



ID NO.

PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF LAW

Weightage: 40 %

Max Marks: 100

Max Time: 3 hrs.

17 May Thursday 2018

ENDTERM MAKE UP EXAMINATION MAY 2018

Even Semester 2017-18

Course: **BCL A 204 CORPORATE
ACCOUNTING**

IV Sem. Law

Instructions:

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

Part A

(10Q x 3M = 30 Marks)

1. What are the purposes for which a Company can utilize the 'Share Premium' that it has received on issue of shares?
2. M/s Bitoin Ltd. issues 100000 equity shares of Rs 10 each for a 5% discount, with the entire amount payable on application. Applications were received for 120000 shares. All subscribers were issued shares pro-rata. Pass the necessary Journal for issue of shares.
3. What is Calls in Arrears? What is the implication if the same is unpaid?
4. Mention any three conditions to be met by a Company for Buy Back of its own shares.
5. MTex Ltd. forfeited for non-payment of Call Money, 500 shares with face value of Rs10 each, on which Rs5 only was received towards capital and Rs2 received towards premium. The forfeited shares were fully reissued for a discount of Rs2. Pass the Journal Entry for Forfeiture and Reissue of Forfeited shares.
6. What are 'Secured Debentures'? How is it secured?
7. What are Contingent Liabilities? Give two examples.
8. Explain what is a Deferred Tax Asset?
9. Mention any three objectives of preparing a Cash Flow Statement.
10. What is meant by 'Provision for Tax'? Under which head does it appear in a Company Balance Sheet.

Part B

(5 Q x 10 M = 50 Marks)

11. Mohan Makers Ltd. was incorporated on the 1st August, 2017. The company bought the business of M/s Shaw & Cos (Proprietary Concern) with effect from 1st April, 2017. From the following accounts relate to the year ended 31st March, 2018. From the given information, find out the pre incorporation profit.

Account	in Rs. Lacs
Gross Profit	24.00
Rent	4.60
Salaries	3.80
Director Fees	1.50
Interest on Debentures	0.60
Audit Fees	0.20
Discount on Sales	0.40

Note : Sales for the whole year was Rs40 lacs of which till August 2017, the Sales was Rs10 lacs.

12. M4MARY Ltd. issued 500000 equity shares of Rs10 each for a premium of Rs20 per share. M/s IFS and M/s Bose underwrote 70% of the issue in the ratio of 60:40. The total applications received were 440000 of which unmarked applications were 40000. Marked applications were M/s IFS 200000 and M/s Bose 100000. Find the liability of the underwriters M/s IFS and M/s Bose, with regard to the unsubscribed portion of the issue.
13. On 1.04.2015 a Company issued 5000 Debentures with a face value of Rs 1000, with an interest rate of 10.00%pa, repayable after 5 years at par. The company established a sinking fund for redemption. Investments were made out of the sinking fund, which earned an interest of 8% pa. Based on the information, prepare a Sinking Fund Account for 5 years assuming that the interest earned is again reinvested back at 8%pa. (PVIFA 8%, 5 Years is 5.867).
14. Differentiate between Equity Shares and Preference Shares.
15. What is a Cash Flow Statement? What are its contents? Provide a sample Cash Flow Statement?

Part C

(1Q x 20 M = 20 Marks)

16. The Ledger Balances of M/s Pota Ltd. for the Year ended 31st March 2018 is as follows :

Particulars	Debit Rs	Credit Rs
Building	900000	
Plant & Machinery	2656000	
Office Equipment	94000	