



SINCE 2014

THE COMMERCE VILLA

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1. What is meant by Calls in Arrears? 1
2. What is meant by Calls in Advance? 1
3. Mona Earth Mover Limited decided to issue 12,000 shares of Rs.100 each payable at Rs.30 on application, Rs.40 on allotment, Rs.20 on first call and balance on second and final call. Applications were received for 13,000 shares. The directors decided to reject application of 1,000 shares and their application money being refunded in full. The allotment money was duly received on all the shares, and all sums due on calls are received except on 100 shares. Record the transactions in the books of Mona Earth Movers Limited. 3
4. Jindal and Company purchased a machine from High Life Machine Limited for Rs.3,80,000. As per purchase agreement, Rs. 20,000 were paid in cash and balance by issue of shares of Rs.100 each. What will be the entries passed if the shares are issued :
(a) at par
(b) at 20% premium 3
5. Konica Limited registered with an authorised equity capital of Rs. 2,00,000 divided into 2,000 shares of Rs. 100 each, issued for subscription of 1,000 shares payable at Rs. 25 per share on application, Rs. 30 per share on allotment, Rs. 20 per share on first call and the balance as and when required. Application money on 1,000 shares was duly received and allotment was made to them. The allotment amount was received in full, but when the first call was made, one shareholder failed to pay the amount on 100 shares held by him and another shareholder with 50 shares, paid the entire amount on his shares. The company did not make any other call. Give the necessary journal entries in the books of the company. 4
6. Ansh Limited issued 30,000 equity shares of Rs.100 each with 20% Securities premium reserve. Payable at Rs.30 on application, Rs.50 on allotment and balance on 1st and final call. All money was duly received. Show the transactions relating to share capital in the company's balance sheet and also prepare notes to account. 4
7. Janta Papers Limited invited applications for 1,00,000 equity shares of Rs.
On Application Rs. 5.00 per share
On Allotment Rs. 7.50 per share
On First Call Rs. 7.50 per share
(due two months after allotment)
On Second and Final Call Rs. 5.00 per share
(due two months after First Call)

Applications were received for 4,00,000 shares on January 01, 2017 and allotment was made on February 01, 2017.

Record journal entries in the books of the company to record these share capital transactions under each of the following circumstances:

- (i) The directors decide to allot 1,00,000 shares in full to selected applicants and the applications for the remaining 3,00,000 shares were rejected outright.
- (ii) The directors decide to make a pro-rata allotment of 25 per cent of the shares applied for to every applicant; to apply the balance of application money towards amount due on allotment; and to refund the amount remaining thereafter.

- (iii) The directors totally reject applications for 2,00,000 shares, accept full applications for 80,000 shares and make a pro-rata allotment of the 20,000 shares to remaining applicants and the excess application money is to be adjusted towards allotment and calls to be made.

OR

Himalaya Company Limited issued for public subscription of 1,20,000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as under :

With Application	Rs. 3 per share
On allotment (including premium)	Rs. 5 per share
On First call	Rs. 2 per share
On Second and Final call	Rs. 2 per share

Applications were received for 1,60,000 shares. Allotment was made on pro-rata basis. Excess money on application was adjusted against the amount due on allotment. Rohan, whom 4,800 shares were allotted, failed to pay for the two calls.

Record journal entries.

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Contacts:

90 444 38217

90 441 38217

www.thecommercevilla.in

By,
Anand Maurya Sir
(RESEARCH SCHOLAR*, Lecturer -ACCOUNTANCY,
FOUNDER -A PLUS NETWORK)