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Reg. No.....

Name.....

**FIVE YEAR B.B.A., LL.B. (HONOURS) DEGREE EXAMINATION
OCTOBER 2025**

Fourth Semester

FB 12—COMPANY ACCOUNTS

(2023 Admissions—Regular/2018 to 2022 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. Distinguish between amalgamation and absorption.
2. Describe the meaning of buy back of shares.
3. What are bonus shares ?
4. Narrate the different types of share capital.
5. Define external reconstruction.
6. State the sources for the redemption of debentures..

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks

7. What do you mean by purchase consideration ? Give the accounting entries in the books of purchasing company and Vendor Company.
8. Pass the necessary journal entries in the books of S Ltd in the following cases:
 - (a) 6,000 9 % debentures of Rs. 100 each have been issued at par are redeemable at par.
 - (b) 8,000 7 % debentures of Rs. 100 each are issued at par and redeemable at 10 % premium.
 - (c) 4,000 6 % debentures of Rs.100 each have been issued at 6% discount and are redeemable at par.

Turn over

- (d) 3,500 9 % debentures of Rs. 100 each are issued at 6 % discount and redeemable at 5 % premium.
- (e) 5,000 9 % debentures of Rs. 100 each are issued at 10 % premium and are redeemable at par.
9. On 1st Jan 2014, 10,000, 6 % Redeemable Preference shares of Rs. 100 each fully paid in A Ltd. are outstanding. These shares are redeemed at Rs. 110 each. 4,000 equity Shares of Rs. 100 each are issued at Rs. 105 for cash for the purpose of redemption. The balances of Profit and Loss account are Rs. 14,66,000. Pass the journal entries in the books of A Ltd. to record the redemption of preference shares.
10. (a) A company has a paid up share capital of Rs. 3,20,000 divided into 40,000 equity shares of Rs. 10 each. Rs. 8 per share paid up. The Profit and Loss A/C shows a credit balance of Rs. 1,40,000.
- The company decides to reduce the paid up share capital to Rs. 6 per share paid up by paying off the necessary amount out of accumulated profits through internal reconstruction. Give necessary journal entries.
- (b) Meena Ltd had Rs 6,00,000 authorised capital on 31-12-2012 divided into shares of Rs 100 each out of which 3,000 shares were issued and fully paid up. In June 2013 the company decided to convert the issued shares in stock. But in June 2014 the company again reconverted the stock into shares of Rs.10 each fully paid up. Pass necessary entries and show how the share capital will appear in Balance Sheets as on 2013 and 2014.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. Discuss the conditions for redemption of preference shares in the companies Act and also explain the different sources for redemption.

12. On 31st March, 2014 Rajul Ltd and Rahul Ltd, agreed to amalgamate and form a new company called as Rohit Ltd on the following conditions:

- Rohit Ltd will take over all the assets and liabilities of Rajul Ltd and Rahul Ltd at their existing value.
- The purchase consideration will be determined by net assets value method.
- The consideration to be discharged by the Rohit Ltd. in the form of its fully paid equity shares of Rs. 10 each at par.

The following are the balance sheet of the companies :

Balance Sheet of Rajul Ltd. As On 31st March, 2014

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Equity share capital of Rs 100 each	... 2,00,000	Land and Building	... 1,00,000
General reserve	... 20,000	Plant and Machinery	... 48,000
Profit and Loss account	... 4,000	Patent	... 5,000
Creditors	... 6,000	Stock in trade	... 28,000
		Debtors	... 36,000
		Bills receivable	... 4,000
		Cash at bank	... 9,000
Total	2,30,000	Total	2,30,000

Balance Sheet of Rahul Ltd As On 31st March, 2014

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Equity share capital of Rs 100 each	... 1,60,000	Land and Building	... 90,000
General reserve	... 30,000	Plant and Machinery	... 38,000
Profit and Loss account	... 10,000	Patent	... 4,000
Creditors	... 2000	Stock in trade	... 30,000
		Debtors	... 32,000
		Bills receivable	... 4,000
		Cash at bank	... 4,000
Total	2,02,000	Total	2,02,000

You are required to pass the necessary journal entries and prepare a balance sheet in the books of Rohit Ltd after amalgamation in the nature of merger.

Turn over

13. The Alfa manufacturing Company Limited was registered with a nominal capital of Rs. 6,00,000 in Equity Shares of Rs. 10 each. Prepare Trading and Profit and Loss Account and Balance Sheet in proper form after making the following adjustments:

Depreciate Plant and Machinery by 10 %. Write off Rs. 500 from Preliminary Expenses. Provide half year's Debenture interest due. Leave Bad and Doubtful Debts Reserve at 5% on Sundry Debtors. Stock on 31st December, 2004, was Rs. 95,000.

The following is the list of balances of the Alfa company extracted from its books on 31st December, 2014.

	Rs.
Wages	84,865
Calls-in-arrears	7,500
Premises	3,00,000
Plant and Machinery	3,30,000
Interim Dividend paid on 1 st August, 2004	37,500
Stock, 1 st January, 2004	75,000
Fixtures	7,200
Sundry Debtors	87,000
Goodwill	25,000
Cash in hand	750
Cash at Bank	39,900
Purchases	1,85,000
Preliminary Expenses	5,000
General Expenses	16,835
Freight and Carriage	13,115
Salaries	14,500
Director's Fees	5,725
Bad Debts	2,110
Debenture Interest paid	9,000
Subscribed and fully called-up capital	4,00,000
6 % Debentures	3,00,000
Profit and Loss Account (Cr. Balance)	14,500
Bills Payable	38,000
Sundry Creditors	50,000
Sales	4,15,000
General Reserve	25,000
Bad Debts Reserve 1 st January, 2004	3,500

(2 × 15 = 30 marks)