



**B. P. COLLEGE OF BUSINESS ADMINISTRATION**  
**(A Constituent college of Kadi Sarva Vishwavidyalaya)**  
**MID SEM Examination- February-2013**

Date: 14/02/13

BBA SEM -II

Total marks: 40

Roll No.....

SUB: Financial Accounting-I (BBA 10)

Duration: 1 ½ hrs

**Q:1** A company limited issued 3,00,000 equity shares of Rs.10 each payable as under: **[08]**

On application	Rs.5 per share
On Allotment	Rs.3 per share (including Rs.0.50 premium)
On first and final call	Rs.2.50 per share

Applications were received for 5,00,000 shares. It was decided to allot shares as follows:

- Applications for 70,000 shares were rejected.
- Full allotment was made to applicants of 40,000 shares.
- The balance was allotted on pro-rata to the remaining applicants.
- The excess application money was to be credited to allotment money.

One applicant who was allotted shares pro-rata, failed to pay call money and his 200 shares were forfeited. These shares were reissued at Rs.9 per share. Make journal entry.

**Q:2 [A] Choose the correct answer: [04]**

- A company wants to redeem Rs.1,00,000 preference shares at 10% premium. The company has Profit of Rs.20000 and security premium of Rs.8000. Find out the amount of fresh issue of shares.  
[a] Rs.180000 [b] Rs.172000 [c] Rs.182000 [d] Rs.92000
- A share of Rs.10 originally issued at Rs.12 has been forfeited by company for non-payment of first call Rs.3 and final call Rs.3. Find out the maximum permissible discount on reissue of share.  
[a] Rs.6 [b] Rs.7 [c] Rs.4 [d] Rs.9
- Capital redemption reserve account can be used to –  
[a] to pay interest [b] to issue bonus shares [c] to pay rent [d] None of these
- A share of Rs.10 originally issued at discount of Rs.1 has been forfeited by company for non-payment of first call Rs.2 and final call Rs.2. Find out the credited to 'share forfeited a/c'.  
[a] Rs.6 [b] Rs.5 [c] Rs.8 [d] Rs.7

**Q:2 [B]** Shiv Ltd. has 5000, 10% redeemable preference shares of Rs.100 each. The shares are ready for redemption now. Company will redeem preference shares at 5% premium. The company has sufficient amount of General Reserve, out of which these shares can be redeemed. The company has sufficient balance in share premium account for payment of premium on redemption. Journalise the above transactions. **[04]**

OR

**Q:2 [B]** What are the conditions for redemption of preference shares? **[04]**

**Q:3** A limited makes a public issue of 1,00,000 equity shares of Rs.10 each at a discount of Rs.1 Per share, payable as follows:

On Application and Allotment	Rs.3
On First Call	Rs.4
On Second Call	Rs.2

Sunil holding 1000 shares does not pay the second call. His shares are forfeited. Out of these shares, 500 shares were reissued as fully paid up @ Rs.5 per share.

Set out the necessary journal entries.

**OR**

**Q:3** What do you mean by issue of shares at premium? Explain the provisions of section 80 for use of premium account.

**Q:4** What are the types of Share Capital? Explain in detail. **[08]**

**OR**

**Q:4** What are the conditions for issue of shares at discount? **[08]**

**Q:5** Explain any **FOUR** terms with example: **[08]**

1. Calls in Arrears
2. Calls in Advance
3. Under-Subscription
4. Over-Subscription
5. Issue of shares at Discount