

| | | | | | | | | | | | | | | | | | | | |
|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Roll No | | | | | | | | | | | | | | | | | | | |
|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF MANAGEMENT
MID TERM EXAMINATION - MAY 2023**

Semester : Semester II - 2022 - 23 - BBA - 2022

Course Code : COM2008

Course Name : Sem II - COM2008 - Corporate Accounting

Program : BBA

Date : 19-MAY-2023

Time : 2.00 PM - 3.30 PM

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.
-

PART A

ANSWER ALL THE QUESTIONS

(5 X 2 = 10M)

1. What is Pro Rata Allotment?
(CO1) [Knowledge]
2. What is the commission applicable on shares and debentures as per the provisions.
(CO2) [Knowledge]
3. Give the meaning of Gross Liability.
(CO2) [Knowledge]
4. What are Debentures?
(CO1) [Knowledge]
5. Give the formula to calculate Underwriting Commission.
(CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. K Limited registered with an authorised equity capital of Rs. 2,00,000 divided into 2,000 shares of Rs. 100 each, issued for subscription of 1,000 shares payable at Rs. 25 per share on application, Rs. 30 per share on allotment, Rs. 20 per share on first call and the balance as and when required. Application money on 1,000 shares was duly received and allotment was made to them. The allotment amount was received in full, but when the first call was made, one shareholder failed to pay the amount on 100 shares held by him and another shareholder with 50 shares, paid the entire amount on his shares. The company did not make any other call. Give the necessary journal entries in the books of the company to record these share capital transactions.

(CO2) [Comprehension]

7. Ram Ltd invited applications from public for 1,00,000 shares of Rs.10each at a premium of Rs.5per share. The entire issue was underwritten by underwriters P, Q, R & S to the extent of 30%, 30%, 20% & 20% respectively with the provision of firm underwriters of 3,000 ; 2,000 ; 1,000 ; 1,000 respectively. The underwriters are entitled to the maximum commission as per the provisions of the company's act of 1956. The company received applications for 70,000 shares (excluding firm Underwriters) out of which applications for 19,000 ; 10,000 ; 21,000 ; 8,000 were marked in favour of P, Q, R & S. Calculate the liability of each underwriter by providing relief for firm applications also ascertain the underwriting commission payable to different underwriters.

(CO1) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. A.Bangalore House building Association Ltd. Issued 1,00,000 equity shares of Rs.100 each. P, Q, R & S underwriters the entire issue in the proportion of 40% , 30%, 20% & 10% respectively . In consideration of commission in cash at 4% they also applied for Firm Underwriting : P-3,000 , Q-2,000 , R-2,000 , S-3,000 exclusive of Firm Underwriting Besides the firm applications from the underwriters the public apply for 60,000 shares of which marked applications were as follows: P-10,000 , Q-6,000 , R-8,000 & S-16,000 show the number of shares to be taken up by each of the underwriting and also the commission receivable in cash.
- B.Rohit & Company issued 30,000 shares of Rs.10 each payable Rs.3 on application, Rs.3 on allotment and Rs.2 on first call after two months. All money due on allotment was received, but when the first call was made a shareholder having 400 shares did not pay the first call and a shareholder of 300 shares paid the money for the second and final call of Rs.2 which had not been made as yet. Give the necessary journal entries in the books of the company.

(CO1,CO2) [Application]