



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Accountancy	Department: Commerce
Worksheet No: 1	Topic: Accounting for Share Capital

1. A Ltd has authorised share capital of ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each. It issued to public 1,50,000 Equity Shares at par for subscription payable as under:

On Application:	₹ 3
On Allotment:	₹ 2
Balance in 2 equal instalments over 2 calls.	

The issue was fully subscribed and allotment was made to all the applicants. Journalize.

2. B Ltd has authorised share capital of ₹ 70,00,000 divided into 7,00,000 Equity Shares of ₹ 10 each. It issued to public 1,00,000 Equity Shares at par for subscription payable as under:

On Application:	₹ 2
On Allotment:	₹ 3 and
Balance:	On Final call

Applications were received for 90,000 shares and allotment was made to all the applicants. All amount was duly received. Prepare Cash book and pass entries.

3. The C 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 balance on final call. These shares were fully subscribed and all money was duly received. Prepare journal and Cash Book.

4. D LTD. issued 2,50,000 Equity Shares of ₹ 10 each to public. The amount was payable in lump sum. Pass necessary Journal entries in the books of the company.

5. E LTD. issued 1,00,000 Equity Shares of ₹ 10 each at a premium of ₹ 5 per share. The whole amount was payable on application. The issue was fully subscribed. Pass necessary Journal entries.

6. B Ltd. was incorporated with a capital of ₹ 2,00,000 divided into shares of ₹ 10 each issued at a premium of 60%. 2,000 shares were offered for subscription. The amount was payable as follows:

₹ 5 per share (including ₹ 2 premium) was payable on application, ₹ 4 per share (including ₹ 1 premium) on allotment & balance on final call. All the money was received. Give necessary Journal entries.

7. Green Ltd. issued 8,000 Equity Shares of ₹ 10 each issued at 20% premium payable ₹ 2 on application, ₹ 3 on allotment (inc prem), ₹ 3 on first call and balance on second call. All the money was duly received with the following exceptions:

A who holds 250 shares paid nothing after application.

B who holds 500 shares paid nothing after allotment.

C who holds 1,250 shares paid nothing after first call. Journalize.

8. Star Ltd was registered with a capital of ₹ 5,00,000 in shares of ₹ 10 each and issued 20,000 such shares at a premium of 20%, payable as ₹ 2 per share on application, ₹ 5 per share on allotment (including premium) and ₹ 2 per share on first call & balance on final call. All the money payable on application and allotment was duly received but when the first call was made, one shareholder paid the entire balance on his holding of 300 shares and another shareholder holding 1,000 shares failed to pay the first call which he paid along with final call money. Journalize.

9. Z Ltd invited applications for 1,00,000 equity shares of ₹ 100 each issued at ₹ 120 per share payable as follows:

On Application ₹ 20, On allotment ₹ 50, On First call ₹ 30 and balance on final call.

The issue was undersubscribed by 10,000 shares and allotment was made to all.

Mr Arun holding 2,000 shares paid his entire balance along with allotment.

Mr Tarun who was allotted 3,000 shares paid first call with final call.

Mr. Sharon holding 1,000 shares failed to pay final call. Journalize.

10. Amrit Dhara Ltd. issued 800 Equity Shares of ₹ 100 each at a premium of 25% as fully paid-up in consideration of the purchase of plant and machinery of ₹ 1,00,000. Pass entries in company's Journal.

11. Rajan Ltd. purchased assets from Geeta & Co. for ₹ 5,00,000. A sum of ₹ 1,00,000 was paid by means of a bank draft and for the balance due Rajan Ltd. issued equity Shares of ₹ 10 each at a premium of 25%. Journalise the above transactions in the books of the company.

12. Z Ltd. purchased furniture costing ₹ 2,20,000 from C.D Ltd. The payment was to be made by issue of 9% Preference Shares of ₹ 100 each at a premium of ₹ 10 per share. Pass necessary Journal entries in the books of Z Ltd.

13. Jain Ltd purchased machinery costing ₹ 10,00,000 from Ayer Ltd. 50% of the payment was made by cheque and for the remaining 50%, the company issued Equity Shares of ₹ 100 each at a premium of 25%. Pass necessary Journal entries in the books of Jain Ltd. for the above transaction.

14. Light Lamps Ltd. issued 50,000 shares of ₹ 10 each as fully paid-up to the promoters for their services to set-up the company. It also issued 2,000 shares of ₹ 10 each credited as fully paid-up to the underwriters of shares for their services. Journalise these transactions.

15. Sure Ltd. purchased a running business from M/s. Rai Brothers for a sum of ₹ 15,00,000 payable ₹ 12,00,000 in fully paid shares of ₹ 10 each and balance through cheque. The assets and liabilities consisted of the following:

Plant and Machinery	₹ 4,00,000	Stock	₹ 4,00,000
Building	₹ 4,00,000	Cash	₹ 3,00,000
Sundry Debtors	₹ 3,00,000	Sundry Creditors	₹ 2,00,000

Journalize.

16. Sandesh Ltd. took over the assets of ₹ 7,00,000 and liabilities of ₹ 2,00,000 from Sanchar Ltd. for a purchase consideration of ₹ 4,59,500. ₹ 8,500 were paid by accepting a draft in favour of Sanchar Ltd. payable after three months and the balance was paid by issue of equity shares of ₹ 10 each at a premium of 10% in favour of Sanchar Ltd.

Pass necessary journal entries for the above transactions in the books of Sandesh Ltd.

17. Alankrit Ltd. purchased machinery of ₹ 10,00,000 from Grand Iron Works Ltd. and paid as follows:

- (a) Issued 50,000 Equity Shares of ₹ 10 each at a premium of ₹ 2.
- (b) Gave an acceptance of ₹ 3,00,000 payable after 3 months; and
- (c) Balance by issuing post-dated cheque of two months of ₹ 1,00,000.

Pass the Journal entries in the books of Alankrit Ltd.

18. Neeraj Ltd. took over business of Ajay enterprises on 1-04-2020. The details of the agreement regarding the assets and liabilities to be taken over are:

Particulars	Book Value	Agreed Value
Building	20,00,000	35,00,000
Plant and Machinery	12,00,000	8,00,000
Stock	4,00,000	4,00,000
Trade receivables	5,00,000	4,00,000
Creditors	2,00,000	3,00,000
Outstanding Expenses	50,000	1,00,000

It was decided to pay for purchase consideration as ₹ 7,00,000 through Cheque and balance by issue of 2,00,000 shares of ₹ 20 each at a premium of 25%. Journalize.