

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET-B

**SCHOOL OF LAW
END TERM EXAMINATION – MAY/JUNE 2024**

Semester : Semester II - 2023-24

Course Code : BBL2011

Course Name : Corporate Accounting

Program : BBA LLB Honors

Date : June 18, 2024

Time : 9:30 AM - 12:30 PM

Max Marks : 100

Weightage : 50%

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 ANY FOUR QUESTIONS

4Q X 5M = 20 MARKS

1. Suresh Ltd forfeited 500 equity shares of Rs 10 each, issued at par for non-payment of the final call of Rs 4 per share. All the forfeited shares are issued at a discount of Rs.2 per share. Give necessary entries.
(CO1) [Knowledge]
2. Underwriting represents an agreement between the underwriters and the company, wherein the underwriters guarantee the company that if the shares and debentures offered to the public are not fully subscribed, the underwriters will purchase the remaining shares and debentures. Explain the various types of Underwriting
(CO2) [Knowledge]
3. Bhargavi Ltd was incorporated on 31st July, 2012 to take over an established business from 1st April 2012. The company prepared its first final on 31st March 2013. During the year 2012 to 2013 the total sales were Rs.48,00,000 out of which sales from 1st August, 2012 to 31st March, 2013 were Rs. 30,00,000. Calculate Time ratio and sales ratio
(CO3) [Knowledge]
4. (a) Total assets Rs 3,35,000, total outsider liabilities Rs 85,000, share capital Rs 1,50,000 in share of Rs 50 each. Calculate Intrinsic Value of share
(b) What is valuation of shares?
(CO4) [Knowledge]
5. What do you mean by Current assets? give any three examples
(CO5) [Knowledge]
6. State the any five non-current assets while preparing the balance sheet of a company as per schedule III part I of the Companies Act, 2013
(CO6) [Knowledge]

PART B

ANSWER ANY FOUR QUESTIONS

4Q X 10M = 40 MARKS

7. Sanjay Rama swamy Ltd., Issued 40,000 shares of Rs. 10 each at a premium of Rs. 2 payables as follows: On application Rs. 2: On allotment Rs.5 (Including Premium): On First call R.2 and on final Rs.3 Application were received for 20,000 shares and allotment was made in full. The first call was made and the amount due thereon was received except the amount on 4,000 shares. These 4,000 shares were forfeited and reissued at Rs. 6 each. Pass journal entries in the books of Sanjay Rama Swamy Ltd
(CO1) [Application]
8. Meena Ltd has authorised capital of the company is Rs.50,00,000 divided into 1,00,000 equity shares of Rs.50 each. The Company issued for subscription 50,000 shares at a premium of Rs.10 each. The entire issue was underwritten as follows: A-30,000 (firm underwriting 5,000), B-15,000 (firm Underwriting 2,000), C-5,000(Firm Underwriting 500). Out of the total issue 45,000 shares including firm underwriting wee subscribed. The following were the marked applications: A-16,000, B-10,000, C-4,000. Calculate the liability of each underwriter.
(CO2) [Application]
9. X Ltd was incorporated on 1st August 2010 to takeover a running business from April 2010. The Profit and Loss A/C of the company for the year ending 31st March 2011 was a under. Sales from 1st April 2010 to 31st July 2010 amounted to Rs. 70,000.

Expenditures	Amount	Income	Amount
Salaries	21,000	By Gross Profit	84,000
Director fees	4,000	By Transfer fees	400
Rent and taxes	3,600		
Discount allowed	6,300		
Bad Debts	700		
Audit fees	500		
Depreciation	1,200		
Interest on Loan	900		
Interest paid to vendor till 30th Nov 2010	3,200		
	84,400		84,400

Sales from 1st Augst 2010 to 31st March 2011 amounted to Rs. 2,10,000. Ascertain capital profits and revenue profits it means before profit and after profits.

(CO3) [Application]

10. Explain briefly the steps involved in valuation of shares under Net assets method and Earning capacity method.
(CO4) [Application]
11. Draw specimen (proforma) of Balance Sheet as per Indian Companies Act, 2013 with imaginary figures
(CO5) [Application]
12. The following extracts of ledger balances taken from Omkar Ltd, for the year ending 31st march 2024. Prepare the statement of profit and loss statement

Particulars	Rs
Revenue from operations	2,47,500
Other incomes	3000
Advertising	7875
Salaries	40500
Depreciations	4200
Insurance	1500
Interest on debentures	1500
Preliminary expenses written off	1500
Bad debts	750
Discount allowed	900
Printing and stationary exp	1700
Cost of material consumed	37,500

(CO5) [Application]

PART C

ANSWER ANY TWO QUESTIONS

2Q X 20M = 40 MARKS

13. (a) Rolex Company Limited issued 5000 shares of Rs. 100 each to the public for the subscription out of its share capital, payable as follows: On application --- Rs.30 per share
On allotment --- Rs.40 per share and
On First and final call --- Balance
All the shares were fully subscribed and moneys duly received. You are required to give journal entries of the Rolex company
(b)The directors of Krishna Ltd resolved on 1st may, 2024 that 2000 ordinary shares of Rs 10 , Rs 7.50 paid up to be forfeited for non-payment of final call of Rs. 2.50. on June 10th, 2024, 1800 of the above shares were reissued for Rs.6 per share. Show the entries required to give effect to the above transactions. (CO1) [Analysis]

14. (a) The following information is available for X Ltd. is given below:

- 1,500 Equity shares of Rs. 200 each.
- 7000 12% Pref. shares of Rs. 100 each
- The Normal Annual Profit after tax is Rs. 2,80,000
- The company is required to transfer @ 10% to Reserve
- The Normal Rate of Dividend in Markt. is 14%

Calculate the value of shares through Yield method

- (b) Discuss in detail about factors that influence the valuation of shares.

(CO4) [Analysis]

15. Prepare Balance Sheet of TATA Ltd., as at 31st March ,2022 from the details given below:

Particulars	Rs
Reserves and surplus	2,00,000
Long term liabilities	1,00,000
Short term liabilities	20,000
Application money pending on allotment	40,000
Trade payables	50,000
Share capitals	5,00,000
Long term provisions	50,000
Other current liabilities	75,000
Long term borrowings	1,20,000
Inventories	25,000
Cash and Cash Equivalents	2,00,000
other current Assets	2,00,000
Trade receivables	1,35,000
Goodwill	1,30,000
Closing working in progress	1,15,000
Tangible fixed Assets	3,20,000
Intangibles Assets	30,000

(CO5) [Analysis]