prepare the necessary ledger account. (Calculation to the nearest rupee).

Or

What journal entries will be made for the following types of issues ?

- (a) A company issued 1,000, 6% debentures of ₹100 each at par  
(b) A company issued 1,000, 6% debentures of ₹100 each at 10% premium  
(c) A company issued 1,000, 6% debentures of ₹100 each at 10% discount.
8. Give journal entries for the following :
- (i) Issue of ₹1,00,000, 9% debentures at par and redeemable at par  
(ii) Issue of ₹1,00,000, 9% debentures at a premium of 5% but redeemable at par  
(iii) Issue of ₹1,00,000, 9% debentures at discount 5% repayable at par

(4)

- (iv) Issue of ₹1,00,000, 9% debentures at par but repayable at a premium of 5%.

Or

What are the types of debentures ? Briefly explain them.

## Section-C

## (Detailed Answer Questions)

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. The following are the balance sheets of X Ltd. and Y Ltd. as on 31st Dec., 2011 :

Balance Sheet

Liabilities	X Ltd. ₹	Y Ltd. ₹	Assets	X Ltd. ₹	Y Ltd. ₹
Share capital in ₹ 100 share each	3,00,000	1,00,000	Building	1,90,000	30,000
Profit balance on 01.01.2011	65,000	38,000	Machinery	—	85,000
Profit for 2011	42,000	40,000	Plant	2,10,000	—
Reserve	1,50,000	10,000	Stock	23,000	15,000
Creditors	87,000	1,23,000	Bank	1,55,000	80,000
Loan from Y Ltd.	1,00,000	—	900 shares in Y Ltd.	99,000	—
B/P	—	27,000	Loan to X Ltd.	—	1,00,000
			Debtors	20,000	13,000
			B/R	37,000	15,000
	7,44,000	3,38,000		7,44,000	3,38,000

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

- (a) Shares by X Ltd. were acquired on 1st April, 2011 when profit was ₹8,000 of Y Ltd.

(5)

- (b) Of the B/R of X Ltd. Bills of ₹17,000 are accepted by Y Ltd.
- (c) Debtors of Y Ltd. include ₹12,000 owing by X Ltd. The amount includes 20% on profit on cost.
- (d) Included in the stock of X Ltd. ₹8,400 stock at cost purchased from Y Ltd., a part of ₹12,000 purchases.

Or

Milk Ltd. and Water Ltd. decided to amalgamate and form a new company Milk & Water Ltd. The new company is to take over the business of two companies except bills payable. The assets are to be taken at book-values. Purchase consideration in payable 75% in shares of ₹10 each and balance in cash. The Milk & Water Ltd. issued 4,000 shares to public, the amount was received in full. Balance sheet of both companies are as follows :

Balance Sheets as on 31 Dec., 2011

Liabilities	Milk Ltd. ₹	Water Ltd. ₹	Assets	Milk Ltd. ₹	Water Ltd. ₹
Share capital	80,000	40,000	Building	60,000	30,000
P & L A/c	8,000	—	P & L A/c	—	10,000
B/P	2,000	—	Plant	30,000	20,000
Creditors	10,000	20,000	Cash	10,000	—
	1,00,000	60,000		1,00,000	60,000

Prepare Realization A/c and Shareholders A/c in the books of liquidating companies and journal entries and balance sheet in the books of Milk & Water Ltd.

(6)

10. Explain the preferential creditors at time of winding up of a company as given in the Companies Act.

Or

A limited company issued a prospectus inviting applications for 2,000 shares of ₹10 each at a premium of ₹2 per share payable as follows :

On application ₹2, on allotment ₹5 (3 + 2 premium)  
First call ₹2.50 and final call ₹2.50.

Applications were received for 3,000 shares and allotment was made prorata to the applicants for 2,400 shares. The remaining shares being rejected. Money over paid on application was adjusted in allotment.

Mr. Nitin to whom 40 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call his share were forfeited. Geetika the holder of 60 shares failed to pay two calls and her shares were forfeited after the second call has been made.

Of the shares forfeited, 80 shares were sold to Y, credited as fully paid for ₹9 per share. The whole of Nitin shares were included. Show journal entries and cash-book.

(7)

11. What is the meaning of managerial remuneration ? Describe the provisions relating to maximum and minimum remuneration.

*Or*

Give a specimen form of a balance sheet of a company according to Companies Act, 1956. Explain five items in brief of liabilities side and 3 items in brief of assets side.

12. X Co. Ltd. went into voluntary liquidation on 1st January, 2012. The liquidator is to be paid 5% on the amount realized on sale of assets and 2% on amount distributed to shareholders. The liquidator sold out all of the company. On 31st December 2011 company's position was as under :

	₹
Cash realized on sale of assets	7,00,000
Liquidation expenses	12,600
Creditors (including salaries for one month ₹ 8,400)	95,200
7,000 6% preference shares of ₹30 each (on which dividend is paid upto Dec. 2010)	2,10,000

(8)

14,000 equity shares of ₹10 each,	
₹ 9 par share called	1,26,000
General reserve	1,68,000
Profit & Loss Account	28,000
Under Articles of Association of the company the preference shareholders have right to receive 1/3 of the surplus remaining after repaying the equity share capital. Prepare liquidator's final statement of account.	

13. Distinguish between external reconstruction and internal reconstruction.

*Or*

What is disposal of profits ? Give your opinion regarding its use.

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