



**SAINTGITS COLLEGE OF APPLIED SCIENCES  
KOTTAYAM, KERALA**

**SAINTGITS**  
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**First Internal Examination, September 2023**

**Department of Commerce, Semester 3**

**CORPORATE ACCOUNTING - I**

**Total: 40 marks**

**Time: 1.5 hours**

**Section A**

*Answer any 5 questions. Each question carries 2 marks.*

1. What is a Statutory Company?
2. What is Capital Redemption Reserve?
3. What is ESOP?
4. Explain Escrow Account.
5. What is Minimum Subscription of shares?
6. Who is a Sub-underwriter?

**(5 x 2 =10 Marks)**

**Section B**

*Answer any 3 questions. Each question carries 5 marks.*

7. ABC Ltd invited applications for 100,000 Shares of ₹10 each payable as follows:

On application-₹2 per share

On Allotment-₹3 per Shares

On First call-₹2 per Shares

On Final Call-₹3 per Shares

All Shares were applied. You are required to pass Journal entries in the books of the company assuming that all sums due on allotment and calls have been received.

8. Distinguish between Bonus share and Right Share.
9. Zee Ltd issued 200,000 Equity shares of ₹10 each, of which 40000 Shares were bought back at ₹ 9 per Shares. For the purpose of Buy back of shares, the company issued 20000 ,12% preference shares of ₹10 each. The company had ₹120,000 in General Reserve and ₹100,000 in Securities premium Reserve. Give Journal Entries.
10. Explain the different types of Underwriting.

### Section C

*Answer any 1 question. The question carries 15 marks*

11. B Ltd has 4000 ,6% redeemable preference shares of ₹100 each fully paid. The Company decides to redeem the shares on 31<sup>st</sup> March 2023 at a premium of 8%. The company makes the following issue for the purpose of redemption:

1. 2000, Equity shares of ₹100 each at a premium of 10%
2. 2000,7% Debentures of ₹100 each at a premium of 10%

The issue was fully subscribed and all amounts were received.

The Redemption was duly carried out.

The company has a general reserve of ₹3,75,000. Give Journal entries for recording the above transactions.

12. Milky Ltd issued 40,000 Equity shares which were underwritten as follows.

X-24000 shares

Y-10000 Shares

Z-6000 Shares

The firm underwriting of underwriters were as follows

X-3200 Shares

Y -4000 Shares

Z-1200 Shares

The total applications excluding firm underwriting but including marked applications were for 20000 Equity Shares. The Marked applications were as under

X-4000 Shares

Y-5000 Shares

Z-2000 Shares

Calculate the liability of each underwriter.

(1 X 15 = 15 Marks)



[Scan QR code for Answer Key]