

Dr. Babasaheb Ambedkar Open University
Term End Examination February – 2026

Course	: BBA	Date	: 13-02-2026
Subject Code	: BBACC202 / DBACC202	Time	: 03:00am to 05:15pm
Subject Name	: Corporate Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1. Explain the Different types of company in detail. **14**

OR

Discuss the advantages and disadvantages of buy-back of share.

Q-2. Prepare a statement of Balance Sheet of a company as per the revised Schedule III of the Companies Act, 2013. **14**

OR

The following balances were recorded in the books of Nirant Co. Ltd. on 31-3-24:

Debit Balance	Rs.	Credit Balance	Rs.
Income Tax	70,000	Reserve for Bad debts	7,500
Calls-in arrears (Equity Shares)	25,000	Debenture Redemption Fund	50,000
Cash and Bank balance	27,000	Income from Investment	23,750
Land & Building	4,25,000	Public Deposit	36,500
Opening Stock	83,250	Loan from B.O.I.	63,500
P. F. Contribution	6,250	Profit & Loss A/c	13,750
Plant & Machinery	2,87,500	Creditors	60,000
Furniture	80,000	Bills Payables	22,500
Investments	4,14,250	Sales	6,50,000
Loose Tools	30,000	5% Debentures (mortgage)	1,25,000
Postage and Telegram	10,000	Provident Fund	32,500
Stationary Expenses	6,250	Capital Reserve	1,37,500
Rent and Taxes	50,000	Securities Premium	41,250
Salary	1,42,500	Share Forfeiture A/c	11,250
Director's Fees	8,750	General Reserve	2,25,000
Debtors	1,65,000	7.5% Pref. Share Capital	2,50,000
Preliminary Expenses	15,000	Equity Share Capital	5,00,000
Productive Wages	88,000		
Debenture Redemption Fund Investments	50,000		
Purchases	2,66,250		
	22,50,000		22,50,000

You are required to prepare Profit & Loss Statement and the Balance Sheet (as per Schedule III) on that date after taking into account the following additional

information:

- 1) The Stock on 31-3-24 was Rs. 2,38,500.
- 2) Provide 5% reserve for bad debts on Debtors.
- 3) Prepaid rent amounted to Rs. 5,000.
- 4) Provide depreciation on Plant & Machinery at 2%, on Furniture at 5% and on Land & Building at 4%.
- 5) The authorized capital of the company amount to Rs. 12,50,000.
- 6) The directors of the company recommended 7.5% dividend on preference share capital and 10% on Equity Share Capital.
- 7) Transfer Rs. 50,000 to General Reserve.
- 8) Outstanding Expenses:
 - Productive Wages Rs. 6,250
 - Salaries Rs. 7,500
 - Rates and Taxes Rs. 3,750
- 9) Provision for Dividend distribution tax is to be made at 20% on proposed dividend.

Q-3. Describe the factor affecting The Valuation of shares. **14**

OR

A Ltd decided to issue 1,00,000 equity shares. The whole issue was underwritten by 5 underwriters as follows - X: 25%, Y: 15%, W: 10%, P: 30% and Z: 20%. Applications bearing stamp of underwriters, X: 13,750, Y: 10,250, W: 9,250, P: 8,250, Z: 8,500 were received. 30,000 Shares did not bear mark of any underwriter. Find the liability of individual underwriters. Unmarked applications are to be distributed amongst the underwriters in the ratio of their liability.

Q-4. What is Capital Reduction? Explain The objectives and types of capital reduction. **14**

OR

Explain The disbursements by the liquidator in detail.

Q-5 (A) Write Short Notes on: (Any Three) **09**

1. Alteration in the form of Share Capital
2. Sources of Bonus Share
3. Types of Debentures
4. Objectives of Human Resource Accounting
5. Benefits and Challenges of Social Responsibility Accounting

Q-5 (B) Choose the correct option: **05**

1. What is the minimum requirement for a company to alter its share capital?
 - (a) Board resolution
 - (b) Approval of shareholders in a general meeting
 - (c) Approval of the Registrar of Companies
 - (d) Approval of SEBI

2. What is the primary purpose of capital reduction?
 - (a) To increase the share capital of a company
 - (b) To reorganize the company's capital structure
 - (c) To pay dividends to shareholders
 - (d) To issue new shares
3. Which of the following methods is used to value human resources in Human Resource Accounting?
 - (a) Historical cost method
 - (b) Present value method
 - (c) Cost-benefit method
 - (d) All of the above
4. What is inflation accounting?
 - (a) A method of accounting that adjusts financial statements for changes in the general price level.
 - (b) A method of accounting that ignores changes in the general price level.
 - (c) A method of accounting that adjusts financial statements for changes in specific prices.
 - (d) A method of accounting that adjusts financial statements for changes in foreign exchange rates.
5. What is the effect of capital reduction on a company's net worth?
 - (a) It increases the net worth
 - (b) It decreases the net worth
 - (c) It has no impact on the net worth
 - (d) It depends on the purpose of the reduction
