

<b>Name:</b>  <b>Enrolment No:</b>	 <b>UNIVERSITY WITH A PURPOSE</b>
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**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination, May 2021**

<b>Course: Corporate Accounting</b>	<b>Semester: 2</b>
<b>Program: B.Com (Hons.) B.Com (Hons.) Taxation B.Com (Hons.) Bank Management &amp; Insurance</b>	<b>Time 03 hrs.</b>
<b>Course Code: FINC1015</b>	<b>Max. Marks: 100</b>

**SECTION A**

- 1. Each Question will carry 5 Marks**
- 2. Instruction: Complete the statement / Select the correct answer(s)**

S. No.	Questions	CO
Q1	Debenture holders are _____ of the company, not the owner. Debenture holders _____ (do/do not) have voting rights.	CO1
Q2	The function of underwriter is to _____ of the floated shares. (fill at most two words)	CO1
Q3	Pooling method of underwriting is applicable for amalgamation in the nature of _____, whereas purchase method of accounting is applicable for amalgamation in the nature of _____	CO4
Q4	Company is a _____ association of persons. It has a separate _____ entity. It has a _____ seal. It has a _____ succession.	CO1
Q5	A private company can have a maximum of _____ members, whereas a public company can have _____ members.	CO1
Q6	Goodwill can exist only among _____ business. The figure computed as goodwill a) is an exact value b) cannot be an exact value	CO4

**SECTION B**

- 1. Each Question will carry 10 Marks**
- 2. Instruction: Write short or Brief Notes**

Q7	What do you understand by underwriting? Explain the different types of underwriting agreement.	CO1
Q8	Explain the two methods for accounting of amalgamation in detail	CO3
Q9	Differentiate between Amalgamation in the nature of merger and Amalgamation in the nature of purchase	CO3
Q10	What is goodwill? Explain purchased and inherent goodwill	CO4
Q11	With respect to company final accounts, write short notes on a) corporate dividend tax b) suspense accounts c) remuneration to directors	CO3

**SECTION C**

- 1. Each Question will carry 20 Marks**
- 2. Instruction: Write long answers**

Q12

CO4  
10+10

a) X Ltd. Issued to public 1,50,000 equity shares of Rs. 100 at par. Rs.60 per share was payable along with application and the balance on allotment. The issue was underwritten equally by Alpha, Beta and Gamma (underwriters) for a commission of 2.5%. Applications for 1,40,000 shares were received as per details below:

Underwriters	Firm application	Marked application
Alpha	5000	40,000
Beta	5000	46,000
Gamma	3000	34,000

Unmarked application = 7000

It was agreed to credit the unmarked applications equally to Alpha and Gamma. X Ltd. Accordingly made the allotment and received amount due from public. The underwriters settled their account.

Prepare a statement showing liability of the underwriters (assume benefit of firm underwriting is not given to individual underwriters)

Also journalize the above transactions including cash in books of X Ltd.

b) AB limited is formed to takeover A ltd and B ltd for Rs 4,00,000 and Rs. 3,00,000 payable in equity shares of Rs. 10 each. The Balance sheets of two companies are given below

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share capital	3,75,000	3,00,000	Land and Buildings	1,00,000	50,000
Reserve	1,00,000	12,500	Plant and machinery	1,12,500	37,500
Sundry Creditors	1,50,000	50,000	Stock	1,75,000	75,000
Billy payable	25,000	37,500	Sundry Debtors	2,00,000	1,00,000
			Bills receivable	37,500	50,000
			Cash and Bank	25000	87,500
<b>Total</b>	<b>6,50,000</b>	<b>4,00,000</b>		<b>6,50,000</b>	<b>4,00,000</b>

Stock of A ltd. includes Rs. 20,000 purchased from B Ltd. On which B ltd. made 20% profit on sales. Pass the necessary journal entries in the books of AB ltd.