

Guess Paper – 2014
Class – XII
Subject –Accountancy

CHAPTER: ISSUE AND FORFEITURE OF SHARES

Q.1 B Ltd offered 20,000 shares of Rs10 each at a premium of 10% payable as follows:

On application Rs.2 (1st Jan), On allotment Rs.4 (including premium) (1st April), on first call Rs.3 (1st June), on second and final call Rs.2 (1st Aug.).

Application were received for 18,000 shares and the directors made allotment. One shareholder to whom 400 shares were allotted paid the entire balance on his shares holdings with allotment money and another shareholder did not pay allotment and 1st call money on his 600 shares which he paid with final call.

Calculate the amount of interest paid and received on calls-in advance and calls in arrears respectively. On 1st Aug. Give the journal entries of interest on calls in arrear and calls in advance.

(interest on calls in arrear = Rs.55) (interest on calls in advance = RS.28)

Q.2 Y Ltd purchased a machine from Y Ltd for Rs.4,95,000 payable 20% by drawing a promissory note in favour of Y ltd and the balance by the issue of fully paid equity shares of Rs.100 each at discount of 10%. Journalise.

(number of shares issued = 4400)

Q.3 T Ltd was formed with a capital of Rs.1,00,000 divided into 10,000 equity shares of Rs.10 each. Out of these 2,000 equity shares were issued to the vendors as fully paid as purchase consideration for a fixed asset acquired. 6,000 equity shares were offered to the public and the issue was fully subscribed. The directors called Rs.6 per share and received the entire amount except a call of Rs.2 per share on 500 shares.

How would you show the relevant items in the Balance Sheet of T Ltd.

(Share capital Rs.55,000)

Q.4 C Ltd forfeited 1,000 shares of Rs.100 each issued at a discount of 8%. Of these shares the first call of Rs.30 per share was not received and the final call of Rs.20 per share was yet to be called. These shares were subsequently reissued at Rs.70 per share Rs.80 paid up.

Q.5 L Ltd forfeited 470 equity shares of Rs.10 each issued at a premium of Rs.5 per share of non-payment of allotment money of Rs.8 per share (including share premium of Rs.5 per share) and the first and final call of Rs.5 per share. Out of these 60 shares were subsequently reissued at Rs.14 per share.

(Ans: capital reserve Rs.40000 and capital reserve Rs.120)

Q.6 Love and sacrifice Ltd offered 40000 shares of Rs.10 each at 10% discount payable as follows: On application Rs.6, balance on allotment.

Public has applied 65,000 shares. Shares were allotted on pro-rata to the applicants of 50,000 shares. Money overpaid on applications was employed on account of sum due on allotment. All the shareholders have paid the amount up to the allotment except Mohan, the allottee of 8,000 shares. His shares were forfeited. 40% of the forfeited shares were reissued at Rs.10 per share paid up in consideration of Rs.30,400. Pass necessary journal entries.

(Ans: Amount transferred to capital reserve = Rs.24,000)

Q.7 Sambhav Ltd issued a prospectus inviting applications for 3000 shares of Rs.100 each at a premium of Rs.20 payable as follows:

On application Rs.20 per share; on allotment Rs.50 per share (including premium), on first call Rs.20 per share and Rs.30 on second and final call per share.

Applications were received for 4,000 shares and allotments made on pro-rata basis to applicants to 3,600 shares, the remaining applications being rejected and money received on application was adjusted on account of sum due on allotment.

Charu whom 360 shares were allotted failed to pay allotment money and calls money and her shares were forfeited.

Arhaan, who was allotted 200 shares failed to pay the two calls, here shares were also forfeited. All these shares were sold to Nishant as fully paid for Rs.80 per share. Show the journal entries in the books of the company.

(Ans: Amount received in allotment Rs.1, 21,440; first call Rs.48, 800; final call Rs.73, 200; capital reserve 7, 440)

Q.8 The authorized capital of Suhas Ltd is Rs.50, 00,000 divided into 25,000 shares of Rs.200 each. Out of these, the company issued 12000 shares of Rs.200 each at a premium of 10%. The amount per share was payable as follows Rs.60 on application, Rs.60 on allotment (including premium), Rs.30 on first call and balance on final call. Public applied for 11,000 shares. All the money was duly received.

Prepare an extract of balance sheet of Suhas Ltd as per Revised Schedule VI, part I of the companies Act 1956 disclosing the above information. Also prepare 'notes to accounts' for the same.

(Ans: Share capital Rs.22, 00,000; Reserve and Surplus Rs.2, 20,000; Cash and cash equivalent Rs.24, 20,000)

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