

Mishra tutorial

mishratutorial124@gmail.com

Class 12 - Accountancy
Company (Issue of shares)

Maximum Marks: 50

Time Allowed: 1 hour

General Instructions:

- Your name.....
- Attempt all questions
- Contact me for answer
- Contact no.9999202554

Section A

1. _____ Shares are not convertible. 1
- | | |
|---|----------------------------------|
| a) Equity Shares | b) Convertible Preference Shares |
| c) Both Preference Shares and Convertible Preference Shares | d) Preference Shares |
2. Vinod Ltd. forfeited 1,000 equity shares of ₹100 each for the non-payment of first call ₹20 per share and second and final call of ₹25 per share. These shares were reissued at ₹50 per share fully paid up. Find out the capital reserve. 1
- | | |
|----------|----------|
| a) 7,000 | b) 5,000 |
| c) 6,000 | d) 5,500 |
3. Which of the following statement is not true? 1
- | | |
|--|---|
| a) Sweat Equity shares can be issued at discount | b) Shares can be issued at discount |
| c) Company can buy its own shares | d) There is no limit for securities premium |
4. When will you record the following entry? 1
- Share Applications A/c
To Bank A/c
- | | |
|---------------------------------------|--|
| a) When Application money is received | b) When Company pays to the Applicants |
|---------------------------------------|--|

- c) When Application money is refunded d) When Full amount is received on application
5. Forfeited shares can be reissued at _____ **1**
- a) Par and premium only b) Only at par
c) Par and discount only d) Par, premium or discount
6. Which of the following is not true about a company? **1**
- a) Company is a Natural Person b) Company has a common seal
c) Company has separate entity d) Company is an Artificial Person
7. Entry for reissue of forfeited shares at discount will be **1**
- a) Bank A/c Dr. b) Bank A/c Dr.
Share Forfeiture A/c Dr. To Share Capital A/c
To Share Capital A/c
c) Share Capital A/c Dr. d) Bank A/c Dr.
Share Forfeited A/c Dr. Share Capital A/c Dr.
To Bank A/c To Share Forfeited A/c
8. _____ Shareholders have voting rights in all circumstances. **1**
- a) Preference Share b) Equity Share
c) Bonus Share d) Both Preference Share and Bonus Share
9. When the entire face value of a share is called by the company and is also paid by the shareholder, It is known as _____ **1**
- a) Subscribed and fully paid up capital b) Subscribed but not fully paid up capital
c) Capital Reserve d) Reserve Capital
10. _____ Shares are issued by a company to its employees or directors for their hard work and dedication towards the company. **1**
- a) Bonus Shares b) Only Preference Shares
c) Employees Stock Option Scheme d) Sweat Equity Shares
11. What rate of interest is to be used on calls in arrear as per the TABLE - F **1**
- a) 12% b) 6%
c) 10% d) 9%
12. Which type of capital will take place after the authorized capital? **1**

- a) Subscribed Capital b) Issued Capital
c) Paid up Capital d) Called up Capital
13. Which of the following is not true about Preference Shares? **1**
- a) Can be converted b) Can be Redeemed
c) Right to Dividend d) No Dividend
14. 20,000 shares issued for public subscription at a premium of 10%. Full amount **1**
was payable on application. Applications were received for 30,000 shares and
pro-rata allotment was made. Find the amount to be adjusted in securities
premium?
- a) 1,10,000 b) 10,000
c) 1,00,000 d) 20,000
15. X Limited forfeited 1,000 shares of 10 each for the non-payment of the final **1**
call of Rs.2 per share. These shares were reissued @ Rs.8 per share fully paid
up. Find out the amount of capital reserve.
- a) Capital Reserve ₹4,000 b) Capital Reserve ₹6,000
c) Capital Reserve ₹12,000 d) Capital Reserve ₹10,000
16. Which of the following is not a situation of oversubscription or not concerned **1**
with over subscription?
- a) Pro-rata allotment b) Under subscription
c) Rejecting Excess Applications d) Both Rejecting Excess
Applications and Pro-rata
allotment
17. Authorized share capital is also known as: **1**
- a) Paid up capital b) Issued capital
c) Called up capital d) Nominal Capital
18. The minimum share application money is: **1**
- a) none of the above b) 10% of nominal value of
shares
c) 5% of nominal value of d) Rs. 5 per share
shares
19. What is the limit of Securities Premium on the issue of shares? **1**
- a) 6% b) 10%
c) 20% d) Unlimited
20. In case of a public company, it must have at least ____ Directors. **1**

- a) None of these b) Payment of dividend
c) Issue of bonus shares d) Any business purpose
29. Vinod Limited invited applications for subscription of 10,000 Equity shares @ Rs.10 each. Applications were received for 25,000 shares. This situation is called **1**
- a) Oversubscription of shares b) Private Placement of shares
c) Full Allotment of shares d) Under subscription of shares
30. A company can sell its shares only through **1**
- a) Stock Exchange b) Banks
c) Media d) Only Newspapers
31. A company cannot issue its share at **1**
- a) Par b) Discount
c) Both Discoun and Par d) Premium
32. How will you calculate the number of shares to be issued to the Vendor? **1**
- a) Purchase Consideration/
Issue Price of share b) Purchase Consideration/
Called up capital
c) Purchase Consideration/ Face d) Purchase Consideration/
value of share Premium on share
33. Directors of Vinod Limited forfeited 200 shares of ₹20 each, ₹15 per share called up on which ₹10 per share had been paid. Directors reissued all the forfeited shares to B as ₹15 per share paid up for a payment of ₹10 each. State the minimum amount at which these shares can be reissued. **1**
- a) 15 b) 55
c) 10 d) 20
34. As per the Companies Act, 2013, companies cannot issue **1**
- a) Irredeemable Preference
Shares b) Equity Shares
c) Bonus Shares d) Preference Shares
35. Which capital is to be stated in the Memorandum of Association of a company? **1**
- a) Subscribed capital b) Issued Capital
c) Authorised Capital d) Called up capital
36. Share capital is shown in the balance sheet under the heading of **1**
- a) Non-current Assets b) Shareholders' Funds

- c) Reserves and Surplus d) Non-current liabilities
37. Vinod Limited forfeited 200 shares of ₹20 each, ₹15 per share called up on which ₹10 per share had been paid. Directors reissued all the forfeited shares to B as ₹15 per share paid up for a payment of ₹10 each. Find out capital reserve. 1
- a) 2000 b) 1000
c) 2500 d) 3500
38. When a company purchases any fixed asset or a running business and makes payment to the vendor in form of issue of shares in place of cash it is called 1
- a) The issue of shares for consideration other than cash b) Both The issue of shares for consideration other than cash and The issue of shares for cash.
c) The issue of shares for cash. d) Private Placement of shares
39. Stages of Incorporation of company are 1
- a. Promotion
b. Capital subscription
c. Incorporation
d. Commencement of business
- Arrange them in order
- a) d,a,c,b b) a,c,b,d
c) c,a,b,d d) a,c,d,b
40. _____ is shown by way of deduction from subscribed capital while preparing notes to account. 1
- a) Dividend b) Calls-in-advance
c) Calls-in-arrears d) Share Forfeiture A/c
41. What entry will take place at the time of receipt of calls in arrears? 1
- a) Bank A/c Dr. b) Calls in arrears A/c Dr.
To Share Application To Bank A/c
c) Bank A/c Dr. d) Bank A/c Dr.
To Calls in Arrears To Calls in Advance
42. Excess money received on application should be utilized first on: 1
- a) Allotment b) Half on Allotment and Half on Calls

- c) Premium
d) Calls only
43. Share Capital Account should be debited (at the time of forfeiture) with: **1**
 a) Paid up amount
b) Face Value
 c) Premium Amount
d) Called up amount
44. When shares issued are 10,000 but applied shares are 8,000 then it is a case of: **1**
 a) None of the above
b) pro-rata
 c) under subscription
d) Over-subscription
45. What type of shares can be issued at discount? **1**
 a) Both Preference Shares and Equity Shares
b) Sweat Equity Shares
 c) Equity Shares
d) Preference Shares
46. Amount of Calls in Arrears will be deducted from_____ under share capital. **1**
 a) Subscribe but not fully paid up
b) Called up capital
 c) Authorised capital
d) Issued Capital
47. Which of the following is not true about a private company? **1**
 a) Restriction on the right to transfer its shares
b) Private company ends with the words 'Private Limited'.
 c) Minimum paid up share capital Rs.1,00,000
d) Minimum paid up capital is 5,00,000
48. Following Entry takes place when: **1**
 Bank A/c Dr.
 To Share Application A/c
 a) Both Application money is adjusted and Application money is refunded
b) Application money is received
 c) Application money is adjusted
d) Application money is refunded
49. Other name for registered capital is: **1**
 a) nominal capital
b) Issued capital
 c) None of the above.
d) reserve capital
50. 10,000 shares issued for public subscription at a premium of 10%. Full amount was payable on application. Applications were received for 15,000 shares and pro-rata allotment was made. Find the amount to be refunded? **1**

a) 55,000

b) 1,00,000

c) 10,000

d) No need to refund the money