

Accounting For Share Capital

Illustration 1: S T L Global Ltd. was formed with a nominal Share Capital of Rs. 40,00,000 divided into 4,00,000 shares of Rs. 10 each. The Company offers 1,30,000 shares to the public payable Rs. 3 per share on Application, Rs. 3 per share on Allotment and the balance on First and Final Call. Applications were received for 1,20,000 shares. All money payable on allotment was duly received, except on 200 shares held by Y. First and Final Call was not made by the Company. How would you show the relevant items in the Balance Sheet of STL Global Ltd.?

Solution 1:

Balance Sheet (Extract) of S T L Global Ltd. (Relevant Part only)

As at _____

Particular	Notes. no	(Rs.)
Equity and Liabilities		
Shareholder's Funds:		
(a) Share Capital	(1)	7,14,000
Assets		
Current Assets:		
Cash and Cash Equivalents (Cash at Bank)		7,14,000
Particular	Details	(Rs.)
(1) Share Capital		
Authorised Capital :		
4,00,000 Shares of Rs. 10 each		40,00,000
Issued Capital :		
1,30,000 shares of Rs 10 each		13,00,000
Subscribed but not fully paid capital:		
1,20,000 shares of Rs. 10 each Rs. 6 per share called – up	7,20,000	
Less : calls in Arrears (200 shares x Rs. 3)	6,000	
		7,14,000

Illustration 2: On 1st April, 2012, Janta Ltd. was formed with an authorized capital of 50,00,000 divided into 1,00,000 equity shares of 50 each. The company issued prospectus inviting application for 90,000 Shares. The issue price was payable as under:

On Applicant : Rs. 15

On Allotment : Rs. 20

On call : Balance amount

The issue was fully subscribed and the company allotted shares to all he applicants. The company did not make the call during the year.

Show the following :

1. Share capital in the Balance Sheet of the company as per revised schedule – VI, Part-I of the companies Act, 1956.
2. Also prepare Notes to Account's for the same.

Solution :**Balance Sheet of Janta Ltd.**

As at..... (As per schedule iii)

Particulars	Note. no	Amount Current Years	Amount Previous Years
Equity & liabilities			
1. Shareholder's funds			
(a) Share Capital	1.	31,50,000	

Notes to Accounts

Particulars	(Rs.)
1. Share Capital	
Authorised Capital	
1,00,000 equity shares of Rs. 50 Each	50,00,000
Issued Capital;	
90,000 equity shares of Rs. 50 Each	45,00,000
Subscribed capital	
Subscribed but not fully paid	
90,000 shares of Rs. 50 each Rs. 35 called up Rs.	31,50,000
Issue of Shares	
Shares can be issued in two ways	
1. for cash	
2. for consideration other than cash	
Terms of Issue of Shares	
Shares can be issued in two ways.	
1. Issue of shares at Par	
2. Issue of shares at Premium	

Issue of shares against Lump sum payment : When whole amount due on shares is payable in one instalment. The journal entries will be as follow:

Illustration 3 : Vaibhav Ltd. issued 1,00,000 shares of Rs. 10 each at per. The whole amount was payable with application. Pass the necessary journal entries in the books of company.

Solution:**Journal**

Date	Particulars	L.F	Debit(Rs.)	Credit(Rs.)
	Bank A/c		10,00,000	
	To Share Application and allotment A/c			10,00,000
	(Being the application money received on 1,00,000 shares at Rs. 10 per share)			
	Share Application and allotment A/c Dr.		10,00,000	
	To Share Capital A/c			10,00,000
	(Being the share allotted and transfer of application money an 1,00,000 shares to share capital account)			

Illustration 4 : X Ltd. invited application for 10,000 shares of the value of Rs. 10 each. The amount is payable as Rs. 2 on application and Rs. 5 on allotment and balance on First and Final Call. The whole of the above issue was applied and cash duly received. Give Journal entries for the above transaction.

Date	Particulars	L.F	Debit(Rs.)	Credit(Rs.)
	Bank A/c Dr.		20,000	
	To share application A/c			20,000
	(Being the application money received on 10,000 shares at Rs. Per share)			
	Share Application A/cv Dr.		20,000	
	To Share Capital A/c			20,000
	(Being the transfer of application money on 10,000 shares to share capital account).			
	Share Allotment A/c Dr.		50,000	
	To Share Capital A/c			50,000
	(Being the amount due on 10,000 shares at Rs. 5 per Share)			
	Bank A/c Dr.		50,000	
	To Share Allotment A/c			50,000
	(Being the receipt of Rs. 5 on 10,000 Shares)			
	Shares first & final Call A/c Dr.		30,000	
	To Share Capital A/c			30,000
	(Being the amount due on 10,000 Shares at Rs. 3 per share)			
	Bank A/c Dr.		30,000	
	To Share first & final all A/c			30,000
	(Being the receipt of Rs. 3 on 10,000 shares)			

Illustration 5 : V Ltd. Issued 20,000 Equity shares of Rs. 10 each at a premium of Rs. 3 payable as follows:

On Application Rs. 4

On Allotment Rs. 5 (including Securities Premium Reserve)

On First Call Rs. 2

On Final Call Rs. 2

All shares were duly subscribed and all money duly received. Pass necessary Journal Entries.

Solution :

In the Book of X Ltd.

Date	Particulars	L.F	Debit(Rs.)	Credit(Rs.)
	Bank A/c Dr.		80,000	
	To Equity Share Application A/c			80,000
	(Being the application money received on 20,000 Equity Shares at Rs. 4 per Equity Share)			
	Equity Share Application Account Dr.		80,000	
	To Equity Share Capital Account			80,000
	(Being the transfer of application money on 20,000 Equity Shares of Equity Shares Capital Account)			
	Equity Share Allotment Account Dr.		1,00,000	
	To Equity Share Capital Account			40,000
	To Securities Premium Reserve A/c			60,000
	(Being the amount due on 10,000 Equity Shares at Rs. 5 including Premium Rs. 3 Shares)			
	Bank A/c		1,00,000	
	To Equity Share allotment A/c			1,00,000

	(Being the receipt of Rs. 5 on 10,000 Equity Shares)			
	Equity Share First Call A/c Dr.	40,000		
	To Equity Share Capital Account			40,000
	(Being the amount due on 20,000 Equity Shares at Rs. 2 Equity Shares)			
	Bank A/c Dr.	40,000		
	To Equity Shares First Call A/c			40,000
	(Being the receipt of Rs. 2 on 20,000 Equity Shares)			
	Equity Share Final Call A/c Dr.	40,000		
	To Equity Share Final Call A/c			40,000
	(being the receipt of Rs. 2 on 20,000 Equity Shares)			
	Bank A/c Dr.	40,000		
	To Equity Shares First Call A/c			40,000
	(being the receipt of Rs. 2 on 20,000 Equity Shares)			

Issue of shares at discount section 53 : A company cannot issue shares at discount other than sweat equity shares.

Shares Issue for Consideration Other than Cash

When a company purchases any fixed asset or business and makes the payment to the vendor in form of issue of shares in place of cash it is called the issue of shares for consideration other than cash.

Share can be issued at par, at premium.

Journal entries for issue of shares to vendors/consideration other than cash

Date	Particulars	L.F	Debit (Rs.)	Credit(Rs.)
	On Purchases of asset:		Amount of purchase price	
	Sundry Asset Account Dr.			
	To vendor			
	On Purchases of business:			
	When purchases consideration is more than net asset			
	Sundry Asset Account Dr.			Agreed
	Goodwill Account (B/F)			Value
	To Sundry Liabilities		Consideration	Agreed Value
	To Vendor		-Net assets	Purchase Consideration
	When purchase consideration is less than net asset			
	Sundry Assets Account		Agreed Value	Agreed
	To Sundry Liabilities			Value
	To Vendor			Purchases
	To capital Reserve A/c (B/F)			Condsideration
				Difference
	On Issue of Shares (a) at Par			
	Vendor Dr.			
	To share Capital			
	(b) On Issue of Share At Premium			
	Vendor Dr.			

	To Share Capital A/c			
	To Securities Premium Reserve A/c			

Note: When name of vendor is given then we write the name of vendor

Illustration 6 : Atlas Co. Ltd. Purchased a machine from HMT Co. for Rs 64,000. It was decided to pay Rs. 10,000 in cash and balance will be paid by issue of shares of Rs. 10 each,
Pass journal entries shares

1. Issued at par
2. Issued at premium of 20%

Solution :
Journal

Date	Particulars	Debit (Rs.)	Credit (Rs.)
	Machinery Account Dr.	64,000	
	To HMT Ltd.		54,000
	To Bank Account		10,000
	(being the machine purchased and Rs. 10,000 paid cash and balance to be paid by issue of shares)		
	(a) When Shares are issued at par		
	HMT Ltd. (Vendor)	54,000	
	To Share Capital		54,000
	(Being 5,400 shares of Rs, 10 each at pa at HMT Ltd.)		
	(b) when Shares are issued at premium		
	HMT Ltd. (vendor) Dr.	54,000	
	To Share Capital Account		45,000
	To Share Premium Account		9,000
	(being 4,500 shares of issued to vendor at a premium of Rs. 2 per share $54,000/10+2 = 4500$)		

Illustration 7 : A company issued 15,000 fully paid up equity shares of Rs. 100 each for the purchases of the following assets and liabilities from Gupta Bros.

Plant – Rs. 3,50,000; Stock Rs. 4,50,00;

Land and Building Rs. 6,00,000; Sundry Creditors Rs. 1,00,000

Pass necessary Journal entries.

Solution:
Journal

Date	Particulars	L.F	Debit (Rs.)	Credit(Rs.)
	Plant A/c Dr.		3,50,000	
	Land and Building A/c Dr.		6,00,000	
	Stock Account Dr.		4,50,000	
	Good will Account (b/f) Dr.		2,00,000	
	To Sundry Creditors A/c			1,00,000
	To Gupta Bros.			15,00,000
	(Being the purchase of Business)			

	Gupta Bros. Dr.	15,00,000	
	To Equity Shares Capital Account		15,00,000
	(Being issue of 15,000 shares of Rs. 100 each as payment of business price)		

Note : Calculation : Goodwill = Purchases consideration + Liabilities – assets = Rs. 15,00,000 + Rs. 1,00,000 = Rs. 14,00,000 Rs. 2,00,000.

Illustration 8 : A company purchased a running business from Mahesh for a sum of Rs. 1,50,000 payable as Rs. 1,20,000 in fully paid equity shares of Rs. 10 each and balance in cash. The assets and liabilities consisted of the following Plant and Machinery Rs. 40,000; Stock Rs. 50,000; Building Rs. 40,000; Cash Rs. 20,000 Sundry debtors Rs. 30,000; Sundry creditors Rs. 20,000
Pass necessary Journal entries.

Solution

Journal

Date	Particulars	L.F	Debit (Rs.)	Credit(Rs.)
	Plant and Machinery A/c Dr.		40,000	
	Building A/c Dr.		40,000	
	Sundry Debtors Dr.		30,000	
	Stock Account Dr.		50,000	
	Cash A/c		20,000	
	To sundry Creditors A/c			20,000
	To Mahesh			1,50,000
	To Capital Reserve A/c			10,000
	(Being the purchase of Business)			
	Mahesh		1,50,000	
	To Equity Shares Capital A/c			1,20,000
	To Bank A/c			30,000
	(Being the payment made to Mahesh in form of Shares)			

Note : Calculation; Net assets – liabilities = Rs. 1,80,000- Rs. 20,000 Rs. 1,60,000 Capital reserve = Net Asset – Purchase consideration = Rs. 1,60,000 – Rs. 1,50,000 = Rs. 10,000

Illustration 9 : Pass necessary journal entries for the following transactions in the Books of Rajan Ltd.

1. Rajan Ltd. purchased machinery of Rs. 7,20,000 from Kundan Ltd. The payment was made to Kundan Ltd. by issue of equity shares of Rs. 100 each at 20% Premium.
2. Rajan Ltd. purchased a running business from Vikas Ltd. for a sum of Rs. 2,50,000 payable as Rs. 2,20,000 in fully paid equity shares of Rs.10 each and balance by a bank draft. The assets and liabilities consisted of the following:
Plant & Machinery Rs. 90,000; Buildings Rs. 90,000;
Sundry Debtors Rs. 30,000; Stock Rs. 50,000; Cash Rs. 20,000;
Sundry Creditors Rs. 20,000

Solution

Rajan Ltd.

Journal

Date	Particulars	L.F	Debit(Rs.)	Credit(Rs.)
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(a)	Machinery A/c Dr.	7,20,000	
	To Kundan Ltd.		7,20,000
	(Machinery purchased from Kundan)		
	Kundan Ltd. Dr.	7,20,000	
	To Equity Share Capital A/c		6,00,000
	To Securities premium A/c		1,20,000
	(6,000 Equity Shares of Rs. 100 each issued as purchase consideration)		
(b)	Plant & Machinery A/c Dr.	90,000	
	Building A/c Dr.	90,000	
	Sundry Debtors A/c Dr.	30,000	
	Stock A/c Dr.	50,000	
	Cash A/c Dr.	20,000	
	To Sundry Creditors A/c		20,000
	To Vikas Ltd.		2,50,000
	To Capital Reserve A/c		10,000
	(Business Purchased)		
	Vikas Ltd. Dr.	2,50,000	
	To Equity Share Capital A/c		2,20,000
	To bank A/c		30,000
	(Shares issued and draft given)		

Illustration 10 : Ram holding 10 shares of Rs. 10 each of which Rs. 2 on application Rs. 3 on allotment but could not pay Rs. 3 on first call. His shares were forfeited by the Directors. The Final call is not made as yet. Give Journal entries in the book of company.

Solution:

Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Share Capital A/c (10×8) Dr.		80	
	To share First Call/calls in arrear A/c			30
	To Forfeited Shares A/c			50
	(Being 10 Shares forfeited for nonpayment of first call money)			

Forfeiture of Shares Issued at Premium :

1. when the premium has been received;
2. When the premium has not been received.

Case 1: When the premium has been received : In such cases premium received will not be forfeited and will not record anywhere in the forfeiture journal entry.

Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Shares Capital A/c Dr.		Amount Called	
	To various Calls/calls in arrear A/c		(Excluding Premium)	Unpaid Amt.
	To Forfeited Shares A/c			Amt. received (Excluding Premium)

Illustration 11 : 1000 shares of Rs. 10 each issued at a premium of Rs. 2 per share are forfeited on which Rs. 8 (including premium) have been received. Final call of Rs. 4 has not been received. Pass necessary journal entry in the books of company.

Solution :

Journal

Date	Particular	L.F.	Debit (Rs.)	Credit (Rs.)
	Share Capital A/c (1000×10) Dr.		10,000	
	To Various Calls/calls in arrear A/c			4,000
	To Forfeited Share A/c (1000×6)			6,000
	(Being 1000 Shares forfeited for non-payment of final call money)			

The premium has not been received : In Such case security premium reserve is debited with the amount for premium not receive.

Accounting Treatment

Journal

Date	Particular	L.F.	Debit (Rs.)	Credit (Rs.)
	Share Capital A/c Dr.		Amount called	
	Securities Premium Reserve A/c Dr.			
	To Various Calls/calls in arrear A/c		Premium Not	Unpaid Amt.
	To Forfeited Share A/c		Received	(including Premium Net Amt. Recd.)

Illustration 12 : 1000 Shares of Rs. 10 each issued at a premium of Rs. 2 per share are forfeited on which only application money of Rs. 4 has been received and Rs. 8 (including premium) has not been received. Pass necessary entries.

Solution:

Journal

Date		L.F.	Debit (Rs.)	Credit (Rs.)
	Share Capital A/c Dr.		10,000	
	Securities Premium Reserve A/c Dr.		2,000	
	To various Calls/calls in arrear A/c			8,000
	To Forfeited Share A/c			4,000
	(Being 1,000 Shares forfeited for non payment of allotment and calls money)			

Reissue of Forfeited Shares: Forfeited shares can be issued to some investor. This is called as reissue of shares These can be issued at par, premium or discount but discount cannot exceed the forfeited amount received on the reissued shares.

Date	Particular	L.F.
	When Shares Reissued at par	
	Bank A/c Dr.	
	To Share Capital A/c	
	When Shares Reissued at Premium	
	Bank A/c Dr.	
	To Share Capital A/c	
	To Securities Premium Reserve A/c	
	When Shares Reissued at Discount	
	Bank A/c Dr.	

	Forfeited Share A/c Dr.	
	To Share Capital A/c	
	After reissue of share, the balance related to reissue shares in forfeiture account (Profit and Reissue of Shares) transferred to capital reserve A/c	
	Forfeited Shares A/c Dr.	
	To capital Reserve A/c	

Illustration 13 : A Ltd. Forfeited 200 shares of Rs. 10 each fully called up held by X for non payment of allotment money of Rs. 3 per share and First & Final call of Rs. 4 per share. He paid the application money of Rs. 3 per share. These shares were reissued to Y for Rs. 8 per shares pass necessary journal entries.

Solution:

Journal

Date		L.F.	Debit (Rs.)	Credit (Rs.)
	Share Capital A/c Dr.		2,000	
	To Share Allotment Account (200×3)			600
	To Share First & Final Call Account (200×4)			800
	To Shares Forfeited Account (200×3)			600
	(Being 200 Shares Forfeited held by X)			
	Bank Account (200×8) Dr.		1,600	
	Forfeited Shares Account (200×2) Dr.		400	
	To share capital Account (200×10)			2,000
	(Being re-issued of forfeited shares to Y)			
	Forfeited Shares Account Dr.		200	
	To Capital Reserve Account			200
	(Being the transfer of profit on reissue to capital Reserve)			

Forfeiture of Shares originally issued at premium and reissued at a discount

Illustration 14 : A Ltd. Forfeited 100 shares of Rs. 100 each issued at a premium of 50% to be paid at time allotment on which first call of Rs. 30 per equity share was not received, final call of Rs. 20 is yet to be made. These shares were reissued at Rs. 70 per share at Rs. 80 paid up. pass necessary journal entries.

Solution :

Journal

Date		L.F.	Debit (Rs.)	Credit (Rs.)
	Shares Capital A/c (100×80)		8,000	
	To Share First call A/c (100×30)			3,000
	To Share Forfeited A/c (100×50)			5,000
	(Being 100 Shares forfeited for non-payment of first call money)			
	Bank A/c (100×70)		7,000	
	Forfeited Shares A/c (100×100) Dr.		1,000	
	To Share Capital Account (100×80)			8,000
	(Being re-issued of 100 Forfeited Shares at Rs. 70 per Share at Rs. 80 Paid up)			
	Forfeited Shares Account (40×100) Rs.		4,000	
	To Capital Reserve Account			4,000

	(Being the transfer of profit on re-issue to capital Reserve)			
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Pro-Rata-Allotment When there is oversubscription of shares either the excess amount is refunded or proportions shares are allotted. Allotment of proportionate shares as Pro-rata Allotment.

Illustration 15 : AB Ltd. invited applications for 1,00,000 Equity Shares Rs. 10 each payable as Rs. 2 application, Rs. 3 on Allotment and the balance on first and final call. Application were received for 3,00,000 shares and shares were allotted on prorata basis. The excess application money was to be adjusted against allotment only. Ram, a shareholder who has applied for 3,000 shares failed to pay the call money and his shares were forfeited and re-issued at L8 per share as fully paid. Pass necessary journal entries in the books of company.

Solution :

Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Bank A/c Dr.		6,00,000	
	To Equity Share Application A/c			6,00,000
	(Being the application money receive on 3,00,000 Equity Shares at Rs. 2 per Equity Shares)			
	Equity Share Application Account Dr.		6,00,000	
	To Equity Share capital Account			2,00,000
	To Equity Share Allotment Account			3,00,000
	To Bank A/c			1,00,000
	(Being the transfer of application money into share capital and allotment and balance refunded)			
	Equity Share Allotment A/c		3,00,000	
	To Equity Share Capital A/c			3,00,000
	(being the amount due to 1,00,000 Equity Shares of Rs. 3 Share)			
	Equity Share first & Final Call A/c Dr.		5,00,000	
	To Equity Share Capital A/c			5,00,000
	(Being the amount due on 1,00,000 Equity shares at Rs. 5 Per Equity Share)			
	Bank A/c Dr.		4,95,000	
	To Equity Share First & Final call A/c			4,95,000
	(Being the receipt of Rs. 5 on 99,000 Equity Shares)			
	Equity Share Capital A/c		10,000	
	To equity share First & Final A/c			5,000
	To Forfeited Shares A/c			5,000
	(Being 1000 Shares forfeited due to non payment of first and final all money)			
	Bank A/c (1000×8) Dr.		8,000	
	Forfeited Shares A/c (1000×2) Dr.		2,000	
	To equity shares capital A/c (1000×10)			10,000
	(Being the re-issue of 1000 Equity Shares at Rs. 8 per shares as fully paid up)			
	Forfeited Shares A/c		3,000	
	To Capital reserve A/c			3,000
	(Being the transfer of profit on reissue to capital Reserve)			

Note: there is no bank account on allotment as all due money is already received.

When Cash Book Entries are asked in the question, all cash transaction are to be recorded in Cash Book, other non-cash transaction should be entered in the Journal.

Illustration 16 : If in Illustration 15 the company prepare cash and journal for the above transaction then the book and journal entries will be made as follow:

Solution :

Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Equity Share application A/c Dr.		5,00,000	
	To Equity Share Capital A/c			2,00,000
	To Equity Share Allotment A/c			3,00,000
	(Being the transfer of application money into share capital and allotment and balance refunded)			
	Equity Share Allotment A/c Dr.		3,00,000	
	To Equity Share Capital A/c			3,00,000
	(Being the amount due on 100,000 Equity Shares at Rs. 3 Share)			
	Equity Share First & Final Call A/c Dr.		5,00,000	
	To Equity Share Capital A/c			5,00,000
	(Being the amount due to 1,00,000 Equity shares at Rs. 5 per Equity Shares)			
	Equity Share Capital A/c Dr.		10,000	
	To Equity Share First & Final A/c			5,000
	To Forfeited Shares A/c			5,000
	(Being 1000 Shares forfeited to non Payment of first and final call money)			
	Forfeited Shares A/c Dr.		2,000	
	To Equity Share Capital A/c (1000 × 10)			2,000
	(Being the Reissue of 1000 Equity Shares at Rs. 8 per shares as fully paid up)			
	Forfeited Shares A/c Dr.		3,000	
	To Capital Reserve A/c			3,000
	(Being the transfer of profit on reissue to Capital Reserve)			
Dr.	Cash Book (Bank Column Only)			Cr.
Particulars	Rs.	Particulars	Rs.	
To Equity Share Application A/c	6,00,000	By Equity Share Application A/c	1,00,000	
To Equity Shares First & Final Calls A/c	4,95,000	By Balance C/d	10,03,000	
To Equity Share Capital A/c	8,000			
	11,03,000		11,03,000	

Illustration 17 : AB Ltd. invited applications for issuing 75,000 equity of Rs.100 each a premium of Rs.30 per share. The amount was payable as follows:

On Application & Allotment – Rs. 85 per share (including premium)

On First and Final call the balance Amount

Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants.

Excess money received on application and allotment was adjusted towards sums due on first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at Rs.150 per share fully paid up.

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

Solution :

AB Ltd.

Journal

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	Bank A/c Dr.		1,08,37,000	
	To Equity Shares Application and allotment A/c			1,08,37,500
	(Application received from 1,27,500 shares)			
	Equity Shares Application and Allotment A/c Dr.		1,08,37,500	
	To Equity Share Capital A/c			41,25,000
	To Securities Premium A/c			22,50,000
	To Equity Shares First and Final call A/c			21,25,000
	To Bank A/c			23,37,500
	(Shares Allotment & refund of 27500 Shares Application Money)			
	Equity Shares First & Final call A/c Dr.		33,75,000	
	To Equity Share Capital A/c			33,75,000
	(First & Final call amount due on 75000 shares @ Rs. 45			
	Bank A/c Dr.		12,37,500	
	To Equity Shares first & final call A/c			12,37,500
	(Call money received Except 750 Shares)			
	Equity Shares Capital A/c		75,000	
	To Equity shares first and final call A/c			12,500
	To forfeited Shares A/c			62,500
	(750 Shares forfeited)			
	Bank A/c Dr.		1,12,500	
	To Equity Share Capital A/c			75,000
	To Securities Premium A/c			37,500
	(750 equity shares issued @ Rs. 150 per share)			
	Forfeited Shares A/c		62,500	
	To capital Reserve A/c			62,500
	Forfeited amount transferred to capital reserve			

Question 1 : – Fill in the missing figures.

Journal

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	Machinery A/c Dr.		3,00,000	
	Furniture A/c Dr.		100,000	
	Debtors A/c Dr.		50,000	
	Goodwill A/c Dr.		...	
	To Sending Creditors A/c			2,00,000
	To Lakshika			....
	(Being Assets and Liabilities acquired)			

	Lakshika Dr.		3,00,000	
	To Equity Share Capital A/c			...
	To Securities premium A/c			...
	(Being Equity Shares of Rs. 10 Each issued at Rs. 5 per share)			

Question 2 : – Fill in the missing figures in the following Journal entries : –
Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Building A/c Dr.		800,000	
	Bill Receivable A/c Dr.		2,00,000	
	To Bills Payables A/c			1,00,000
	To Sunding Creditors A/c			3,00,000
	To Anannya Ltd.			5,00,000
	To Capital Reserve A/c			...
	(Being assets and liabilities acquired)			
	Anannya Ltd. Dr.		...	
	To Bank A/c			...
	(Being Part Payment made)			
	Anannya Ltd. Dr.		4,40,000	
	To Equity Share Capital A/c			....
	To Securities premium Resources A/c			....
	(Being Equity Shares of Rs. 10 each issued at 10% premium)			

Question 3 : – Fill in the missing figures in the following Journal entries : –
Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Equity Shares Capital A/c Dr.		67,500	
	To Equity Share Allotment A/c			....
	To Equity Share first all A/c			....
	To Share Forfeited A/c			....
	(Being 900 Equity Shares Forfeited for non-payment of Allotment and I call money of Rs. 30 and Rs. 20 per share Respectively.			
	Bank A/c Dr.		....
	To Equity share Capital A/c			67,500
	To Securities premium A/c			....
	(Being 900 Shares were re-issued @ Rs. 90 share, Rs. 75 Paid up)			
	Share forfeited A/c		....
	To Capital Reserve A/c			....
	(Being the profit on re-issues of shares transferred)			

Question 4 : – Fill in the missing figures : –
Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Equity Share Capital A/c Dr.		....

	Securities Premium Reserve A/c Dr.	....
	To Equity Share Allotment A/c		1600
	To Equity Share I Call A/c		....
	To Equity Share Final Call A/c		600
	To share Forfeited A/c		....
	(Being 200 shares of Rs. 10 Each forfeited for non-payment of allotment money of Rs. 8 per share (including Rs. 5 premium) first call of Rs. 2 and final call of Rs. 3 per share)		
	Bank A/c Dr.	....
	Share Forfeited Dr.	....
	To Equity Share Capital A/c		....
	(Being 125 Shares were re-issued @ Rs. 9 per shares as fully paid – up)		
	Share forfeited A/c	....
	To Capital Reserve A/c		....
	(Being – profit an re-issue of 125 shares transferred)		