



## INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII Accountancy</b>	<b>Department: Commerce</b>
<b>Worksheet No: 3</b>	<b>Topic: Accounting for Share Capital</b>

1. Akash Ltd. issued 30,000 shares of Rs 10 each at a premium of Rs 2 per share payable as Rs 3 on application, Rs 5 on allotment (including premium) and the balance on first and final call. Application was oversubscribed by 21,000 shares. The directors resolved to allot as follows:

- A. Applicants of 30,000 shares – Allotment of 15,000 shares.
- B. Applicants of 20,000 shares – Allotment of 15,000 shares.
- C. Applicants of 1,000 shares – Nil.

Sushil who applied for 500 shares in Category A failed to pay the allotment money. Calculate the amount received on allotment.

2. Petromax Ltd issued 50,000 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 balance in equal instalments over two calls. Applications were received for 92,000 shares and the allotment was done as under

- (i) Applications of 40,000 shares – Allotted 30,000 shares
- (ii) Applications of 40,000 shares – Allotted 20,000 shares
- (iii) Applications of 12,000 shares – Nil

Suresh who had applied for 2,000 shares (category (i)) did not pay any money other than application money. Chandar who was allotted 800 shares (category (ii)) paid the call money due along with allotment.

All other allottees paid their dues as per schedule. Pass necessary journal entries in the books of Petromax Ltd for the above transactions.

3. Moti Ltd invited applications for issuing 10,00,000 equity shares of Rs 10 each at a premium of Rs 2 per share. The amount was payable as follows

On application Rs 5;  
On allotment Rs 4 (including premium)

On first and final call Rs 3

Applications for 15,00,000 shares were received. Applications for 3,00,000 shares were rejected and the pro-rata allotment was made to the remaining applicants. Excess application money was utilised towards sum due on allotment. Giri, who had applied for 24,000 shares, failed to pay allotment and call money. His shares were forfeited. Pass the journal entries.

4. Bhagwati Ltd invited applications for issuing 2,00,000 equity shares of ₹10 each. The amounts were payable as follows:

On application — ₹ 3 per share

On allotment — ₹ 5 per share

On first and final call — ₹ 2 per share

Applications were received for 3,00,000 shares and pro-rata allotment was made to all the applicants. Money overpaid on application was adjusted towards allotment. B, who was allotted 2,000 shares, failed to pay the allotment & first and final call money. His shares were forfeited. The forfeited shares were reissued at maximum discount. Pass necessary journal

entries to record the above transactions in the books of Bhagwati Ltd.

5. Mehul Limited, having an authorised capital of ₹10,00,000 divided into shares of ₹ 10 each, issued 50,000 shares at a premium of ₹ 2 per share payable as follows:

On Application ₹ 3 per share;

On Allotment (including premium) ₹ 5 per share;

On first & final call- balance

Applications were received for 60,000 shares and the directors allotted the shares as follows:

(i) Applicants for 40,000 shares received in full.

(ii) Applicants for 15,000 shares received an allotment of 8,000 shares.

(iii) Applicants for 5,000 shares received 2,000 shares on allotment, excess money being returned.

All amounts due on allotment & first and final call was duly received with an exception of 200 shares. These shares were forfeited and later on reissued @ Rs, 9 per share. Give journal entries to record these transactions of the company.

6. Zee Ltd. invited applications for 20,000 shares of ₹10 each at premium of 10%.. The amount was payable as follows:

On application ₹2,

On allotment ₹5 (including the premium) and the balance on first and final call.

Applications were received for 25,000 shares and letters of regret were issued to for all excess application. Madhu to whom 1000 shares were allotted failed to pay the allotment money and his shares were subsequently forfeited.

Nidhi, another share holder holding 600 shares paid the entire call money along with allotment. Of the forfeited shares, 800 were reissued for ₹10 per share, fully paid up.

Pass the journal entries in the books of Zee Ltd.

7. TUA Ltd. was registered with an authorised capital of 2,00,000 equity shares of ₹ 100 each. The company offered 60,000 shares for public subscription at 25% premium. The share was payable as ₹ 40 on application and balance on allotment, with premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret. Mr. Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000 shares were re-issued at a discount of ₹ 20 per share. Pass necessary entries.

8. Vandana Ltd. makes an issue of 10,000 Equity Shares of ₹ 100 each, payable as:

On application and allotment ₹ 50 per share,

On first call ₹ 25 per share,

On second and final call ₹ 25 per share.

Applications were received for excess by 2,000 shares. 500 applicants were given letter of regret and remaining were allotted on prorata.

Member holding 400 shares did not pay the first call and another shareholder failed to pay the final call on 100 call on shares. Pass journal entries in the books of the company.

9. AXN Ltd. invited applications for issuing 1,00,000 equity shares of Rs.10 each at a premium of ₹6 per share. The amount was payable as follows :

On Application ₹4 per share (including ₹2 premium).

On Allotment ₹5 per share (including ₹2 premium).

On First Call ₹4 per share (including ₹2 premium).

On Second and Final Call – Balance Amount.

The issue was fully subscribed. Kumar the holder of 400 shares did not pay the allotment money and Ravi the holder of 1,000 shares paid his entire share money along with allotment money. Kumar's shares were forfeited immediately after allotment. Afterwards first call was made. Gupta a holder of 300 shares failed to pay the first call money and Gopal a holder of 600 shares paid the second call money also along with first call. Gupta's shares were forfeited immediately after the first call. Second and final call was made afterwards. The whole amount due on second call was received. All the forfeited shares were re-issued at ₹9 per share fully paid up.

Pass necessary Journal Entries for the above transactions in the books of the company.

10. Zocon Ltd. issued a prospectus inviting applications for 5,00,000 equity shares of ₹10 each issued at a premium of 10% payable as: ₹3 on Application; ₹5 on Allotment (including premium) and ₹3 on call. Applications were received for 6, 60,000 shares.

Allotment was made as follows:

- (a) Applicants of 4, 00,000 shares were allotted in full.
- (b) Applicants of 2, 00,000 shares were allotted 50% on pro rata basis.
- (c) Applicants of 60,000 shares were issued letters of regret.

A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money.

Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited.

These shares were then reissued at ₹14 per share as ₹7 paid up.

Call has not yet been made.

Journalise.

11. Joy Ltd. invited applications for issuing 20,000 equity shares of ₹10 each at par. The amount was payable as follows :

On Application — ₹3 per share

On Allotment — ₹ 4 per share

On First and final call – Balance amount

The issue was oversubscribed by three times.

Applications for 20% shares were rejected and the money was refunded.

Allotment was made to the remaining applicants as follows :

Category	No. of Shares Applied	No. of Shares Allotted
I	30,000	15,000
II	18,000	5,000

Excess money received with applications was adjusted towards sums due on allotment.

Money in excess to sums due on allotment was adjusted towards sums due on first and final call and any money in excess to sums due on first and final call was refunded. Kavi, a shareholder who had applied for 600 shares, failed to pay the remaining allotment money and his shares were immediately forfeited. Kavi belonged to Category I.

Afterwards the first and final call was made. Gupta, who had applied for 400 shares, failed to pay the first and final call. Gupta also belonged to Category I. Shares of Gupta were also forfeited after the first and final call. The forfeited shares were reissued at ₹12 per share fully paid up.

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

12. Lennova Ltd. has authorised share capital of ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. It has existing issued and paid up capital of ₹2,50,000. It further issued to public 25,000 Equity Shares at a premium of 20% for subscription payable as under:

On Application: ₹3 On Allotment: ₹60(including premium) and On Call: Balance Amount. The issue was fully subscribed and allotment was made to all the applicants. The company did not make the call during the year. Show share capital of the company in the Balance Sheet of the Company.

13. Gagan Ltd. is registered with an authorised capital of ₹15,00,00,000 divided into 1,50,00,000 equity shares of ₹10 each. Subscribed and fully paid up share capital of the company was ₹5,00,00,000. To meet its new financial requirements the company decided to issue 2,00,000 equity shares of ₹10 each and 2000, 12% debentures of ₹1,000 each. The issue of shares and debentures was fully subscribed. A shareholder holding 500 shares failed to pay the final call of ₹3 per share.

Show the share capital in the Balance Sheet of the company as per the provisions of Schedule III of the Companies Act, 2013.

14. GSLtd. was registered with an authorised capital of ₹50,00,000 divided into Equity Shares of ₹10 each. The company offered for public subscription all the shares. Public applied for 4,50,000 shares and allotment was made to all the applicants. All the calls were made and were duly received except the final call of ₹2 per share on 500 shares.

Prepare the Balance Sheet of the company showing the different types of Share Capital.

15. Z Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares.

You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.

16. On 1st April, 2020, Vishwas Ltd was formed with an authorised capital of ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year, ₹8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of ₹2 per share. Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at ₹6 per share, ₹ 8 called up. Show the following

(i) Share capital in the balance sheet of the company as per Schedule III of the Companies Act, 2013

(ii) Also prepare 'notes to accounts' for the same.

17. A Ltd was registered with an authorised capital of ₹10,00,000 divided into equity shares of ₹10 each. The company invited applications for the issue of 50,000 shares. Applications for 48,000 shares were received. All calls were made and were duly received except the final call of ₹2 per share on 1,000 shares. All these shares were forfeited and later on re-issued at ₹9,000 as fully paid.

(i) Show how 'share capital' will appear in the balance sheet of A Ltd. as per Schedule III of the Companies Act, 2013.

(ii) Also prepare 'notes to accounts' for the same.