

57513

BBA 2nd Semester (2014-17)

Examination – May, 2026

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 : This Paper consists of two Sections (Section A and B) Section-A is *compulsory* and carrying questions of two marks each while section-B consist of eight questions of sixteen marks each. The students shall be required to attempt *four* questions from Section-B selecting *one* question from each Unit. All questions carry equal marks.

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R.T.O.

SECTION – A

1. Write short notes on :

- (a) Pro-rata allotment of Shares.
- (b) Capital Redemption Reserve.
- (c) Debenture Redemption Fund.
- (d) Sub-Underwriting
- (e) Contingencies and events occurring after the balance sheet.
- (f) Deficiency Account.
- (g) Factors considered for valuation of goodwill.
- (h) Disadvantages of Net Assets Method.

SECTION – B

UNIT – I

2. Distinguish between the following :

- (a) Capital Reserve and Reserve capital.
- (b) Call in Arear and Call in Advance.
- (c) Share forfeiture and Share Surrender.

3. Why is it necessary to find out Profit Prior and after incorporation ? Explain in detail.

UNIT – II

4. XYZ Ltd. Issued 1,00,000 debentures of ₹ 100 each at a discount of 6%. The expenses on issue Amounted to ₹ 3,50,000. The debentures have to be redeemed at the rate of ₹ 10,00,000 each year commencing with the end of the fifth year. How much discount and expenses should be written off each year ?
5. What do you mean by deferred interest expenses ? Explain the method of computing national interest.

UNIT – III

6. ABC Ltd. was registered with an authorized capital of ₹ 10,00,000 divided into shares of ₹ 10 each of which 40,000 shares had been issued and fully paid. The following is the trial balance extracted on 31st March, 2022.

	Dr (₹)	Cr (₹)
Stock as on 1 st April 2022	1,86,420	
Purchases and sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing wages	1,09,740	
Sundry Manufacturing Expenses	19,240	
Carriage Inward	4,910	
18% Bank loan (Secured)	—	50,000
Interest on Bank loan	4,500	
Office Salaries		17,870
Auditor's fees	8,600	
Director's Remuneration.	26,250	
Preliminary Expenses	6,000	

Freehold Premises	1,64,210	
Plant and machinery	1,28,400	
Furniture	5,000	
Debtors and creditors	1,05,400	
Loose Tools	12,500	
Cash in hand	19,530	
Cash at Bank	96,860	
Advance Payment of Tax	84,290	
Surplus as on 1 st April, 2022		38,640
Share Capital		4,00,000
	17,30,610	17,30,610

You are required to prepare P & L A/C and Balance sheet after taking into consideration the following adjustments :-

- (a) On 31st March 2022 Outstanding manufacturing wages and outstanding office salaries stood at ₹ 1,890.
- (b) Provide for interest on bank loan for 6 months.
- (c) Depreciation on Plant and machinery is to be Provided @ 15% while on office furniture it is to be @ 10%.
- (d) Write off 1/3rd of balance of Preliminary Expenses.
- (e) Make a Provision for Income Tax @ 50 %.
- (f) The directors recommended a Meriden (first) dividend @ 15% for the year ending 31st March, 2022 after a transfer of 5% of net Profits to General reserve. <https://www.pyqonline.com>
- (g) Corporate Dividend tax @ 18%.

7. Write short notes on the following :-

- (a) **Preferential Creditors**
- (b) **Deficiency Account.**
- (c) **β List of contributories**
- (d) **Receiver's statement of Account.**

UNIT – IV

8. Write short notes on the following :-
- (a) Rebate on Bills discounted.
 - (b) Bills for collection.
 - (c) Capital structure of Bank.
 - (d) Acceptances, Endorsements and other obligations.
9. Discuss the important provisions of Insurance Act 1938. What are the books required to be maintained by the Endurance Companies ?
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