

Seat No. : 01453

DC-109

December-2017

B.B.A., Sem.-III

CC-205 : Company Accounts

Time : 3 Hours]

[Max. Marks : 70

- Instructions :** (1) Figures to the right indicate full marks.
(2) Shows calculations as part of your answer.

1. (a) Explain the SEBI guidelines for the issue of Bonus Shares. 7

OR

Balance Sheet of Surya Co. Ltd. as at 31-3-2017 is as under :

Liabilities	₹	Assets	₹
Issued and paid up share capital 80,000 equity shares of ₹ 10 each	8,00,000	Fixed Assets	8,00,000
Profit & Loss a/c.	3,00,000	Stock	3,00,000
General Reserve	3,60,000	Sundry Debtors	1,60,000
10% Debentures	2,00,000	Cash and Bank	4,00,000
	16,60,000	Balance	4,00,000
			16,60,000

It was resolved at Annual General Meeting :

- (i) To pay dividend of 10%.
(ii) To issue one bonus share for every four shares held.
(iii) To repay the debentures at a premium of 3%.

Pass the necessary journal entries and prepare the Balance Sheet of the company after transactions are completed.

- (b) (i) Explain the meaning of employee stock option scheme. 3
(ii) Explain the meaning and conditions of buy back of shares. 4

OR

A company decided to issue equity stock in the following manner in exchange of 4,000 equity shares of ₹ 100 each fully paid : 4

- (1) At the rate of ₹ 105 for each share.
(2) At the rate of ₹ 95 for each share.

Give necessary journal entries.

4. (A) Explain the relationship between Average Cost and Marginal Cost with the help of diagram. 7

OR

Explain the law of returns to scale in detail.

- (B) Explain the law of variable proportion with diagram. 7

OR

Write a note on :

- (i) Opportunity cost
- (ii) Fixed cost and Variable cost

5. Answer the following questions : 14

- (1) Define normative approach.
- (2) When demand for a product is independent. It is called
 - (a) Derived demand
 - (b) Market demand
 - (c) Autonomous demand
 - (d) Industry demand
- (3) Define Active forecasting.
- (4) Managerial Economics is concerned with normative approach. (True/False)
- (5) Indifference curve analysis is based on
 - (a) Ordinal utility
 - (b) Cardinal utility
 - (c) Time utility
 - (d) Place utility
- (6) Define indifference curve.
- (7) What would be E_C , when x and y are complementary goods ?
 - (a) Positive
 - (b) Negative
 - (c) Infinity
 - (d) Zero
- (8) ISO-cost curve is also known as equal expenditure curve. (True/False)
- (9) Define short-run production function.
- (10) Two ISO-quants can intersect each other. (True/False)
- (11) Define Marginal Cost.
- (12) All cost are variable in long run. (True/False)
- (13) Durable goods are used more than one time. (True/False)
- (14) Define opportunity cost.