

Roll No.

57513

**B.B.A. 2nd Semester
(N.S.) 2014-2017**

Examination- May, 2017

Company Accounts

Paper-BBAN-203

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : All questions of Section-A are **compulsory**. Attempt any **four** more questions from Section-B selecting at least **one** question from each unit. All questions carry equal marks.

SECTION-A

1. Answer the following in brief :

57513-4300-(P-7)(Q-9)(17) (1)

[Turn Over

- (a) Calls-in-arrear and calls-in-advance.
- (b) Forfeiture of shares.
- (c) Redeemable debenture.
- (d) Capital redeemable reserve account
- (e) Non-performing assets.
- (f) Need for reissue of shares.
- (g) Re-insurance.
- (h) Cash reserve ratio.

SECTION-B

UNIT-I

2. Discuss the conditions subject to which a company can 'Buy-back' its shares. Explain the accounting requirement and accounting entries with suitable example.
3. Blue Star Limited issued a prospectus inviting applications for 50,000 Equity

57513-4300-(P-7)(Q-9)(17) (2)

Shares of Rs. 10 each, payable Rs. 5 as per application (including Rs. 2 as premium), Rs. 4 as per allotment and the balance towards 1st and final call.

Applications were received for 65000 shares. Application money received on 5000 shares was refunded with letter of regret and allotments were made *pro rata* to the applicants of 60000 shares. Money overpaid on applications including premium was adjusted on account of sums due on allotment.

Mr. Sharma to whom 700 shares were allotted failed to pay the allotment money and his shares were forfeited by the Directors on his subsequent failure to pay the call money. All the forfeited shares were subsequently sold to Mr. Jain credited as

57513-4300-(P-7)(Q-9)(17) (3) [Turn Over

fully paid for Rs. 9 per share. You are requested to set out the journal entries and relevant entries in the cash book.

UNIT-II

4. Explain the important SEBI guidelines on the issue of debenture. What are the requirements of SEBI with regards the 'Reserve Creation of Debenture Redemption'?
5. X Ltd. issued 10000 shares of Rs. 100 each at a premium of Rs. 15 each. Ninety percent of issue was underwritten by M/s Broker and Co. at a commission of 1% on the nominal face value. Applications were received for 8000 shares and allotment was fully made. All the money due from allottees was received in one installment. The

57513-4300-(P-7)(Q-9)(17) (4)

accounts with Broker & Co. were settled. Show the journal entries to show the transition.

UNIT-III

6. What do you mean by final accounts? Why adjustment entries are required to be made at the time of preparing final accounts? Give illustrative examples of such adjustment entries.
7. State the basic features of accounting standards 5, 15, 17 and 28 with suitable examples.

UNIT-IV

8. The balance sheet of Manufacturing Co. Ltd. disclosed the following financial position as at 31st March, 2016:

57513-4300-(P-7)(Q-9)(17) (5)

[Turn Over

	₹	₹
Paid up capital:		30,000
30,000 shares of 10 each, fully paid	3,00,000	1,75,000
Capital reserve	20,000	90,000
Sundry creditors	71,000	1,15,000
Provision for taxation	55,000	98,000
		3,000
Profit and loss account	66,000	95,000
		7,000
	5,12,000	5,12,000

You are asked to value the goodwill of Manufacturing Co. Ltd. on the basis of five years' of purchase of super profits, for which purpose the following information is supplied:

(a) Adequate provision has been made in the accounts for income tax and depreciation.

57513-4300-(P-7)(Q-9)(17) (6)

- (b) The rate of tax may be taken at 50%.
- (c) The average rate of dividend declared by the company for the past five years was 15%.
- (d) The reasonable return on capital invested in the class of business done by the company is 12%.

9. Discuss the important provisions of Insurance Act, 1938. What are the books required to be maintained by the insurance companies?

57513-4300-(P-7)(Q-9)(17) (7)