ST. JOSEPH'S COLLEGE OF LAW

#18, Residency Road, Bengaluru – 560025

Midterm Examination – May 2026

Subject: Corporate Accounting

Class: 1 B.COM LLB

Max Marks: 10 **Time: 1 Hr.**

Instructions:

- Answer any one essay type question from Part A and any one short note question from Part B.
- Essay type question carries 7 marks and the short note question carries 3 marks.

Part A **7 x 1= 07**

1.XYZ company issued 10,000 shares at Rs 100 each. The whole issue was underwritten by A, B, C

A=5,000 Shares (Firm underwriting 1000 shares)

B=3,000 Shares (Firm underwriting 500 shares)

C= 2,000 Shares (Firm underwriting 500 shares)

The public has applied for 9,000 shares. The following are the marked forms, including firm underwriting

A=3,500 shares

B= 1,400 shares

C= 1,600 shares

Calculate the liability of the underwriters

Or

2. Mital Company Ltd has a nominal capital of Rs 4,00,000 in equity shares of Rs 10 each. Of these shares, 30,000 shares were issued to the public. The amount was payable as follows

Rs 3 on application

Rs 2 on allotment

Rs 3 on first call

Rs 2 on final call

All the shares were duly subscribed and the money duly received except the final call on 3000 shares. The directors forfeited these shares and re-issued at Rs 7 per share fully paid. Pass the journal entries.

Part B **3x 1= 03**

3. Write a short note on the following
   - Marked applications
   - Firm Underwriting
   - Underwriter

Or

4. Write the difference between equity shares and preference shares.