

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 30.08.2021

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Accounting for Share

Question 11:

Naman Ltd issued 20,000 shares of Rs 100 each, payable Rs 25 on application, Rs 30 on allotment, Rs 25 on first call and The balance on final call. All money duly received except Anubha, who holding 200 shares did not pay allotment and calls money and Kumkum, who holding 100 shares did not pay both the calls. The directors forfeited shares of Anubha and kumkum.

Give journal entries.

ANSWER:

Books of Naman Ltd

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c Dr. To Share Application A/c (Shares Application money received for 20,000 shares @ Rs 25 each)		5,00,000	5,00,000
	Share Application A/c Dr. To Share Capital (Share Application money of 20,000 shares @ Rs 25 each transferred to Share Capital Account)		5,00,000	5,00,000
	Share Allotment A/c Dr. To Share Capital A/c (Share Allotment due on 20,000 shares @ Rs 30 each)		6,00,000	6,00,000
	Bank A/c Dr. To Share Allotment A/c (Allotment money received for 19,800 shares @ Rs 30 per share)		5,94,000	5,94,000

Share First Call A/c To Share Capital A/c (Share First Call money due on 20,000 @ Rs 25 per share)	Dr.	5,00,000	5,00,000
Bank A/c To Share First Call A/c (Share First Call received @ Rs 25 per share for 19,700 shares)	Dr.	4,92,500	4,92,500
Share Final Call A/c To Share Capital A/c (Share Final Call money due on 20,000 shares @ 20 per share)	Dr.	4,00,000	4,00,000
Bank A/c To Share final call A/c (Share Final Call received @ Rs 20 per Share for 19,700 shares and 300 shares failed to pay the call)	Dr.	3,94,000	3,94,000
Share Capital A/c To Share Forfeiture A/c (200×25+100×55) To Share Allotment (200×30) To Share First Call A/c (300×25) To Share Final Call A/c (300×20) (300 Shares forfeited)	Dr.	30,000	10,500 6,000 7,500 6,000

Alternatively this question can be solved by debiting Calls in Arrears Account

Books of Naman Ltd

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c To Share Application A/c (Share Application money received on application for 20,000 shares @ Rs 25 per share)	Dr.	5,00,000	5,00,000

Share Application A/c To Share Capital A/c (Share Application money for 20,000 shares @ Rs 25 per share transferred to Share Capital Account)	Dr.	5,00,000	5,00,000
Share Allotment A/c To Share Capital A/c (Share Allotment money due on 20,000 shares @ Rs 30 per share)	Dr.	6,00,000	6,00,000
Bank A/c Calls in Arrears A/c To Share Allotment A/c (Allotment money received for 19,800 shares @ Rs 30 per share and 200 shares failed to pay the Allotment)	Dr. Dr.	5,94,000 6,000	6,00,000
Share First Call A/c To Share Capital A/c (Share First Call money due on 20,000 shares @ Rs 25 per share)	Dr.	5,00,000	5,00,000
Bank A/c Calls in Arrears A/c To Share First Call A/c (Share First Call money for 19,700 shares @ Rs 25 each received except 300 shares)	Dr. Dr.	4,92,500 7,500	5,00,000
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 Calls in Arreras A/c To Share final call A/c (Share Final Call money received for 19,700 shares @ Rs 20 per share except 300 shares)	Dr. Dr.	3,94,000 6,000	4,00,000

Share Capital A/c To Share Forfeiture A/c (200×25+100×55) To Calls in Arrears A/c (300 Shares forfeited on account failed to pay the money due)	Dr.	30,000	10,500 19,500
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Working Note:

1. Forfeited Amount

Amount on application	(300 shares @ Rs 25 each)	=	7,500
Amount on allotment	(100 Shares @ Rs 30 each)	=	3,000
			10,500

Question 12:

Kishna Ltd issued 15,000 shares of Rs 100 each at a premium of Rs 10 per share, payable as follows:

On application	Rs 30
On allotment	Rs 50 (including premium)
On first and final call	Rs 30

All the shares subscribed and the company received all the money due, With the exception of the allotment and call money on 150 shares. These shares were forfeited and reissued to Neha as fully paid share of Rs 12 each.

Give journal entries in the books of the company.

ANSWER:

Books of Krishna Ltd

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c To Share Application A/c	Dr.	4,50,000	4,50,000

(Share Application money received for 15,000 shares @ Rs 30 per share)			
Share Application A/c To Share Capital A/c (Share Application money of 15,000 shares transferred to Share Capital Account)	Dr.	4,50,000	4,50,000
Share Allotment A/c To Share Capital A/c To Securities Premium A/c (Share Allotment money on 15,000 shares @ Rs 50 per share including Rs 10 securities premium due)	Dr.	7,50,000	6,00,000 1,50,000
Bank A/c To Share Allotment A/c (Share Allotment received on 14,850 shares and 150 shares failed to pay the money due)	Dr.	7,42,500	7,42,500
Share First and Final Call A/c To Share Capital A/c (Share First and Final Call for 15,000 shares @ Rs 30 per share due)	Dr.	4,50,000	4,50,000
Bank A/c To Share First and Final Call A/c (Share First and Final Call received for 14,850 shares @ Rs 30 per share and 150 shares failed to pay amount due)	Dr.	4,45,500	4,45,500
Share Capital A/c (150·100) Share Premium A/c (150×10) To Share Allotment A/c (150×50) To Share First and Final Call A/c (150·30) To Share Forfeiture A/c (150·30) (150 shares forfeited for non-payment of Share Allotment and Share First and Final Call)	Dr. Dr.	15,000 1,500	7,500 4,500 4,500
Bank A/c	Dr.	18,000	

To Share Capital A/c To Securities Premium A/c (150 shares of Rs 100 each reissued @ Rs 120 to Neha)			15,000 3,000
Share Forfeiture A/c Dr. To Capital Reserve A/c (Balance of Share Forfeiture Account transferred to Capital Reserve Account)		4,500	4,500

Note: In the solution, the reissued price of Rs 12 has been assumed as Rs 120 per share.