



ID NO.

PRESIDENCY UNIVERSITY, BENGALURU

SCHOOL OF LAW

Weightage: 40 %

Max Marks: 40

Max Time: 3 hrs.

07 May Monday 2018

ENDTERM FINAL EXAMINATION MAY 2018

Even Semester 2017-18

Course: **BCL 103 Corporate
Accounting**

IV Sem. B.Com LLB

Instructions:

- (i) *Read the question properly and answer accordingly.*
 - (ii) *Question paper consists of 3 parts.*
 - (iii) *Scientific and Non-programmable calculators are permitted*
 - (iv) *Steam table and Refrigeration tables are permitted*
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Part A

(5Q x 2 M = 10 Marks)

1. MBX Ltd. wants to redeem Rs 60Cr worth of Debentures at the end of 6 years from now. In order to achieve this, the Company intends to set aside from its profits at the end of every year an equal amount into a Sinking Fund Investment, which can earn 8% pa. What is the equal amount to be set aside by the Company? (FVIFA, 6 Years, 8% is 7.336).
2. What are Financing Cash Flows? Give two examples.
3. What are Registered Debentures? .
4. Which are the sources/accounts from which Premium to be paid on Redemption of Preference Shares can be met?
5. What are Participating Preference Shares?

Part B

(4 Q x 5 M = 20 Marks)

6. What are the uses of a Cash Flow Statement? Explain.
7. What is meant by 'Buy Back of Shares'? What are the conditions that need to be met by a Company for Buy Back of its shares?
8. R Ltd. has a paid up Equity capital of Rs 25 lacs and Rs 10 lacs of redeemable preference shares. It also had a Share Premium a/c balance of Rs 40000, P & L A/c balance of Rs 70000 and General Reserve of Rs 3.00 lacs. The company decides to redeem the preference shares at 10% premium. This is done partly by issuing fresh Equity shares for a face value Rs 8 lacs with a premium of 10% and also by selling its Investments worth Rs 3.2 lacs for Rs 3 lacs. Pass the necessary Journal entries for the above and show the Liabilities' side of the Balance Sheet after redemption.
9. Seema Ltd. intends to Buy Back 25% of its shares at 5% premium. For this purpose, it intends to utilize the General Reserve A/c and Share Premium A/c to the maximum extent. In case this is not sufficient, it will issue 10% Preference Shares with a Face Value of Rs 10/- only to the extent of funds required. The Balance Sheet of the Company as at 31st March 2018 is as follows:

Equity Share Capital (FV Rs 10/-)	4000000	Building	1500000
General Reserve	500000	Plant & Machine	2000000
Share Premium A/c	50000	Investments	500000
10% Debentures	1000000	Stock	1000000
Sundry Creditors	450000	Cash at Bank	1000000
	6000000		6000000

Pass the necessary Journal entries and prepare the Balance Sheet after Buy Back.

Part C

(1Q x 10 M = 10 Marks)

10. Bombay Shipping Co Ltd. issued 15 lac Equity Shares with a face value Rs 10 each at a premium of 10%. The issue was fully underwritten by six underwriters as follows:

Merc Finance = 300000 shares (of which 50000 Firm)

Namo Finance = 350000 shares (of which 50000 Firm)

OPS Finance = 250000 shares (of which 25000 Firm)

PAN Finance = 150000 shares (of which 25000 Firm)

QUE Finance = 200000 shares (of which 20000 Firm) ; and

RUN Finance = 250000 shares (of which 30000 Firm).

The marked applications including firm were as Merc 250000, Namu 335000, OPS 165000, PAN 100000, QUE 200000 and RU 70000 shares. There were also unmarked applications to the extent of 200000 shares. Using the above information :

- a) Calculate the liability of individual underwriters;
- b) Determine the Commission to be paid to each Underwriter @ 3%

THE STATE OF TEXAS

County of [illegible] State of Texas, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears on the records of this office.

Attest:

County Clerk of [illegible] County, Texas

[illegible Signature]

[illegible Signature]

[illegible Signature]

[illegible Signature]

[illegible Signature]

The within and foregoing is a true and correct copy of the original as the same appears on the records of this office.

Attest:

County Clerk of [illegible] County, Texas

[illegible Signature]

ID NO.



PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF LAW

Weightage: 30 %

Max Marks: 30

Max Time: 2 HRS.

1 March Thursday 2018

MID TERM EXAMINATION

SET A

Even Semester 2017-18 Course: BCL 103 **CORPORATE ACCOUNTING** IV Sem.

Instruction:

- (i) Read the question properly and answer accordingly.
- (ii) Question paper consists of 3 parts.

Part A

(3 Q x 4 M = 12 Marks)

1. Write a note on the Classification of Share Capital of a Company.
2. State as to the purposes for which the Credit in a Share Premium Account can be used.
3. What are the conditions upon which a Company can issue its Shares at a Discount?

Part B

(2 Q x 5 M = 10 Marks)

4. DCP Ltd. offered 50000 equity shares of ₹ 10 each for ₹15, payable ₹ 5 on application, ₹ 5 including premium on allotment, ₹ 3 on First Call and ₹2 on Final Call. DCP Ltd. received applications for 60000 shares. Of these applications, no allotment was made to applicants for 5000 shares and balance were allotted on a pro rata basis. All the amounts pertaining to the issue were received except the following :

- a) Mr Abdul, a holder of 400 shares failed to pay I and Final Call
- b) Mr Badri a holder of 300 shares failed to pay Final Call

Pass the Journal Entries and show how the Capital Account appears in the Balance Sheet of the Company.

5. Fox Ltd. has made a Public Issue of 80000 equity shares of face value of ₹10 each at a discount of ₹1, payable ₹ 3 on application, ₹ 3 on allotment and ₹3 on final call. Applications were received from public, to the extent of 140000 shares. No allotment was made to applicants for 40000 shares. Other applicants were allotted on a pro rata basis. All payments were called upto the allotment stage and payment received by the company, except from :

- a) Mr Adil towards 1000 shares on which he failed to pay the required allotment money
- b) Mr Cyril a holder of 2000 shares who paid the final call amount too along with allotment money

Pass the Journal Entries for the above transactions and show how the Capital Account appears in the Balance Sheet .

Part C

(1Q x 8 M = 8 Marks)

6. Milma Ltd. issued 70000 shares of ₹100 each for a premium of ₹ 20 payable as follows :

- a) On Application ₹ 40
- b) On Allotment ₹ 40 (including premium)
- c) On First & Final Call ₹ 40

Applications were received for 90000 shares for which allotment was made 80000 applicants on pro rata basis and excess paid by them is retained towards allotment money. Full refund was made to balance 10000 applicants. All amounts pertaining to the issue, were received by Milma Ltd., except from two investors as follows :

- i) Ms Jhansi who was allotted 750 shares, failed to pay her the required allotment money and final Call money.
- ii) Mr Jhalak, who was allotted 500 shares, failed to pay only the final call money.

Milma Ltd., after due notice to the defaulters, forfeited 1250 shares and of these 1000 shares were reissued to Ms Nandi who paid ₹100 for a fully paid up share. Pass the necessary Journal Entries and show how the accounts get reflected in the Balance Sheet.