

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination, December 2021**

**Course: Corporate Accounting**  
**Program: INT-BCOM-LLB-TL**  
**Course Code: FINC 2067**

**Semester: III**  
**Time 03 hrs.**  
**Max. Marks: 100**

**Instructions:**

- Attempt all the following questions.
- Show all the workings

**ALL THE BEST!!!**

**SECTION A**

<b>S.No</b>	<b>Question</b>	<b>Marks</b>	<b>CO</b>
Q1.	The amount of capital with which the company intends to get registered is known as: a. Issued capital b. Subscribed capital c. Authorized capital d. Called-up capital	2	CO1
Q2.	Securities premium account is shown on the liabilities side of the balance sheet under the head: a. Share capital b. Reserves and surplus c. Current liabilities d. Non-Current liabilities	2	CO1
Q3.	Nominal share capital is : a. that part of the authorised capital which is issued by the company b. the amount of capital which is actually applied for by the prospective shareholders c. the maximum amount of share capital which a company is authorised to issue d. the amount actually paid by the shareholders	2	CO2
Q4.	If shares are bought back out of free reserves then a sum equal to nominal value of the shares so bought back is transferred to: a. Capital reserve account b. Capital redemption reserve c. General reserve account d. Statutory reserve account	2	CO2
Q5.	Which of the following cannot be used for the purpose of creation of capital	2	CO3

	redemption reserve account? a. Profit and loss account (credit balance) b. General reserve account c. Dividend equalization reserve account d. Unclaimed dividends account		
<b>SECTION B</b>			
Q6.	As the director of a company, you had invited applications for ₹30,000 equity shares of Rs. 10 each. The total application money received @ ₹2 per share was ₹72,000. Name the kind of subscription. List at the least three alternatives for allotting these shares.	5	CO4
Q7.	Differentiate between the over-subscription and under-subscription of shares.	5	CO4
Q8.	COLPAL limited issued a prospectus inviting applications for 20,000 shares of ₹10 each at a premium of ₹2 per share payable as follows: On application ₹2, on allotment ₹5 (including premium), on first call ₹3 and on second final call ₹2. Applications were received for 30,000 shares and pro-rata allotment was made on the applications for 24,000 shares. It was decided to utilise excess application money towards the amount due on allotment. Mr. R to whom 400 shares were allotted failed to pay the allotment money and Mr. M the holder of 600 shares failed to pay the two calls. You are required to calculate the amount that the company has to receive on share allotment, share first call and the share final call.	5 (2+2+1)	CO1
Q9.	Petromax Ltd. took over the sundry assets of ₹6,80,000 and creditors of ₹80,000 of Reliance limited payable 10% by a check and the balance by the issue of fully paid equity shares of ₹100 each at a premium of 20%. Journalised these transactions.	5	CO2
<b>SECTION C</b>			
Q10.	Write a short note on the meaning, advantages, and accounting treatment of the Buy-Back of shares by a company.	10	CO3
Q11.	ABC limited was formed with the capital of rupees 70 Lac divided into 7,00,000 equity shares of ₹ 10 each. The company allotted 10,000 equity shares of ₹10 each as fully paid to the signatories to the Memorandum of Association and 5,000 equity shares of ₹10 each as fully paid to the vendors against the purchase of building and offered 5,50,000 equity shares of ₹10 each at a premium of 10%. The issue price was payable as under: On application ₹5, on Allotment ₹4 (including premium), balance on Call The company did not make the call during the year. The public applied for 5,00,000 equity shares. All money were duly received except the allotment money on 1000 shares which were forfeited. Prepare an extract of Balance Sheet as per schedule III to the Companies Act 2013 disclosing various kinds of capital.	10	CO4
<b>SECTION D</b>			
Q12.	P limited forfeited 50 shares of ₹100 each issued at 10% premium for non-payment of allotment money of rupees 30 per share including premium and first call off rupees 30% the second and final call of rupees 20 per share was not called yet.	25	CO3

	<p>i. State with reason whether these shares can be reissued</p> <p>ii. State with reason whether these shares can be reissued at premium only</p> <p>iii. State with reason whether these shares can be reissued at ₹ 80 paid up for ₹40 per share.</p> <p>iv. If 20 of these shares were re-issued at ₹ 80 paid-up for ₹70 per share. Pass the journal entries regarding forfeiture and reissue of shares.</p> <p>v. Prepare forfeited shares account</p>																				
Q13.	<p>a. Given below are the extracts from the balance sheet of FCS limited as on 31st March 2021:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>(₹ in lacs)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital fully paid up shares of ₹ 10 each</td> <td>2,400</td> </tr> <tr> <td>securities premium</td> <td>350</td> </tr> <tr> <td>General reserve</td> <td>930</td> </tr> <tr> <td>Profit and loss account</td> <td>340</td> </tr> <tr> <td>Current liabilities</td> <td>2,640</td> </tr> <tr> <td>Fixed assets</td> <td>4,052</td> </tr> <tr> <td>Investments (Face Value ₹200 Lacs)</td> <td>148</td> </tr> <tr> <td>Current Assets</td> <td>2,460</td> </tr> </tbody> </table> <p>on 1st April 2021 the company announced the buy-back of 25% of its equity shares @ ₹15 per share. For this purpose, it sold all its all of its investments @ 75% and issued 2,00,000 14% preference shares of ₹100 each at par. The entire amount being payable with application. The issue was fully subscribed. The company achieved the target of buy back. Later the company issued one fully paid up equity share of ₹10 by way of bonus shares for every four equity shares held by the equity shareholders. You are required to pass the journal entries for all transactions including cash transactions and prepare the extracts of the Balance Sheet. Show all the workings.</p> <p>b. Under which heading are the following items shown in the Balance Sheet of a company?</p> <ul style="list-style-type: none"> <li>• Forfeited Share Account</li> <li>• Share Premium</li> <li>• Discount on issue of shares</li> <li>• Capital Redemption Reserve</li> <li>• Unclaimed Dividend</li> </ul>	Particulars	(₹ in lacs)	Equity share capital fully paid up shares of ₹ 10 each	2,400	securities premium	350	General reserve	930	Profit and loss account	340	Current liabilities	2,640	Fixed assets	4,052	Investments (Face Value ₹200 Lacs)	148	Current Assets	2,460	25 (20+5)	CO4
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