

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF MANAGEMENT & SCHOOL OF COMMERCE
MID TERM EXAMINATION - APR 2023**

Semester : Semester II - 2022

Course Code : COM2008

Course Name : Sem II - COM2008 - Corporate Accounting

Program : BBA,BAV,BCH&BCM

Date : 13-APR-2023

Time : 2PM - 3.30PM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.*
 - (ii) Question paper consists of 3 parts.*
 - (iii) Scientific and non-programmable calculator are permitted.*
 - (iv) Do not write any information on the question paper other than Roll Number.*
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PART A

ANSWER ALL THE QUESTIONS

(5 X 2 = 10M)

1. Give the entry for forfeiture of Shares. (CO1) [Knowledge]
2. What is Pro Rata Allotment? (CO1) [Knowledge]
3. What are Unmarked Applications? (CO2) [Knowledge]
4. What is Open Underwriting? (CO2) [Knowledge]
5. Mention two major players in Underwriting. (CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. 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
- (CO1) [Comprehension]
7. ABC company issued 1,00,000 equity shares of Rs.10each. The whole issue was fully underwriter by the following underwriters. A -35,000 B-30,000 C-20,000 D-10,000 E-3,000 F-2,000. The application forms marked by the underwriters were A-10,000 B-22,500 C-20,000 D-7,500 E-5,000 F-Nil. Application for 20,000 shares were received as unmarked. You are required to find out Net liability of underwriters.
- (CO2) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. A.ABC company issued 30,000 shares of Rs.10 each. These shares were underwritten as follows. X-18,000 , Y-7,500 , Z-4,500 I addition there was Firm Underwriting:X-2,400 , Y- 900 , Z-3,000 . Total applications received by the company (excluding firm underwriting & marked applications) were 4,500 shares. Marked applications were X-3,000 Y-6,000 , Z-1,500. Determine the liability of the underwriter along with their commission to be paid.
- B.Honda Limited issued 10,000 equity shares of 100 each payable as follows: Rs. 20 on application, Rs. 30 on allotment, Rs. 20 on first call and Rs. 30 on second and final calls 10,000 shares were applied for and allotted. All money due was received with the exception of both calls on 300 shares held by Supriya. These shares were forfeited. Give necessary journal entries.
- (CO1,CO2) [Application]

