



Roll No.									
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# PRESIDENCY UNIVERSITY

## BENGALURU

### Mid - Term Examinations – October 2025

**Date:** 07-10-2025

**Time:** 11.45am to 01.15pm

<b>School:</b> SOC	<b>Program:</b> B. COM (ACCA)	
<b>Course Code:</b> COM2008	<b>Course Name:</b> Corporate Accounting	
<b>Semester:</b> III	<b>Max Marks:</b> 50	<b>Weightage:</b> 25%

<b>CO - Levels</b>	<b>CO1</b>	<b>CO2</b>	<b>CO3</b>	<b>CO4</b>	<b>CO5</b>
<b>Marks</b>	<b>26</b>	<b>24</b>	-	-	-

#### Instructions:

- (i) *Read all questions carefully and answer accordingly.*
- (ii) *Do not write anything on the question paper other than roll number.*

### Part A

**Answer ALL the Questions. Each question carries 2 marks.**

**5Q x 2M=10M**

<b>1</b>	Define reserve capital.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>2</b>	Ram Ltd. forfeited 2000 shares of Rs 10 each (issued at par) held by Naresh for non-payment of allotment money of Rs 4 per share. The called-up value per share was Rs 9. Pass forfeiture entry along with working note.	<b>2 Marks</b>	<b>L2</b>	<b>CO1</b>
<b>3</b>	Write short-note on oversubscription.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>4</b>	X Ltd. was incorporated on 1 July 2021 to take over business of Z Ltd. from 1 April 2021. The year ended on 31 March 2022. Calculate the pre incorporation period.	<b>2 Marks</b>	<b>L2</b>	<b>CO2</b>
<b>5</b>	Define post-incorporation profit.	<b>2 Marks</b>	<b>L1</b>	<b>CO2</b>

### Part B

**Answer ALL the Questions. Each question carries 10 marks.**

**4Q x 10M=40M**

<b>6.</b>	Explain 4 different types of preference shares which can be issued by the company.	<b>10 Marks</b>	<b>L2</b>	<b>CO1</b>
<b>Or</b>				

7.	<p>Karun Ltd. issued a prospectus inviting applications for 40,000 shares of Rs 10 each, payable Rs 2 on application, Rs 3 on allotment and Rs 5 on first and final call. Applications received for 60, 000 shares and allotment was made pro-rata to the applicants of 48,000 shares. Money overpaid on application was utilized towards sums due on allotment.</p> <p>Kalam to whom 800 shares were allotted failed to pay the allotment. On his subsequent failure to pay the first and final call, his shares were forfeited. Above 800 forfeited shares were reissued for Rs. 9 fully paid up.</p> <p>Prepare journal entries in the books of the company. Also include necessary working notes.</p>	10 Marks	L3	CO1
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8.	<p>M Ltd. issued 30,000 equity shares for public subscription at Rs 10 each at a premium of Rs 2 per share, payable as follows:</p> <table border="1" data-bbox="192 795 1152 1042"> <thead> <tr> <th></th><th style="text-align: center;"><b>Rs per share</b></th></tr> </thead> <tbody> <tr> <td><b>On application</b></td><td style="text-align: center;"><b>2</b></td></tr> <tr> <td><b>On allotment</b></td><td style="text-align: center;"><b>5 (including premium)</b></td></tr> <tr> <td><b>On first call</b></td><td style="text-align: center;"><b>2</b></td></tr> <tr> <td><b>On second and final call</b></td><td style="text-align: center;"><b>3</b></td></tr> </tbody> </table> <p>Applications received for 50, 000 shares. Allotment was made pro-rata to the applicants for 40, 000 shares and the remaining applicants were rejected. Money overpaid on application was applied towards sums due on allotment. Company received all money duly.</p> <p>Prepare journal entries.</p>		<b>Rs per share</b>	<b>On application</b>	<b>2</b>	<b>On allotment</b>	<b>5 (including premium)</b>	<b>On first call</b>	<b>2</b>	<b>On second and final call</b>	<b>3</b>	10 Marks	L3	CO1
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<b>Or</b>														
9.	<p>Compare the following concepts:</p> <ul style="list-style-type: none"> <li>a) Calls-in-Arrears and Calls-in Advance</li> <li>b) Equity Shares and Preferences Shares</li> </ul>	10 Marks	L2	CO1										

10.	<p>Identify and explain the reason of apportioning following expenses in time or sales ratio:</p> <ul style="list-style-type: none"> <li>(i) Audit Fees</li> <li>(ii) Salary</li> <li>(iii) Depreciation on fixed Assets</li> <li>(iv) Insurance</li> <li>(v) Advertisement expenses</li> </ul>	10 Marks	L3	CO2		
<b>Or</b>						
11.	<p>S Ltd. was incorporated on 1<sup>st</sup> July, 2021 to acquire a running business of Amar Sons with effect 1<sup>st</sup> April, 2021. During the year 2021-22, the total sales were Rs 24,00,00 of which Rs 4,80,000 were for the first six month. The Gross profit of the company Rs 3,90,800. The expenses debited to the Profit &amp; Loss Account included:</p> <table border="1" data-bbox="192 2102 1152 2133"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Amount Rs.</th> </tr> </thead> </table>	Particulars	Amount Rs.	10 Marks	L3	CO2
Particulars	Amount Rs.					

	Director's fees	30,000			
	Bad debts	7,200			
	Advertising (under a contract amounting to Rs 2,00 per month)	24,000			
	Salaries and General Expenses	1,28,000			
	Preliminary expenses written off	10,000			
	Donation to a political party given by the company	10,000			
	Prepare a statement showing pre-incorporation and post-incorporation profit for the year ended 31 <sup>st</sup> March, 2022.				

12.	Cheetah Limited incorporated on 1 <sup>st</sup> April 2020. The following information is available for the year ended 31 <sup>st</sup> December 2020.  (i) Sales for 12 months amounted to ₹ 6,00,000. (ii) Month wise sales for the year: January, April, and May: Average sales February, August and December: Double the average sales March and October: 1/2 of the average sales November: 1/4 of the average sales Remaining will be considered for the rest of the months. Determine the sales ratio for the period of pre- and post-incorporation periods.	<b>10 Marks</b>	<b>L3</b>	<b>CO2</b>
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**Or**

13.	The promoters of Glory Ltd. took over on behalf of the company a running business with effect from 1 <sup>st</sup> April, 2021. The company got incorporated on 1 <sup>st</sup> August, 2021. The annual accounts were made up to 31 <sup>st</sup> March, 2022 which revealed that the sales for the whole year totaled Rs 1,600 lakhs out of which sales till 31 <sup>st</sup> July, 2021 were for Rs 400 lakhs. Gross profit ratio was 25%. The expenses from 1 <sup>st</sup> April 2021, till 31 <sup>st</sup> March, 2022 were as follows:  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th><th style="text-align: right; width: 40%;">Rs (in lakhs)</th></tr> </thead> <tbody> <tr> <td>Salaries</td><td style="text-align: right;">69</td></tr> <tr> <td>Rent, Rates and Insurance</td><td style="text-align: right;">24</td></tr> <tr> <td>Sundry office expenses</td><td style="text-align: right;">66</td></tr> <tr> <td>Travellers' Commission</td><td style="text-align: right;">16</td></tr> <tr> <td>Discount Allowed</td><td style="text-align: right;">12</td></tr> <tr> <td>Bad debts</td><td style="text-align: right;">4</td></tr> <tr> <td>Director's fees</td><td style="text-align: right;">25</td></tr> </tbody> </table> Prepare a statement showing the calculation of Profits for the pre-incorporation and post-incorporation periods.		Rs (in lakhs)	Salaries	69	Rent, Rates and Insurance	24	Sundry office expenses	66	Travellers' Commission	16	Discount Allowed	12	Bad debts	4	Director's fees	25	<b>10 Marks</b>	<b>L3</b>	<b>CO2</b>
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