

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 12.07.2021

Teacher name – Ajay Kumar Sharma

Accounting for Share

Question 1:

Anish Limited issued 30,000 equity shares of Rs 100 each payable at Rs 30 on application, Rs 50 on allotment and Rs 20 on 1st and final call. All money was duly received.

Record these transactions in the journal of the company.

ANSWER:

Books of Anish Limited

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c Dr. To Equity Share Application A/c (Application money received on application for 30,000 equity shares @ Rs 30 per share)		9,00,000	9,00,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Share Application money transferred to Share Capital Account)		9,00,000	9,00,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Allotment money due on 30,000 @ Rs 50 per share)		15,00,000	15,00,000
	Bank A/c Dr. To Equity Share Allotment A/c (Share Allotment money received for 30,000 shares @ Rs 50 per share)		15,00,000	15,00,000

Equity Share First and Final Call A/c Dr. To Equity Share Capital A/c Share First and Final call due on 30,000 shares @ Rs 20 per share)		6,00,000	6,00,000
Bank A/c Dr. To Equity Share First and Final Call A/c (Share First and Final Call money received for 30,000 shares @ Rs20 per share)		6,00,000	6,00,000

Question 2:

The Adersh Control Device Ltd was registered with the authorised capital of Rs 3,00,000 divided into 30,000 shares of Rs 10 each, which were offered to the public. Amount payable as Rs 3 per share on application, Rs 4 per share on allotment and Rs 3 per share on first and final call. These share were fully subscribed and all money was dully received. Prepare journal and Cash Book.

ANSWER:

Books of Adersh Control Device Ltd

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Share Application money for 30,000 shares @ Rs 3 per share transferred to Share Capital Account)		90,000	90,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Share Allotment money due on 30,000 @ Rs 4 per share)		1,20,000	1,20,000
	Equity Share First and Final Call A/c Dr.		90,000	

To Equity Share Capital A/c (Share First and Final Call due on 30,000 @ Rs 3 per share)			90,000
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Cash Book (Bank Column)

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
	Equity Share Application		90,000				
	Equity Share Allotment		1,20,000				
	Equity Share First and Final Call		90,000				
			3,00,000		By Balance c/d		3,00,000
							3,00,000

Question 3:

Software solution India Ltd inviting application for 20,000 equity share of Rs 100 each, payable Rs 40 on application, Rs 30 on allotment and Rs 30 on call. The company received applications for 32,000 shares. Application for 2,000 shares were rejected and money returned to Applicants. Applications for 10,000 shares were accepted in full and applicants for 20,000 share allotted half of the number of share applied and excess application money adjusted into allotment. All money received due on allotment and call. Prepare journal and cash book.

ANSWER:

Books of Software Solution India Ltd.

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Equity Share Application A/c Dr.		12,00,000	
	To Equity Share Capital A/c			8,00,000
	To Equity Share Allotment A/c			4,00,000
	(Application money transferred to Equity Share Capital for 20,000 shares @ Rs 40 and Rs 4,00,000 is adjusted towards allotment)			
	Equity Share Allotment A/c Dr.		6,00,000	
	To Equity Share Capital A/c			6,00,000

(Equity Share Allotment money due on 20,000 @ Rs 30 per share)			
Equity Share First and Final call A/c To Equity Share Capital A/c (Equity share on First and Final call due on 20,000 @ Rs 30 per share)	Dr.	6,00,000	6,00,000

Cash Book (Bank Column)

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
	Equity Share Application		12,80,000		Equity Share Application		80,000
	Equity Share Allotment		2,00,000		Balance c/d		20,00,000
	Equity Share First and Final Call		6,00,000				
			20,80,000				20,80,000

Working Note:

Amount due on Allotment for 20,000 shares @ Rs 30 per share	6,00,000
Money adjusted on application 10,000 shares @ Rs 40 each	4,00,000
Money to be received on Allotment	2,00,000

Question 4:

Rupak Ltd. issued 10,000 shares of Rs 100 each payable Rs 20 per share on application, Rs 30 per share on allotment and balance in two calls of Rs 25 per share. The application and allotment money were duly received. On first call all member pays their dues except one member holding 200 shares, while another member holding 500 shares paid for the balance due in full. Final call was not made.

Give journal entries and prepare cash book.

ANSWER:

Books of Rupak Ltd.

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Share Application A/c Dr. To Share Capital A/c (Application money for 10,000 shares transferred to Share Capital Account)		2,00,000	2,00,000
	Share Allotment A/c Dr. To Share Capital A/c (Allotment money due on 10,000 shares @ Rs 30 per share)		3,00,000	3,00,000
	Share First Call A/c Dr. To Share Capital A/c (Share First Call due on 10,000 shares @ Rs 25 per share)		2,50,000	2,50,000
	Calls in Arrears A/c Dr. To Share First Call A/c (Call in arrears on 200 shares @ Rs 25 per share)		5,000	5,000

Cash Book (Bank Column)

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
	Share Application		2,00,000		By Balance c/d		7,57,500
	Share Allotment		3,00,000				
	Share first call		2,45,000				
	Calls in Advance		12,500				
			<u>7,57,500</u>				
							<u>7,57,500</u>

Working Note:

Money due on First Call for 10,000 shares @ ₹25 each	2,50,000
Less: Calls in Arrear for 200 shares @ Rs ₹25 per Share	(5,000)
Money Received on First Call	2,45,000
Add: Calls received in advance on 500 shares @ Rs25 per share	12,500
	2,57,500

Question 5:

Mohit Glass Ltd. issued 20,000 shares of Rs 100 each at Rs 110 per share, payable Rs 30 on application, Rs 40 on allotment (including Premium), Rs 20 on first call and Rs 20 on final call. The applications were received for 24,000 shares and allotted 20,000 shares and reject 4,000 shares and amount returned thereon. The money was duly received.

Give journal entries.

ANSWER:

Books of Mohit Glass Ltd.

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c Dr. To Share Application A/c (Application money received on application for 24,000 shares @ Rs 30 per share)		7,20,000	7,20,000
	Share Application A/c Dr. To Share Capital A/c (Bank Column) To Bank A/c (Share Application of 20,000 shares @ Rs 30 transferred to Share Capital Account and the balance returned)		7,20,000	6,00,000 1,20,000
	Share Allotment A/c Dr. To Share Capital A/c To Share Premium A/c (Allotment money due on 20,000 shares @ 40 per share including		8,00,000	6,00,000 2,00,000

Rs 10 for premium)			
Bank A/c To Share Allotment A/c (Allotment money received on 20,000 shares @ Rs 40 per share)	Dr.	8,00,000	8,00,000
Share First Call A/c To Share Capital A/c (Share First Call money due on 20,000 shares @ Rs 20 per share)	Dr.	4,00,000	4,00,000
Bank A/c To Share First Call A/c (Share First Call money received on 20,000 shares @ Rs 20 per share)	Dr.	4,00,000	4,00,000
Share Final Call A/c To Share Capital A/c (Share Final Call money due on 20,000 shares @ Rs 20 per share)	Dr.	4,00,000	4,00,000
Bank A/c To Share Final Call A/c (Share Final Call money received on 20,000 shares @ Rs 20 per share)	Dr.	4,00,000	4,00,000