

# VAISHALI EDUCATION POINT

(QUALITY EDUCATION PROVIDER)

BY RAHUL MISHRA

M:9999907099,9818932244

## COMPANY ACCOUNTS

Class :- XII

### General Instructions

QNo.

Questions

1 Kanpur Gas Ltd. Issued 40,000 equity shares of RS. 10 each at a discount of RS. 1 per share. Amounts were payable as follows:  
RS. 2.50 on Application; Rs. 2.50 on Allotment; Rs. 2 on First Call and Rs. 2 on Final Call.  
Application were received for 37,000 shares.  
Give Journal Entries and Balance Sheet, assuming that all sums have been received on due dates.

2 On 1st February 2007, Raj Ltd. Receive in advance the second call of RS. Per share on 400 equity shares. The first call was due on 31st March 2007. Journalise the above transactions.

3 Jupiter Ltd. Issued 50,000 shares of Rs.10 each payable as follows:

Rs. 2.50 on Application	Payable on 1st June, 2005
Rs. 2.50 on Allotment	Payable on 1st August, 2005
Rs. 2.00 on 1st Call	Payable on 1st Dec., 2005
Rs. 3.00 on IInd & Final Call	Payable on 1st March, 2006

Application were received for 1,00,000 shares and the allotments were made as under :

Number of Shares Applied	Number of Shares Allotted
42,000	42,000
30,000	8,000
28,000	Nil

Excess money received on application was utilised towards allotment and subsequent calls. Interest on calls in advance was paid @ 12% p.a.

Give journal entries, assuming all sums due were received and the company closes its books on 31st March every year.

4 On October 1, 2006 X Ltd. Offered 1,00,000 shares of Rs. 10 each payable as follows:

On Application	Rs. 3 per share
On Allotment (November 1, 2006)	Rs. 2 per share
On First Call (December 1, 2006)	Rs. 3 per share
On Second and Final Call (One month after first call)	Rs. 2 per share

Applications were received for 1,25,000 shares on October 15, 2006. Applications for

1,20,000 shares were allotted 1,00,000 shares and the remaining applications were rejected.

Give journal entries assuming that all amounts have been received and the company maintains a combined account for application and allotment.

- 5 Fast Food Ltd. Issued a prospectus offering 10,000 equity shares of Rs. 50 each at par payable as follows:

	Rs.
On Application	15
On Allotment	10
On First Call	15
On Final Call	10

Ram, the holder of 500 equity shares did not pay the amount due on both the calls. These 500 shares were forfeited by the Board of Directors and 300 of these shares were subsequently re-issued at Rs. 55 per share.

Show the entries in the Cash Book and Journal of the Company. Also prepare the Opening Balance Sheet.

- 6 X Ltd. Made an issue of 20,000 Equity Shares of Rs. 100 each, payable as follows:

	Rs.
On Application	25
On Allotment	25
On First Call	30
On Final Call	20

Shareholders holding 300 Equity Shares did not pay calls money and the shares were forfeited. 200 of the forfeited shares were reissued as fully paid at Rs. 60 per share. Prepare journal entries, share capital account and forfeited shares account in the books of X Ltd.

- 7 W Ltd. Issued 10,000 shares of Rs. 100 each. During the year only Rs. 80 were called payable as follows:

On Application	Rs. 25
On Allotment	Rs. 20
On 1st Call	Rs. 20
On 2nd Call	Rs. 15

Amounts were received as follows:

On 8,000 shares the full amount called

On 1,200 shares Rs. 65 per share

On 500 shares Rs. 45 per share

On 300 shares Rs. 25 per share

The directors forfeited those shares on which less than RS. 65 per share were received. Show entries in the Cash Book and Journal and prepare the Balance Sheet.

- 8 Journalise the following:

(i) A Ltd. Forfeited 1,000 shares of Rs. 10 each, Rs. 8 paid, for non-payment of final

call of RS. 2 per share. Out of these, 400 shares were re-issued for RS. 7 per share as fully paid-up.

(ii) B Ltd. Forfeited 1,000 shares of RS. 10 each, Rs. 8 called-up, for non-payment of Allotment of Rs. 2.50 per share and first call of RS. 3 per share. Out of these, 400 shares were re-issued for Rs. 7 per share as Rs. 8 paid-up.

(iii) C Ltd. Forfeited 300 shares of RS. 10 each on which Rs. 7 has been called and Rs. 5 has been paid. Out of these, 100 shares are re-issued for RS. 6 per share as RS. 7 paid-up.

- 9 Accountancy Publication Ltd. Issued 50,000 equity shares of Rs. 10 each at a premium of 10% payable as under:  
On Application Rs. 3; On Allotment Rs. 4 (Premium Rs. 1); On First Call Rs. 2; and On Final Call Rs. 2.  
The whole of the issue was called for by the company and all the money were duly received except the allotment and calls money on 500 shares. These shares were, therefore, forfeited and later on re-issued at Rs. 9 per share as fully paid. Pass the necessary journal entries to record the above transactions.
- 10 Vikram Ltd. Issued 50,000 shares of Rs. 10 each at a premium of Rs. 1 per share payable as follows:  
Rs. 3 on Application  
Rs. 4 on Allotment (including premium)  
Rs. 2 on 1st Call  
Balance when required  
Applications were received for 46,000 shares and all of these were accepted. Directors did not make the final call. A shareholder holding 800 shares did not pay the amount due on first call. The shares were forfeited and re-issued at Rs. 7 per share, Rs 8 per share paid.  
Pass Cash Book and Journal Entries.
- 11 A Co. Ltd. Offered to the public 20,000 equity shares of Rs. 100 each at a premium of Rs. 10 per share. The payment was to be as follows:  
  
Applications were received for 35,000 shares. Applications for 10,000 shares were rejected. Applicants for 15,000 shares were allotted 10,000 shares and remaining applications were accepted in full. The Directors made both the calls. One shareholder holding 500 shares failed to pay the two calls and as a consequence his shares were forfeited. 200 of these shares were re-issued as fully paid at Rs. 80 per share.  
Expenses of issue came to Rs. 10,000.  
Prepare Cash Book, the Journal and the Balance Sheet on the basis of information given above.
- 12 On March 1, 2003, the Directors of Sahara Ltd. Issued 10,000 Equity Shares of Rs. 100 each at Rs. 125 per share, payable Rs. 50 on application (including premium), Rs. 45 on allotment and the balance on 1st June, 2003.

The lists closed on March 10, 2003 by which date applications for 16,000 shares were received. Of the cash received, Rs. 50,000 was returned and Rs. 2,50,000 was applied to the amount due on allotment, the balance of which was paid on March 16, 2003. Call money was received on 1st June, 2003 with the exception of one allottee of 200 shares. These shares were forfeited on October 15, 2003 and reissued as fully paid at Rs. 110 per share on December 3, 2003.  
Record necessary journal entries in the books of Sahara Ltd. Using a joint account of application and allotment.

- 13 (a) Y Ltd. forfeited 500 shares of Rs. 100 each (Rs. 75 called-up) issued at a discount of 10% to Mr. Ram on which he did not pay allotment money of Rs. 20 per and first call money of Rs. 20 per share. Journalise.  
(b) Y Ltd. Forfeited 800 shares of Rs. 100 each (Rs. 75 called-up) issued at a discount of 10% to Mr. Shyam on which he did not pay first call money of Rs. 20 per share. Give journal entries to record forfeiture and re-issue of shares in each of the following alternative cases:

Case I - If 200 of these shares were re-issued as Rs. 75 called-up for Rs. 70 per share.  
Case II - If 200 of these shares were re-issued as Rs. 75 called-up for Rs. 50 per share.  
Case III - If 200 of these shares were re-issued as Rs. 75 called-up for Rs. 35 per share.  
Case IV - If 200 of these shares were re-issued as fully paid-up for Rs. 45 per share.

- 14 500 shares of Rs. 10 each, issued at a premium of Rs. 1 on which Rs. 8 (including premium) was called and Rs. 6 (including premium) was paid, have been forfeited. 400 of these shares were re-issued as fully paid for Rs. 7. Journalise.

- 15 Give journal entries for forfeiture and re-issue of shares:  
(a) X Ltd. Forfeited 500 shares of Rs. 10 each, Rs. 8 called-up on which Vimal has paid application and allotment money of Rs. 6 per share. Of these, 400 shares were re-issued to Kamal as fully paid for Rs. 9 per share.  
(b) Y Ltd. Forfeited 600 shares of Rs. 10 each (Rs. 7 called-up) issued at a discount of 5% to Anita on which she has paid Rs. 3 per share. Out of these, 400 shares were re-issued to Sunita as Rs. 8 called-up for 6.50 per share.  
(c) Z Ltd. Forfeited 1,000 shares of Rs. 10 each issued at 30% premium to Kavita (Rs. 8 called-up) on which she did not pay Rs. 5 of allotment (including premium) and first call of Rs. 3. Out of these, 400 shares were re-issued to Savita as Rs. 8 called-up for Rs. 6 per share and 300 shares to Namita as fully paid-up for Rs. 11 per share at different intervals of time.

- 16 X Ltd. Offered 25,000 shares of Rs. 100 each payable as Rs. 25 on application, Rs. 20 on allotment, Rs. 30 first call and the balance on final call. Applications were received for 40,000 shares out of which shares were allotted to the applicants for 35,000 shares on a pro-rata basis. All shareholders paid the allotment money excepting Mr. Gopal who was allotted 500 shares. These shares were forfeited immediately. The first call was made thereafter. The forfeited shares were re-issued @ Rs. 78 per share Rs.75 Paid up. The final call was not made.

	<p>Prepare Cash Book and pass journal entries.</p>
17	<p>Jay Ltd. Issued a prospectus inviting applications for 1,00,000 shares of Rs. 10 each. These shares were issued at par on the following terms: On application Rs. 2.50, on allotment Rs. 2.50, on first call Rs. 3 and on final call the balance. Applications were received for 1,35,000 shares. Allotments were made on the following basis: (i) To applicants for 25,000 shares – in full; (ii) To applicants for 60,000 shares – 45,000 shares (iii) To applicants for 50,000 shares – 30,000 shares All excess amount paid on application is to be adjusted against amount due on allotment. The shares were fully called and paid-up except the amount of allotment, first and final call not paid by those who applied for 4,000 shares of the group applying for 50,000 shares. All the shares on which calls were not paid were forfeited by the Board of Directors. 1,800 forfeited shares were re-issued as fully paid on receipt of Rs. 9 per share. Prepare Cash Book and Journal entries to record the above.</p>
18	<p>XY Ltd. Invited applications for 5,00,000 Equity shares of Rs. 10 each, payable as Rs. 3 on application, Rs. 4 on allotment and the balances on first and final call. Applications were received for 12,00,000 shares and the shares were allotted on a pro rata basis. The excess application money was to be adjusted against allotment only. R, a shareholder, who had applied for 6,000 shares, failed to pay the call money and his shares were accordingly forfeited and reissued at Rs. 9 per share as fully paid. Pass necessary journal entries.</p>
19	<p>A Company issued for public subscription 60,000 equity shares of Rs. 10 each at a premium of Rs. 4 per share, payable as under : Rs. 4 on Application; Rs. 5 on Allotment (including premium), Rs. 2.50 on First Call and Rs. 2.50 on Final Call. Applications were received for 75,000 equity shares. The shares were allotted pro-rata to the applicants for 70,000 shares, the remaining applications being rejected. Money over-paid on applications was utilised towards sums due on allotment. A, to whom 1,200 shares were allotted failed to pay allotment and calls money and B, to whom 1,800 shares were allotted failed to pay two calls. These shares were subsequently forfeited after the final call was made. All the forfeited shares were sold to Rajesh as fully paid-up at Rs. 11 per share. Prepare Cash Book and journal entries required to record the above transactions.</p>
20	<p>Modern Ltd. Issued a prospectus inviting applications for 2,00,000 shares of Rs. 10 each at a premium of Rs. 6 per share, payable as follows:</p>

On Application	Rs. 5 (including premium Rs. 2)
On Allotment	Rs. 5 (including premium Rs. 2)
On 1st Call	Rs. 3 (including premium Rs. 1)
On 2nd & Final Call	Rs. 3 (including premium Rs. 1)

Applications were received for 2,60,000 shares and pro-rata allotment was made to the applicants for 2,50,000 shares. Excess money paid on applications for these shares was utilised towards allotment.

A, who applied for 1,000 shares, failed to pay the allotment money and his shares were forfeited after allotment.

B, who applied for 1,500 shares, failed to pay the two calls and his shares were also forfeited.

Of the shares forfeited, 1,800 shares were re-issued as fully paid up for Rs. 15 per share, the whole of B's share being included. Prepare Cash Book, Journal and Balance sheet.

21

Tushar Ltd. invited applications for issuing 3,00,000 equity shares of Rs. 10 each at premium of Rs. 4 per share. The amount was payable as follows:

On Application Rs. 8 (including premium) and balance on Allotment.

Applications for 4,00,000 shares were received. Pro-rata allotment was made to all applicants. Excess money received on application was adjusted towards sums due on allotment.

A shareholder to whom 1,800 shares were allotted failed to pay the allotment money and therefore, his share were forfeited. Later on the forfeited shares were re-issued for Rs. 15,000 as fully paid up.

Pass necessary journal entries in the books of Tushar Ltd.

22

A limited company forfeited 400 shares of Mr. X, who had applied for 600 shares on account of non-payment of allotment money Rs. 3 + Rs. 2.50 (premium) and first call Rs. 2. Only Rs. 4 per share was received with application. Out of these, 200 shares were re-issued to Mr. Y at Rs. 8 per share, Rs. 9 paid-up.

Give journal entries relating to forfeiture and re-issue.

23

Gupta Ltd. issued 10,000 shares of Rs. 10 each at a discount of Rs. 1 per share (to be adjusted on allotment) payable as follows:

Rs. 2.50 on application

Rs. 4.00 on allotment

Rs. 2.50 on 1st Call

Subscription list was closed on 1-4-1996 by which date applications for 23,000 shares were received. Allotment was made as follows:

List I - Applicants for 2,000 shares were allotted in full.

List II - Applicants for 6,000 were allotted 3,000 shares on pro-rata basis.

List III - Applicants for 15,000 shares were allotted only 5,000 shares on pro-rata basis.

Excess money received on application was utilised towards allotment and call.

All the shareholders paid the amounts due on allotment and call except A (who was

allotted 300 shares under list II) and B (who was allotted 500 shares under list III). Both of these shareholders paid only the application money. Their shares were duly forfeited and were re-issued at Rs. 8 per share fully paid. Pass the necessary journal entries and prepare the Balance Sheet.

- 24 Y Ltd. purchased furniture costing Rs. 1,35,000 from A. B. Ltd. The payment was made by issue of Equity Shares of Rs. 10 each at a discount of Rs. 1 per share. Pass necessary Journal entries in the books of Y Ltd.
- 25 X Ltd. issued 50,000 shares of Rs. 10 each, at a discount of 10% Payments were to be made as: application : Rs. 4 per share; on allotment : Rs. 3 per share; on final call: the balance. All money were duly received except final call on 500 shares. Pass the necessary Journal entries in the books of the company and also show the partial Balance Sheet.
- 26 A Ltd. issued 20,000 equity shares of Rs. 10 each at a discount of Rs. 1 per share payable as Rs. 3 on application, Rs. 3 on allotment (after discount) and Rs. 3 on call. The issue was oversubscribed to the extent of 15,000 shares, and the allotment was done as follows: (a) Applicants of 5,000 shares were given full allotment, (b) Other applicants of shares were allotted shares on pro-rata basis. The excess application money received was to be adjusted against allotment only. All moneys due were received with the exception of the call money on 400 shares. Pass necessary journal entries to record the above transactions.
- 27 Zee Limited was registered with a capital of Rs. 20,00,000, divided into 80,000 shares of Rs. Each. The Company offered to the public for subscription 40,000 shares payable Rs. 7.50 per share on Application, Rs. 7.50 per share on allotment and the balance in two calls of equal amounts. The company received applications for 46,400 shares. Applications for 4,000 shares were rejected altogether and the application money was returned to the applicants . A person who applied for 4,000 shares was allotted only 1,600 shares and the excess of his application money was carried forward towards the payment of allotment and calls. Make Journal entries to record the above issue of shares.
- 28 Narmada Limited was registered with an Authorised Capital of Rs. 5,00,000 in Rs. 10 shares. Company purchased an Asset for Rs. 2,00,000 and issued fully paid shares for it. Balance 30,000 shares were issued to the public, payable as follows:

On Application & Allotment	Rs. 3
On First Call	Rs. 4
On Second Call	Rs. 3

Govind, holding 100 shares failed to pay the First Call money and his shares were forfeited after the First call.

Gopal, holding 200 shares failed to pay the Second Call and his shares were also forfeited.

Pass Journal Entries.

- 29 XYZ Limited has Authorised Capital of Rs. 4,00,000 divided into shares of Rs. 20 each, the whole of which is issued and subscribed at a premium of Rs. 2 per share. The amount was payable as follows : On Application and Allotment: Rs. 10 per share; On 1st Call Rs. 4 per share (including premium) and the balance as and when required.  
The company made both the calls. The application and allotment money was duly received. But a shareholder holding 2,000 shares failed to pay both the calls and his shares were forfeited. These shares were later re-issued at Rs. 14 per share as fully paid.  
Give journal entries regarding the above.
- 30 A Ltd. forfeited 800 shares of Rs. 10 each issued at 20% premium (to be paid at the time of allotment) for non-payment of a final call of Rs. 2 per share. Out of these, 600 shares were re-issued as fully paid-up for Rs. 13 per share. Journalise.
- 31 X Ltd., forfeited 1,000 shares of Rs. 20 each issued at a premium of Rs. 2 per share to Ashok (Rs. 18 called-up) on which he did not pay allotment of Rs. 6 (including premium) and 1st Call of Rs. 4. Give Journal Entries for forfeiture and re-issue in the following caese:  
(i) 600 shares were re-issued to Mohan at Rs. 14 per share as Rs. 18 paid up; (ii) 200 shares to Sohan as fully paid-up for Rs. 24 per share; and (iii) 200 shares to Suresh as fully paid-up for Rs. 10 per share at different intervals of time.
- 32 Y Ltd. forfeited 100 shares of Rs. 10 each issued at 20% premium (to be paid at the time of allotment) on which first call money of Rs. 3 was not received; the final call money of Rs. 2 is not yet called. These shares were subsequently re-issued at Rs. 7 per share as Rs. 8 paid-up. Give necessary journal entries regarding forfeiture and re-issue of shares.
- 33 Raja Ltd. forfeited 400 shares of Rs. 25 each (Rs. 20 called up) held by Asha, for non-payment of allotment money of Rs. 10 per share (including Rs. 5 per share premium) and the first call of Rs. 6 per share. Out of these, 300 shares were reissued to X as Rs. 20 called up for Rs. 16 per share.  
Give journal entries for forfeiture and reissue of shares.
- 34 Mahadev Ltd. with an authorised capital of Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each, issues the entire amount of the shares payable as follows:  
Rs. 5 on Application (including premium of Rs. 3 per share)  
Rs. 4 on Allotment, and  
Rs. 4 on Call.  
All share money is received in full with the exception of the allotment on 200 shares and the call money on 500 shares (including the 200 shares on which the allotment money has not been paid).  
The above 500 shares are duly forfeited and 400 of these (including the 200 shares on which allotment money has not been paid) are re-issued at Rs. 8 per share as fully paid



up. Pass journal entries (including cash transactions) and show the balances in the Balance sheet giving effect to the above transactions.

- 35 Winston was allotted 200 shares of Rs. 100 each by Diplod Ltd . originally issued at discount of 6 % per share. He failed to pay final call of Rs. 35. These shares were forfeited and out these, 100 shares were re-issued to Slack at Rs. 90 each as fully paid up.

Journalise the transactions in respect of forfeiture and re-issue of shares only.

- 36 Mico Ltd. issued 10,000 shares of Rs. 10 each at a discount of Rs. 1 per share which was to be allowed on allotment. The terms for payment were as follows:  
On application Rs. 2.50 per share; On allotment Rs. 2.50 per share; On first call Rs. 2 per share and on final call Rs. 2 per share.

All shares were subscribed and money received, except the amount on 1,000 shares due on final call. The Directors forfeited 700 shares and re-issued 500 shares as fully paid-up for Rs. 6 per share. Give necessary journal entries in the books of Mico Ltd. Also prepare the Balance Sheet.

- 37 D Ltd. offered to the public 20,000 shares of Rs. 100 each at a premium of Rs. 20 per share payable as follows:

	Rs.
On Application	30
On Allotment	40 (including premium)
On First Call	25, and
On Final Call	25

Applications were received for 26,000 shares out of which those for 1,000 shares were rejected outright; full allotment was made to the applicants for 5,000 shares and pro-rata allotment was made to balance.

Final Call was not made and a shareholder holding 600 shares to whom allotment was made on pro-rata basis failed to pay the allotment and first call money. His shares were forfeited. Out of these, 500 shares were re-issued at Rs. 70 per share as Rs. 75 paid-up.

Prepare Cash Book, Journal entries and the Balance Sheet of the company.

- 38 X Ltd. invited applications for 50,000 Equity Shares of Rs. 10 each, payable Rs. 3.50 on application; Rs. 5 on allotment (including premium Rs. 2.50); and Rs. 4 on first and final call.

The company received applications for 65,000 shares. It was decided:

- (a) to refuse allotment to the applicants for 5,000 shares;
- (b) to allot in full to the applicants for 20,000 shares;
- (c) to allot balance of the available shares pro-rata among the other applicants; and
- (d) to utilise the excess application money in part payment of allotment money.

All the money due was received except from one applicant to whom shares had been allotted on pro-rata basis. He failed to pay allotment and call money and his 300 shares were forfeited. These shares were re-issued at Rs. 9 as fully paid.

Give journal entries to record the above transactions in the books of the company.

39

X Limited offered to the public 10,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows:  
On application Rs. 3; On allotment (including premium) Rs. 4; On first call Rs. 3 and on second and final call Rs. 2.  
Applications were received for 15,000 shares.  
All applications were placed under four categories and allotment was made as follows:

Category A : to applicants of 4,000 shares	in full
Category B : to applicants of 6,000 shares	4,000 shares
Category C : to applicants of 3,000 shares	2,000 shares
Category D : to applicants of 2,000 shares	Nil

Except in the cases where applications were wholly rejected, excess application money was not to be refunded but to be adjusted against moneys due on allotment and calls.

A, an applicant under category B to whom 400 shares were allotted failed to pay the allotment money and on his failure to pay the first call his shares were forfeited.  
B, an applicant under category C to whom 300 shares were allotted failed to pay both the calls and his shares were also forfeited.  
500 of the shares thus forfeited were re-issued to C as fully paid for Rs. 8 per share.  
Show Cash Book, Journal entries and prepare the Balance Sheet in the books of the company; you are to assume that the whole of the A's shares were issued to C.

40

Amrit Ltd. issued a prospectus inviting applications for 20,000 shares at a premium of Rs. 2 per share payable as follows:

On Application	Rs. 5 (including premium)
On Allotment	Rs. 4
On Call	Rs. 3

Applications were received for 30,000 shares and pro-rata allotment made on applications for 24,000 shares. Excess money paid on applications for these shares was utilised towards allotment money. Atul, who applied for 600 shares failed to pay the allotment money and on his subsequent failure to pay the call, his shares were forfeited.

Pass the necessary entries in the books of Amrit Limited.

41

X Ltd. invited applications for issuing 80,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share. The amount was payable as follows:  
On application Rs. 6 (including premium) per share.  
On allotment Rs. 3 per share.  
Balance on first and final call.

Applications for 90,000 shares were received. Applications for 5,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments received on applications was adjusted towards sums due on allotment. All calls were made and were duly received except the allotment and final call on 1,600 shares allotted to Vijay. These shares were forfeited and the forfeited shares were re-issued for Rs. 18,400 fully paid up.

Pass necessary journal entries in the books of the company.

42

K Limited has been registered with an authorised capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each, of which 10,000 shares were offered for public subscription at a premium of Rs. 5 per share, payable as under:

	Rs.
On application	30
On allotment	25 (including premium)
On first call	20
On final call	30

Applications were received for 18,000 shares of which applications for 3,000 shares were rejected outright; the rest of the applications were allotted 10,000 shares on pro-rata basis. Excess application money was transferred to allotment.

All the moneys were duly received except from Sundar, holder of 200 shares, who failed to pay allotment and first call money. His shares were later forfeited, and re-issued to Shyam at Rs. 60 per share, Rs. 70 paid up. Final Call has not been made.

Pass necessary Cash Book and Journal entries in the books of K Limited.

43

Janata Ltd. invited applications for issuing 1,00,000 equity shares of Rs. 100 each at a discount of 5 %. The amount was payable as follows:

On application Rs. 30

On allotment Rs. 40

Balance on First and Final Call.

Applications for 1,30,000 shares were received. Applications for 10,000 shares were rejected and pro rata allotment was made to the remaining applicants. Overpayments received on applications were adjusted towards sums due on allotment. Vinod, to whom 500 shares were allotted, failed to pay allotment and first and final call. His shares were forfeited. The forfeited shares were reissued for Rs. 55,000 fully paid-up.

Pass necessary Journal entries in the books of Janata Ltd., showing the workings clearly.

44

A company issued for public subscription 40,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as under:

On Application	Rs. 3 per share
On Allotment	Rs. 4 per share (including premium)
On First Call	Rs. 2 per share
On Second Call	Rs. 3 per share

Applications were received for 70,000 shares. Allotment was made pro-rata to the

applicants for 50,000 shares, the remaining applications being refused. Money overpaid on application was applied towards sum due on allotment. A, to whom 1,600 shares were allotted failed to pay the allotment and calls money. B, to whom 2,000 shares were allotted failed to pay the two calls. The shares of A and B were subsequently forfeited after the second call was made. 3,000 of the forfeited shares were re-issued at Rs. 8 per share fully paid. The re-issued shares included all of A's shares.

Pass journal entries in the books of the company to record the above transactions.

45

(A) PS Ltd. forfeited 500 equity shares of Rs. 100 each for the non-payment of first call of Rs. 30 per share. The final call of Rs. 10 per share was not yet made. The forfeited shares were re-issued for Rs. 65,000 fully paid up. Pass necessary journal entries in the books of the company.

(B) Poonam Ltd. forfeited 400, 8% preference shares of Rs. 100 each issued at a discount of 10% for the non-payment of first call of Rs. 20 each. The second and final call of Rs. 20 per share has not been made. The forfeited shares were re-issued at Rs. 44,000 fully paid up. Pass necessary journal entries for the forfeiture and re-issue of shares.

(C) Samta Ltd. forfeited 800 equity shares of Rs. 100 each for the non-payment of first call of Rs. 30 per shares. The final call of Rs. 20 per share was not yet made. Out of the forfeited shares 400 were re-issued at the rate of Rs. 105 per share fully paid up. Pass necessary journal entries in the books of Samta Ltd. For the above transactions.

46

Jaya Ltd. issued 60,000 shares of Rs. 10 each at a premium of rs. 2 per share payable as Rs. 3 on Application, Rs. 5 (Including premium) on Allotment and the balance on first and final call. Applications were received for 82,000 shares. The Directors resolved to allot as follows:

(A) Applicants of 30,000 shares	20,000 shares
(B) Applicants of 50,000 shares	40,000 shares
(C) Applicants of 2,000 shares	Nil

Ramesh who had applied for 900 shares in category (A), and Suresh who was allotted 600 shares in category (B) failed to pay the allotment money. Calculate the amount received on Allotment.

47

Janta Ltd. invited applications for issuing 2,00,000 equity shares of Rs. 10 each at a discount of 10% The amount was payable as follows:

On Application	:	Rs. 2 per share
On Allotment	:	Rs. 3 share
On First and Final Call	:	balance amount

The issue was undersubscribed to the extent of 20,000 shares. Shares were allotted to all the applicants . All calls made and were duly received 'A' to whom 1,500 shares were allotted, failed to pay allotment and call money and 'B' to whom 1,200 shares were allotted paid the full amount due at the time of allotment. The shares on which

48	<p>allotment and call money was not received were forfeited. The forfeited shares were re-issued at Rs. 8 per share fully paid up. Pass necessary journal entries in the books of Janta Ltd. for the above transactions.</p> <p>Shiva Ltd. invited applications for issuing 2,00,000 Equity Shares of Rs. 100 each at a premium of Rs. 60 per share. The amount was payable as follows: On application Rs 30 per share (including premium Rs. 10). On allotment Rs. 70 per share (including premium Rs. 50). On first and final call the balance amount.</p> <p>Applications for 1,90,000 shares were received. Shares were allotted to all the applicants and the company received all money due on allotment except Jain who had been allotted 1,000 shares, and his shares were immediately forfeited. Afterwards first and final call was made. Gupta did not pay the first and final call on his 2,000 allotted shares. His shares were also forfeited. 50% of the forfeited shares of both Jain and Gupta were re-issued for Rs. 90 per share fully paid up. Pass necessary journal entries in the books of Shiva Ltd. for the above transactions.</p>
----	--