

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2019-20 Examination

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

Date: 28/11/2019
Time: 2.00 pm to 4.30 pm
Total Marks: 60

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. What details are shown under the head of Investments ?
 - a) Fixed Deposit
 - b) Equity Shares
 - c) Debenture
 - d) Bonds
2. The following is an examples of Statutory Reserves.
 - a) Capital Redemption Reserve
 - b) General Reserve
 - c) Capital Reserve
 - d) Debenture Fund
3. Under purchase method, Net Assets- Purchase consideration = _____
 - a) Goodwill
 - b) Capital Reserve
 - c) Gross Assets
 - d) Equity
4. The following item is recorder in balance sheet but affect the balances
 - a) Preference Share Capital
 - b) Authorised Capital
 - c) Subscribed Capital
 - d) Paid up capital
5. The following is not methods of Human Resources Accounting
 - a) Salary Capitalisation
 - b) Replacement Cost Method.
 - c) Economic Value Method.
 - d) Activity Base cost method

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

1. Capital Reserve
2. Current Liabilities
3. Absorption
4. Bonus Shares
5. Forensic Accounting

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

1. A company converted its 20 equity shares of Rs. 10 each into Equity stock of Rs. 105.
Give Journal Entries
2. What is intrinsic value of shares?
3. Give one difference between Merger and Amalgamation
4. From what sources can bonus shares be issued?
5. Give two examples of miscellaneous expenses

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 1-4-19, for this purpose A Ltd. absorbed B. (08)

Ltd. The following are the balance sheets on this date :

Liabilities	A (Rs.)	B (Rs.)	Assets	A (Rs.)	B (Rs.)
Share Capital :			Fixed Assets	24,28,800	13,82,400
Equity shares of Rs. 10 each	19,20,000	11,52,000	Current Assets	11,04,000	9,60,000
12% preference share of Rs. 100 each full paid up	8,44,800	6,52,800	Investments	2,68,800	1,92,000
General Reserve	1,92,000	96,000			
Export profit reserve	1,15,200	76,800			
Investment allowance reserve		38,400			
Profit & Loss A/c	2,88,000	1,92,000			
14% Debentures of Rs. 100 each	1,92,000	1,34,400			
Creditors	1,72,800	1,34,400			
Bills Payable	76,800	57,600			
	38,01,600	25,34,400		38,01,600	25,34,400

A Ltd. discharged the purchase price as under :

- (1) 134400 equity shares of Rs. 10 each fully paid were issued to equity shares of B Ltd.
- (2) 14% 7,181 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.

Prepare the Balance Sheet after amalgamation in following cases : When amalgamation is in the nature of purchase.

Q.3 Answer the following questions.

- A). The Balance Sheet of Anmol Ltd. on 31-3-2019 was as follows : (07)

Liabilities	Rs.	Assets	Rs.
40,000 equity shares of Rs. 10 each fully paid	4,00,000	Fixed Assets	3,00,000
Share Premium	1,00,000	Current Assets	5,40,000
General Reserve	2,00,000		
Profit & Loss A/c	40,000		
Sundry Creditors	1,00,000		
	8,40,000		8,40,000

The company wants to buy-back its 12,000 shares. For this purpose it issues 10% 4,000 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 give effect to the above after the buy-back.

B). Give the proforma of Balance Sheet and Profit & Loss Account (with schedules) using imaginary figures under vertical form **(08)**

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. Explain the role of Forensic Accountant
2. Give Journal Entries in the books of Vendor Company on Absorption with imaginary figures.
3. Write a note on ESOP and state the SEBI guidelines for ESOP.
4. From the following Trial Balance of ABC Ltd as on 31st March, 2019. Prepare Balance sheet of the company using Vertical Form

Particulars	Debit Rs.	Credit Rs.
5% Mortgage Debentures		1,00,000
7.5% cum. Preference Shares		2,00,000
Bank Loan		29,200
Call-in Arrears	20,000	
Capital Reserve		1,10,000
Cash & Bank Balance	56,000	
Creditors		66,000
Debenture Red. Fund Investment & Deb. Red.	40,000	40,000
Directors Fees	13,000	
Equity shares		4,00,000
Fund	40,000	
Furniture	64,000	
General Reserve		1,80,000
Income tax		11,000
Investment	3,31,400	
Land & Building	3,40,000	
Loose Tools	24,000	
Opening Stock	66,600	
P.F. Contribution	21,600	
Plant & Machinery	2,30,000	
Post & Telegram	5,000	
Preliminary Exp.	12,000	
Profit & Loss A/c.		6,000
Provident Fund		26,000
Public Deposit		19,000
Purchase & Sales	2,13,000	5,20,000
Rent, Rate & Taxes	7,000	
Reserve for Bad Debts		50,800
Salaries	1,14,000	
Share Forfeiture Account		9,000
Share Premium		33,000
Trade Debtors	1,32,000	
Wages	70,400	
Total	18,00,000	18,00,000