

**Khudiram Bose Central College**  
**Final Examination – 2020**  
**Semester - V**  
**Corporate Accounts**  
**Full Marks – 25**

**Group - A**

**1. Write short notes on any two [2 X 2 1/2]**

- a) **Sinking Fund**
- b) **Fair Value**
- c) **Accounting Standard**

**Group - B**

**[Answer any Two] [2 X 10]**

2. The directors of KPL Industries Ltd. have invited applications for 72, 000 Equity Shares of ` 10 each to be issued at 20 % premium. The money payable on shares is as follows:

**01.05.2018: On application ` 2**

**01.06.2018: On allotment ` 5 (including Premium of ` 2)**

**01.01.2019: First and Final call ` 5**

Applications were received for 90, 000 shares and allotment was made pro-rata to the applicants. All shareholders are paid their dues within the due date time except Mr.Ranajit, to whom 3,600 shares were allotted, failed to pay the allotment and call money. His shares are forfeited fulfilling the statutory provisions. Subsequently these shares are re-issued to Animesh as fully paid shares at ` 8 per share on 01.03.2019.

Show the necessary journal entries (including transactions).

3. Zenith Ltd. issued 3, 00,000 shares of ` 10 each at a premium of ` 2 . The entire issue was underwritten by X, Y and Z in the ratio of 3: 2: 1. Their firm underwriting was as follows:

X: 35, 000 shares, Y: 20, 000 shares and Z: 22, 500 shares.

The total subscriptions, excluding firm underwriting, including marked applications were for 1, 60,000 shares. Marked applications received were as follows:

X: 45, 000 shares, Y: 22, 500 shares, Z: 17, 500 shares.

The underwriting contract provided that credit for unmarked applications to be given to the underwriters in proportion to their shares underwritten and benefit of firm underwriting is to be given to all underwriters.

You are required to compute the underwriter's liability in number of shares.

4. On 01.04.2017, ZED Pharmaceuticals Ltd. had granted 2, 000 shares to the employees under stock option scheme at ` 80 (Face Value ) ` 10; Market Value ` 120) . The company allowed 2 years for vesting the option and 1 year maximum exercise period. Employees exercised all the options on 31.12.2019. Show necessary journal entries for the above transaction