



Biyani Girls College
I Internal Examination 2019-20
B.Com. I Year (Pass & Hons.)
Subject- Corporate Accounting

Time: 1.30 Hrs

Set: B

MM: 40

[I] Multiple Choice Questions

(10*1=10)

Compulsory to attempt all the questions. All Questions carry equal marks.

1. Share allotment account is

- (a) Personal (b) Real
(c) Nominal (d) None of These

2. Public Ltd companies can't issue

- (a) Sweat Equity Shares (b) Deferred Shares
(c) Preference share (d) None of These

3. Capital Redemption Reserve is used

- (a) For writing off capital losses (b) For issuing partly paid bonus share
(c) For issuing fully paid bonus shares (d) None of These

4. Debenture Holders are

- (a) Owners of the company (b) Members of the company
(c) Creditors of the company (d) None of These

5. Calls- in- arrear are shown

- (a) Under the head current liabilities (b) By deducting from called up capital
(c) Under the head current assets (d) None of These

6. Post- acquisition profit is

- (a) Capital profit (b) Revenue profit
(c) Share profit (d) None of These

7. Pre- acquisition profit is

- (a) Capital profit (b) Revenue profit
(c) Share profit (d) None of These

8. Dividend is usually paid on

- (a) Called up capital (b) Nominal capital
(c) Paid up capital (d) None of These

9. Capital Redemption Reserve Account can be utilized for

- (a) Writing off post losses (b) Writing of capital losses
(c) Issuing fully paid bonus shares (d) None of These

10. A company _____ its own Debentures

- (a) Can re-buy (b) Can't re-buy
(c) Can partly buy (d) None of These

[II] Long Questions

(10*3=30)

Attempt any three questions. All Questions carry equal marks.

1. Balajee limited issued a prospectus inviting application for 1,00,000 equity shares of Rs.

10 each at a premium of Rs. 3 per share payable as under :

On application Rs. 2; On allotment Rs. 7 (including premium), On first call Rs. 2; and
On second and final call Rs.2:

Application were received for 3,60,000 shares. Applications for 80,000 shares were Rejected and application money thereon was returned. Pro – rata allotment of 1,00,000 Shares was made to remaining applicants. Rakesh to whom 400 shares were allotted failed to pay the allotment money. On the Failure to pay first call money also his shares were forfeited by the company.

Ankur to whom 360 shares were allotted failed to pay first amd second calls and therefore his shares were also forfeited by the company.

Pass necessary entries in the journal of Balajee limited.

2. What journal entries will be passed in each of the following cases for issue and redemption Of debentures:

(A) 1,000 7% Debentures of Rs.100 each issued at par and redeemable at par.

(B) 1,000 7% Debentures of Rs. 100 each issued at Rs.98 and redeemable at par.

(C) 1,000 7% Debentures of Rs. 100 each issued at par and redeemable at Rs.102

3. Three underwriters have signed an underwriting agreement for public issue of 5,00,000 shares Mahesh Limited: X for 3,00,000 shares, Y for 1,25,000 shares and Z for 75,000 shares. There Was an agreement for firm underwriting where company has agreed to allot 40,000 shares to X, 15,000 shares to Y anf 50,000 shares to Z out of the public issue of 5,00,000 shares. Company received total applications For 3,55,000 shares (including shares of firm under writing) against 5,00,000 shares offered by the company. Out of total applications received shares in marked applications of underwriters excluding firm underwriting were X 50000 shares Y 100000 and Z 25,000 shares.

Determine liability of underwriters if :

(1) As per underwriting agreement firm underwritten shares are not considered as good as Marked shares.

(2) As per underwriting agreement firm underwritten shares are considered as good as marked Shares.

4. On April 1, 2016 Ramesh Limited had outstanding in its books 1,000 12% Debentures of Rs 500 each. In accordance with the terms of issue of debentures, the directors of the company purchased 350 of its debentures as follows from the open market for immediate cancellation:

June 1, 2016 100 Debentures @Rs 490 (cum-interest)

Nov. 1, 2016 200 Debentures @Rs 501.25 (cum-interest)

March 5, 2017 50 Debentures @Rs 492.50 (ex-interest)

Debenture interest is payable on 30th September and 31st march every year. Pass necessary Journal entries for the above translations.