

Guess Paper – 2014
Class – XII
Subject – Accountancy

ASSIGNMENT: SHARES AND DEBENTURES

Q1 A company issued 20,000, 12% preference shares of ₹50 each at 10% premium and 3,00,000 equity shares of ₹20 each at 5% discount. Full amount was received from the applicants in one installment. Give necessary journal entries in the books of company.

Q2 ABC Ltd forfeited 500 shares of ₹10 each issued at a premium of 20% to Ankit, who had applied for 600 shares for non-payment of allotment money ₹6 per share (including premium) and first and final call of ₹2 per share. The amount overpaid on application was adjusted towards allotment. The forfeited shares were reissued as ₹8 fully paid up. Give journal entries regarding forfeiture of shares and reissue of shares. Show your workings clearly.

Q3 On 1st April, 2011, New XYZ Ltd was formed with an authorized capital of ₹20,00,000 divided into 2,00,000 equity shares of ₹10 each. The company issued prospectus inviting applications for 1,50,000 shares. The share price was payable as follows:

On application ₹3; on allotment ₹4; on call ₹3.

The issue was fully subscribed and the company allotted shares to all the applicants. The company did not make the call during the year. The company also issued 5,000 shares of ₹10 each fully paid up to the vendor for purchase of building.

Show how the 'Share Capital' will be shown in the company's Balance Sheet as at 31st March, 2012. Also prepare 'Notes to Accounts' for the same.

Q4 XYZ issued 5,000, 9% debentures of ₹100 each at 4% discount, repayable at 8% premium after 5 years.

Amount was received on application and allotment. Pass journal entries at the time of issue of debentures.

Q5 Krish Ltd. Issued 2,000, 7% debentures of ₹50 each at 5% premium, repayable at 10% premium after 4 years. Amount of debentures was received as follows:

On application ₹30 and remaining on allotment. Whole of the amount of debentures was duly received. Give journal entries.

Q6 Redeemed 750, 12% Debentures of ₹75 each by converting into equity shares of ₹100 each. The equity shares were issued at a discount of 10%. Pass journal entries.

Q7 Converted 550, 12% debentures of ₹1,000 each into new 13% debentures of ₹100 each. The new debentures were issued at a premium of 10%. Pass journal entries.

Q8 X Ltd had outstanding balance of ₹5,00,000, 8% debentures of ₹100 each redeemable at a premium of 10%. According to the terms of redemption, the company redeemed 10% of these debentures by converting them into 10% preference shares of ₹100 each issued at a premium of 10%. Calculate the number of shares to be issued on conversion and record journal entries for the redemption in the books of the company. Pass journal entries.

Q9 X Ltd secured a loan of ₹80,000 from SBI on mortgage of its land and building. It also issued 1,000, 10% debentures of ₹100 each as collateral security. How will you treat the issue of such debentures?

Q10 AB Ltd. Invited applications for issuing 1,00,000 equity shares of ₹10 each. The amount was payable as follows: On Application ₹3 per share; On allotment ₹2 per share; and on 1st and final call ₹5 per share. Applications for 1,50,000 shares were received and prorata allotment was made to all applicants as follows: Application for 80,000 shares were allotted 60,000 shares on pro-rata basis; Application for 70,000 shares were allotted 40,000 shares on pro-rata basis; Sudha to whom 600 shares were allotted out of the group 80,000 shares failed to pay allotment money. Her shares were forfeited immediately after allotment. Asha who had applied for 1,400 shares

out of the group 70,000 shares failed to pay the first and final call. Her shares were also forfeited. Out of forfeited shares 1,000 shares were reissued @ `8 per share fully paid up. The reissued shares included all the forfeited shares of Sudha.

Pass necessary journal entries to record the above transaction

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