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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF COMMERCE

MAKE UP EXAMINATION – JAN 2023

Course Code: COM 2008

Course Name: CORPORATE ACCOUNTING

Program: BBA/ B.Com/LL.B

Date: 25th Jan, 2023

Time: 1:00 PM to 4:00 PM

Max Marks: 100

Weightage: 50 %

Instructions:

- (i) Read the all questions carefully and answer accordingly.
 - (ii) Use of simple calculator is allowed
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Part A [Memory Recall Questions]

Answer all the Questions. Each Question carries 2 marks.

(10Qx 2M= 20M)

1. Capital of a Company is divided in units which is called :
(A) Debenture (B) Share (C) Stock (D) Bond
2. As per SEBI Guidelines, Application money should not be less than of the issue price of each share.
(A) 10% (B) 15% (C) 25% (D) 50%
3. Pro-rata allotment of shares is made when there is :
(A) Under subscription (B) Oversubscription
(C) Equal subscription (D) As and when desired by directors
4. Under net asset method, value of a share depends on _____.
(a) net assets available to equity shareholders
(b) net assets available to debentures holders
(c) net assets available to preference shareholders
(d) none of the above
5. Net asset value is also called as _____.
(a) asset backing value (b) intrinsic value
(c) liquidation value (d) (a), (b) and (c)

6. While deciding net asset value, fictitious assets _____.

- (a) should be considered (b) should not be considered
(c) added to total assets (d) none of the above

7. Buy back of shares is a method of _____.

- (a) Financial Management (b) Financial Engineering (c) Finance (d) Investment .

8. What are Scrips?

9. What are Dividends?

10. List any two methods of Goodwill.

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries 10 marks.

(4Qx10M=40M)

11. Ganesh and Co., decided to purchase a business. Its profits for the last 4 years were: 2011-12 ₹ 40,000 2012-13 ₹ 50,000 2013-14 ₹ 48,000 2014-15 ₹ 46,000

The business was looked after by the management. Remuneration from alternative employment if not engaged in the business comes to ₹6,000 p.a. Find out the amount of goodwill, if it is valued on the basis of 3 years purchase of the average net profit for the last 4 years.

12. You are a Management Accountant you are asked to draft the Vertical format of Balance Sheet as per Company's Act 2013. How do you execute?

13. Explain:

- A. Share Capital
- B. Fixed Assets
- C. Reserves and Surplus
- D. Accounts payables
- E. Long term borrowings

14. Classify the following items into the respective heads of Balance Sheet as per Company's Act 2013.

- A. Accounts payables
- B. Creditors
- C. Reserves and Surplus
- D. Goodwill
- E. Cash in hand
- F. Inventories
- G. Debtors
- H. Closing stock
- I. Long term loans and advances.
- J. Furniture and Fixtures

Part C [Problem Solving Questions]

Answer all the Questions. Each Question carries 20 marks.

(2Qx20M=40M)

15. A. Explain any 5 features of a Company. **(10 M)**

B.A Ltd issued 5,000 10% debentures of Rs. 100 each at a premium of Rs. 10 per debenture payable as follows:

On Application – Rs. 25

On Allotment – Rs. 45 (including premium)

On first call – Rs. 20 and the balance in the final call.

The debentures were fully subscribed and all money was duly received.

Record the necessary entries in the books of the company. **(10 M)**

16. A. Explain 5 different types of companies. **(10 M)**

B. Ashok Limited issued 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share, payable at Rs. 3 on application, Rs. 5 on allotment (including premium) and the balance in two calls of equal amount. Applications were received for 4,00,000 shares and pro-rata allotment was made to all the applicants. The excess application money was adjusted towards allotment. Mukesh who was allotted 800 shares failed to pay both the calls and his shares were forfeited after the second call. Record necessary journal entries in the books of Ashok Limited. **(10 M)**