

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**BBA Summer 2022-23 Examination**

Semester: 3  
Subject Code: 06101205  
Subject Name: Company Account

Date: 24/03/2023  
Time: 2.00am to 4.30pm  
Total Marks: 60

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**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as Directed.**

**A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

1. Forensic accountant must possess \_\_\_\_\_
  - a) Analytical Skill
  - b) Presentation Skill
  - c) Investigation Skill
  - d) All of the above
2. Under \_\_\_\_\_ Method historical accounting data are adjusted on the basis of GPI.
  - a) CPP
  - b) WPI
  - c) CAA
  - d) CCA
3. Accounting standard 14 is related to \_\_\_\_\_
  - a) Amalgamation
  - b) Cashflow statement
  - c) Balance sheet
  - d) Profit and Loss Account
4. For preparing Final accounts of company, preliminary expenses not written off is shown in \_\_\_\_\_
  - a) Balance sheet
  - b) Profit and Loss account
  - c) Cash Flow Statement
  - d) Fund Flow Statement
5. On sanction of bonus, amount is credited to \_\_\_\_\_
  - a) Preference share capital A/c
  - b) Capital Reserve A/c
  - c) Bonus to shareholder A/c
  - d) None

**B). Define the following. (Each of 1 mark) (05)**

1. Capital Reserve
2. vendor company
3. Forensic Accounting
4. amalgamation
5. Consolidation of Share

**C). Direct questions. (Each of 1 mark) (05)**

1. What do you mean by Absorption?
2. Give two examples of Current Liabilities.
3. Give two examples of Statutory Reserves.
4. What are Bonus Shares?
5. What is intrinsic value of shares?

**Q.2 Answer the following questions.**

A). What the advantages and limitations of Human Resource Accounting? (07)

B). A Ltd. and B Ltd. were amalgamated on and from 1-4-18, for this purpose A Ltd. absorbed B. Ltd. (08)

The following are the balance sheets as on 31-03-2018

Liabilities	A (Rs.)	B (Rs.)	Assets	A (Rs.)	B (Rs.)
Share Capital :			Fixed Assets	30,36,000	17,28,000
Equity shares of Rs. 10 each	24,00,000	14,40,000	Current Assets	13,80,000	12,00,000
12% preference share of Rs. 100 each full paid up	10,56,000	8,16,000	Investment	3,36,000	2,40,000
General Reserve	2,40,000	1,20,000			
Export profit reserve	1,44,000	96,000			
Investment allowance reserve	-	48,000			
Profit & Loss A/c	3,60,000	2,40,000			
14% Debentures of Rs. 100 each	2,40,000	1,68,000			
Creditors	2,16,000	1,68,000			
Bills Payable	96,000	72,000			
	47,52,000	31,68,000		47,52,000	31,68,000

A Ltd. discharged the purchase price as under :

- (1) 1,68,000 equity shares of Rs. 10 each fully paid were issued to equity shares of B Ltd.
- (2) 14% 8,976 preference shares of Rs. 100 were issued to preference shareholders of B Ltd.
- (3) 15% Debentures were issued to debentures holders of B Ltd., so that they get a premium of 10%.
- (4) Statutory reserve of B Ltd. are to be maintained for 2 more years.

**Q.3 Answer the following questions.**

Prepare Final Accounts of ABC Ltd, using Vertical Form for the year ending 31st March, 2018. The Authorized Capital of ABC Ltd. is Rs. 10,00,000. The following is the Trial Balance as on 31st March, 2018 (15)

Debit	Rs.	Credit	Rs.
Call-in Arrears	20,000	Paid up capital :	
Cash & Bank Balance	21,600	Equity shares	4,00,000
Debenture Red. Fund Investment &	40,000	7.5% cum. Preference Shares	2,00,000
Directors Fees	7,000	5% Mortgage Loan	1,00,000
Furniture	64,000	Share Premium	33,000
Income tax	56,000	Capital Reserve	1,10,000
Investment	3,31,400	Share Forfeiture Account	9,000
Land & Building	3,40,000	General Reserve	1,80,000
Loose Tools	24,000	Profit & Loss A/c.	11,000
Opening Stock	66,600	Income from Investments	19,000

Debit	Rs.	Credit	Rs.
P.F. Contribution	5,000	Reserve for Bad Debts	6,000
Plant & Machinery	2,30,000	Provident Fund	26,000
Post & Telegram	13,000	Public Deposit	29,200
Preliminary Exp.	12,000	Creditors	66,000
Purchase & Sales	2,13,000	Sales	5,20,000
Rent, Rate & Taxes	40,000	Deb. Red.Fund	40,000
Salaries	1,14,000	Bank Loan	50,800
Trade Debtors	1,32,000		
Wages	70,400		
	<b>18,00,000</b>		<b>18,00,000</b>

**Additional Information :**

1. Outstanding Expenses : Productive Wages Rs. 5,000; Salaries Rs. 6,000 and Rates and Taxes Rs. 3,000. And Prepaid Rent is Rs. 4,000.
2. Provide 5% Reserve for Bad Debts on Debtors.
3. Provide Depreciation: Plant & Machinery at 2%, Furniture at 5% and Land & Building at 4%.
4. The directors propose to pay 7.5% dividend on Pref. shares and 10% dividend on equity shares.
5. The value of stock on 31st March 2006 was Rs. 190,800.
6. Transfer Rs. 50,000 to General Reserve.

**Q.4 Attempt any two questions. (Each of 7.5 mark)**

(15)

1. Write a note on Environmental accounting in India
2. Differentiate between Pooling of Interest Method and Purchase Method under Amalgamation.
3. What is ESOP? Explain the SEBI Guideline related to ESOP/ESOS in detail.
4. The Balance Sheet of Adarsh Ltd. on 31-3-2018 was as follows :

Liabilities	Rs.	Assets	Rs.
2,00,000 equity shares of Rs. 10 each fully paid	5,00,000	Fixed Assets	3,75,000
Share Premium	1,25,000	Current Assets	6,75,000
General Reserve	2,50,000		
Profit & Loss A/c.	50,000		
Sundry Creditors	1,25,000		
	<b>10,50,000</b>		<b>10,50,000</b>

The company wants to buy-back its 15,000 shares. For this purpose it issues 10% 5,000 redeemable preference shares of Rs. 10 each which are fully subscribed and paid up. The company buys-back the shares at Rs. 14 per share.

Give Journal Entries to the buy-back of share.