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PRESIDENCY UNIVERSITY

BENGALURU

Mid - Term Examinations – October 2025

Date: 09-10-2025

Time: 11.45am to 01.15pm

School: SOL	Program: B. Com LLB	
Course Code: BCL2011	Course Name: Corporate Accounting	
Semester: III	Max Marks: 50	Weightage: 25%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	26	24	-	-	-

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 2marks.

5Q x 2M=10M

1	What do you mean by Holding Companies?	2 Marks	L1	CO1
2	List any two purposes for which the balance in the Securities Premium Account can be utilised as per legal provisions.	2 Marks	L1	CO1
3	a. Show the journal entries for the forfeiture of shares issued at par. b. Show the journal entries for the re-issue of forfeited shares	2 Marks	L1	CO1
4	Calculate and show the journal entry for underwriting commission paid to the underwriter when the gross liability is 50,000 shares at an issue price of Rs 10 per share	2 Marks	L3	CO2
5	What is partial underwriting?	2 Marks	L1	CO2

Part B

Answer the Questions.

Total Marks 40M

6.	ABC Ltd. issued 1,00,000 equity shares of ₹10 each at par. The terms of payment were: ₹4 on application, ₹3 on allotment, and ₹3 on final call. Applications were received for 1,20,000 shares. The directors allotted 1,00,000 shares. The excess application money was adjusted	10 Marks	L1	CO1
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	against the allotment money due. Ramesh, who was allotted 500 shares, failed to pay the allotment money of ₹3 per share and final call money of ₹3 per share. His shares were forfeited. What are the journal entries for: a) Issue of shares b) Forfeiture of shares			
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Or

7.	The Bharath Trading Company Ltd. with a registered capital of Rs 2,00,000 issued 10,000 equity shares of Rs 10 each. Payable Rs 3 on application, Rs 3 on allotment, Rs 2 on first call and Rs 2 on final call. All the shares were subscribed and the money duly received except the first call on 1,000 shares and final call on 2,000 shares. Show the journal entries.	10 Marks	L2	CO1
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8.	Explain the features of a company	10 Marks	L2	CO1
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Or

9.	Explain the following a. Authorized capital b. Called up capital c. Calls in arrears – calls in advance d. Forfeiture of shares	10 Marks	L2	CO1
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10.	A Public limited company with a capital of Rs.10,00,000 divided into equity share of Rs.10 each, places its entire issue in the market. The whole issue has been underwritten as follows: A-30,000 B-35,000 C-10,000, D-15,000 E-2,000 F-8,000. The application received on the forms marked by the underwriters are: A-25,000 B-23,500 C-6,500, D-1,000 E-2,000 F-7,000. 20,000 equity shares were received as unmarked applications. Evaluate the liability of each underwriter.	10 Marks	L5	CO2
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11.	What is underwriting of shares? Explain the various types of underwriting	10 Marks	L1	CO2
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12.	A Company issued prospectus inviting applications for 350000 Equity shares of Rs.10 each. The whole issue was fully unwritten by A, B, C, and D as follows: A- 1,40,000 B- 1,05,000 C- 70,000 D- 35,000 Applications were received from 3,15000 shares of which marked	10 Marks	L5	CO2
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	<p>applications were:</p> <p>A- 1,54000 shares B- 77000 shares C- 63000 shares D- 7000 shares</p> <p>Determine the liability of the underwriters.</p>			
Or				
13.	<p>XYZ Ltd., issued 1,00,000 Equity shares of ₹10 each, which were fully subscribed by A, B, and C in the ratio of 5:3:2 respectively.</p> <p>Applications were received for 90,000 shares, of which Marked application were as follows:</p> <p>X – 38,000 Y – 22,000 Z – 10,000</p> <p>Determine the Net liability of each of the Underwriter.</p>	10 Marks	L5	CO2