

against the mortgage of machinery (which realized Rs. 40,250). In the books of the company, salaries of four clerks for four months at the rate of Rs. 250 per month and salaries of four peons for 3 months at the rate of Rs. 150 per month are outstanding. In addition to this, the company's books show the creditors worth Rs. 41,200. Prepare liquidator's statement of receipts and payments.

16

#### UNIT - IV

8. Compute goodwill in each of the following cases :

- The goodwill of a company is estimated at 4 years' purchase of the average profits of the last 5 years which are :

Years	2012	2013	2014	2015	2016
Profits/Losses (in Rs.)	20,000	25,000	10,000	55,000	60,000

- The capital employed is Rs. 4,00,000 and normal rate of return is 10%, the average profit for last 5 years is Rs. 50,000 and goodwill is estimated at 2 years' purchase price of super profits.
- F Ltd. earns a net profit of 60,000 with a capital of Rs. 6,00,000. The normal rate of return in the business is 10%. Compute the value of goodwill by applying capitalization of super profits method.

16

9. Write short note on :

- Rebate on Bills Discounted.
- Bills for Collection.
- Statutory Reserves.
- Acceptances, endorsements and other obligations.

16

Roll No. ....

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## BBA 2nd Semester (N.S.) 2014-17 Examination – April, 2018

### COMPANY ACCOUNTS

Paper: BBAN-203

Time : Three Hours ] [ Maximum 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 examination.

Note : Section A is compulsory. Attempt any four questions from section B by selecting atleast one question from each Unit. Each question carries equal marks.

#### SECTION – A

- What is share ?
  - Differentiate between capital reserve and reserve capital.
  - What is sinking fund ?
  - Who is underwriter ?
  - What is provision for doubtful debt ? Why it is created ?
  - Explain accounting standard 4.

(g) Define average profit method for valuation of goodwill? 16

(h) What is stock invest? 16

## SECTION - B

### UNIT - I

2. A Ltd. was formed for the purpose of purchasing B Ltd. And was registered with a nominal capital of Rs. 2,00,000 divided into 2,000 equity shares of Rs. 100 each. 1,000 shares were issued as fully paid to the vendors in payment of the purchase consideration. The remaining 1,000 shares were offered for public subscription at a premium of Rs. 5 per share payable as under: On Application Rs. 30 per share; on allotment Rs. 25 per share (including premium); on first call Rs. 20 per share and on final call Rs. 30 per share. Applications were received for 900 shares which were duly allotted, and the allotment money was duly received. At the time of the first call, a shareholder who held 100 shares failed to pay the first call money and his shares were forfeited. These shares were re-issued at Rs. 60 per share, Rs. 70 per share paid. Final call has not been made.

You are required to (1) give necessary journal entries to record the above transactions. And (2) show how share capital would appear in the balance sheet of the company. 16

3. What is acquisition of business? Describe the journal entries of acquisition of business in the books of purchasing companies with imaginary figures. 16

57513-3100-(P-4)(Q-9)(18) (2)

### UNIT - II

4. What is meant by Debentures redemption Fund? How is the redemption fund utilized for the redemption of debentures? Explain with the help of entries. 16

5. AB Ltd. issued 40,000 equity shares of Rs. 10 each at 5% premium. The issue of was underwritten by C 75% and D 25%. The public applied for 32,000 shares which included marked applications of C 15,000 shares and D 3,000 shares. It was agreed that underwriters be paid commission at 2% at the issue price. Determine the liabilities of C and D give necessary journal entries in the books of the company. 16

### UNIT - III

6. Prepare in a summarized form the balance sheet of a company as per Schedule III of company Act 2013 by taking imaginary figures. Also explain the main items in brief. 16

7. Beta Ltd. went into voluntary liquidation. The details regarding liquidation are as follows: Share Capital:

1. 1,000 8% Preference shares of Rs. 100 each (fully paid-up)
2. Class A-1,000 equity Shares of Rs. 100 each (Rs. 75 paid-up)
3. Class B-800 Equity shares of Rs.100 each (Rs. 60 paid-up)
4. Class C-700 Equity shares of Rs. 100 each ( Rs. 50 paid-up)

Assets including machinery realized : Rs. 2,10,000; and liquidation expenses amount to Rs. 7,500. Beta Ltd. has borrowed a loan of Rs. 25,000 from Alpha Brothers

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