

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION : MAY - 2024

SEMESTER - II

Sub. : Financial Accounting (BBA15- 212)

Date : 16/05/2024

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Salary paid is an example of.....

a) Employees benefit expenses	a) Investment Activities
b) Financial Activities	c) None of the given

2. analysis of financial ratios developed for a particular date for a particular accounting period.

a) Vertical Analysis	a) Horizontal analysis
b) External Analysis	c) None of the given

3.is an employee benefit plan that gives workers ownership interest in the company.

a) ESOPs	b) Buy Back
c) Forfeiture of Shares	d) None of the given

4. Unless the shares are..... paid they cannot be redeemed.

a) 50%	b) Fully
c) 70%	d) 20%

5. Issue of shares is an inexpensive method of raising capital base of the company.

a) Bonus	b) Preference shares
c) Equity	d) None of the given

Q. 2. State True / False (05)

1. Government is true owners of a company.

a) True	b) False
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2. Trial Balance is prepared to evaluate financial position of a company.

a) True	b) False
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3. Balance Sheet is prepared every month.

a) True	b) False
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4. A company pays Interest as return on shares to shareholders.

a) True	b) False
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5. Compulsory termination of shareholdership due to non payment of call money is treated as Forfeiture of shares.

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Share Premium
2. Types of Shares
3. Share Buyback
4. Winding up of a company
5. Significance of Share Capital in a company's financial structure.

Q. 4. Answer in detail (Any Two) (20)

1. Analyze how a buyback of shares and the redemption of preference shares may be perceived by investors. How do these actions influence shareholder confidence and market perception?
2. Samsung Ltd. issued 50,000 Equity Shares of Rs. 10 each at a premium of Rs. 2 per share. The amount was to be paid as follows:
 - On application: Rs. 4
 - On allotment: Rs. 5 (including premium)
 - On the first and final call: Rs. 3

The public applied for 50,000 shares, and shares were fully allotted. All money due was collected, with the exception of the final call on 500 shares, and these shares were forfeited. These forfeited shares were reissued as fully paid for a payment of Rs. 9 per share. Pass necessary journal entries
3. Lexicon Ltd. issued 4,000 10% debentures with a face value of Rs. 100 each at 95% on April 1, 2023. These debentures are repayable through five equal annual installments of Rs. 20 each. Calculate the annual amount of discount to be amortized each year, considering that the company finalizes its accounts on March 31 every year.

Q. 5. Case study (15)

Yoyo Ltd. issued 50,000 Equity Shares of Rs. 50 each at a premium of Rs. 15 per share. The payment schedule was as follows:

- On application: Rs. 25
- On allotment: Rs. 20 (including premium)
- On the first call: Rs. 10
- On the final call: Rs. 10

The public applied for 70,000 shares. The company decided to refund application money on 20,000 shares, and the remaining applications received shares on a pro-rata basis. All money due was received, except in the following two cases:

Mr. Jayant did not pay the first and final call on 200 shares.

Mr. Ranjan did not pay the final call money on 300 shares.

The company forfeited the shares of Mr. Jayant and Mr. Ranjan and reissued them to Geeta at Rs. 9 per share as fully paid.

Pass necessary journal entries.