



1. (d)
2. (c)
3. (c)
4. (d)
5. (d)
6. (d)
7. (c)
8. (a)
9. (c)
10. (c)
11. (c)
12. (b)
13. (c)
14. (d)
15. (c)
16. (b)

Working Note:

	₹
(a) Application money received from Raj on shares applied ($48 \times ₹ 6$)	= 288
(b) Application money due on shares allotted ($40 \times ₹ 6$)	= 240
(c) Excess application money adjusted on allotment (a – b)	= 48*

*Out of this, ₹ 40 is adjusted as part of capital at the time of allotment, ₹ 8 is adjusted as part of securities premium.

Amount to be credited to forfeited Shares** = ₹ 160($40 \times ₹ 4$) + ₹ 40 = ₹ 200

**With the amount received excluding Securities Premium, if any, already received.

17. (d)

Working Note:

	₹
<i>Allotment money due but not received from Sunil:</i>	
Application Money Received on shares applied ($600 \times ₹ 40$)	= 24,000
Less: Application money due on shares allotted ($400 \times ₹ 40$)	= 16,000
Excess Application money adjusted on allotment	= 8,000
Allotment money due on shares allotted ($400 \times ₹ 60$)	= 24,000
Less: Excess Application money adjusted on allotment	= 8,000
Allotment money due but not received	= 16,000

18. (d)

Working Note:

Allotment money received later on:

	₹
Total allotment money due (20,000 × ₹ 60)	= 12,00,000
Less: Excess application money adjusted on allotment (10,000 × ₹ 40)	= 4,00,000
Allotment money due	= 8,00,000
Less: Allotment money due but not received from Sunil	= 16,000
Allotment money received	= <u>7,84,000</u>

19. (d)

Working Note:

Calculation of Gain on reissue to be transferred to Capital Reserve:

	₹
Amount forfeited on reissued shares (200 shares)	= 12,000
Less: Discount on Re-issue	= 2,000
Gain on re-issue to be transferred to Capital Reserve	= <u>10,000</u>

20. (b)

FORFEITED SHARES ACCOUNT			
Dr.			Cr.
Particulars	₹	Particulars	₹
To Share Capital A/c (Discount on Reissue)	2,000	By Share Capital A/c	24,000
To Capital Reserve A/c	10,000		
To Balance c/d	12,000		
	<u>24,000</u>		<u>24,000</u>

21. AN EXTRACT OF BALANCE SHEET OF AMRIT LTD.

as at ...

Particulars	Note No.	₹
I. EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1	41,24,000

Note to Accounts

1. Share Capital	₹
Authorised Capital	
8,00,000 Equity Shares of ₹ 10 each	80,00,000
Issued Capital	
5,15,000 Equity Shares of ₹ 10 each	51,50,000
Subscribed Capital	
Subscribed and Fully Paid-up	
15,000 Equity Shares of ₹ 10 each	1,50,000
(Allotted as fully paid-up pursuant to a contract without payment being received in cash)	
Subscribed but not Fully Paid-up	
4,96,000 Equity Shares of ₹ 10 each, ₹ 8 per share called-up	39,68,000
Less: Calls-in-Arrears (1,000 × ₹ 2)	<u>2,000</u>
Forfeited Shares A/c (4,000 × ₹ 2)	8,000
	<u>41,24,000</u>

Note: Reserve Capital is ₹ 2 per share, totalling to ₹ 9,92,000.

22.

JOURNAL OF MEGHA LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Building A/c ...Dr.		3,00,000	
	Plant & Machinery A/c ...Dr.		1,00,000	
	Stock A/c ...Dr.		2,00,000	
	Sundry Debtors A/c ...Dr.		1,00,000	
	To Sundry Creditors A/c			80,000
	To Asics Ltd.			6,00,000
	To Capital Reserve A/c (Balancing Figure)			20,000
	(Purchase of Business from Asics Ltd.)			
	Asics Ltd. ...Dr.		60,000	
	To Bank A/c (₹ 6,00,000 × 10/100)			60,000
	(Part payment made to Vendor by cheque)			
	Asics Ltd. ...Dr.		5,40,000	
	To Equity Share Capital A/c			4,50,000
	To Securities Premium A/c			90,000
	(Issue of 4,500 shares at 20% premium to Asics Ltd.)			

Note: No. of shares to be issued = ₹ 5,40,000/₹ 120 = 4,500.

Or

JOURNAL OF TANMAY LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Incorporation Costs A/c ...Dr.		30,000	
	To Promoter's A/c			30,000
	(₹ 30,000 due to promoters towards incorporation cost)			
	Promoter's A/c ...Dr.		30,000	
	To Equity Share Capital A/c			30,000
	(Issue of 3,000 equity shares of ₹ 10 each at par to promoters)			
	Underwriting Commission A/c ...Dr.		10,000	
	To Underwriter's A/c			10,000
	(Underwriting commission due on shares)			
	Underwriter's A/c ...Dr.		10,000	
	To Equity Share Capital A/c			10,000
	(Issue of 1,000 shares of ₹ 10 each to underwriters)			

23. (a)

Books of Vikram Ltd.

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Share Capital A/c ...Dr.		50,000	
	To Shares Forfeited A/c			18,000
	To Calls-in-Arrears A/c (WN)			32,000
	(5,000 shares forfeited for non-payment of allotment and call money)			
(ii)	Bank A/c ...Dr.		36,000	
	To Share Capital A/c			30,000
	To Securities Premium A/c			6,000
	(3,000 shares re-issued @ ₹ 12 per share)			
(iii)	Shares Forfeited A/c ...Dr.		10,800	
	To Capital Reserve A/c			10,800
	(Gain on re-issue of forfeited shares transferred to capital reserve)			

Working Note:

<i>Calculation of Calls-in-Arrears from Rahul:</i>	₹
Allotment money due on 5,000 shares	= 25,000
Less: Excess Application Money already paid (1,000 × ₹ 3)	= 3,000
Unpaid Allotment Money	= 22,000
Add: Amount of First and Final Call Not Paid	= 10,000
Total Calls-in-Arrears	= <u>32,000</u>

(b)

Books of Hans Ltd.
JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c ...Dr.		21,000	
	To Shares Forfeited A/c			15,000
	To Calls-in-Arrears A/c			6,000
	(3,000 shares forfeited for non-payment of first call money)			
	Bank A/c ...Dr.		20,000	
	To Share Capital A/c			20,000
	(2,000 shares re-issued @ ₹ 10 per share)			
	Shares Forfeited A/c ...Dr.		10,000	
	To Capital Reserve A/c			10,000
	(Gain on re-issue of forfeited shares transferred to capital reserve) (Note)			

Note: Amount forfeited on 2,000 shares (excluding premium) = 2,000 × ₹ 5 = ₹ 10,000.**Or**

(a)

JOURNAL OF CLIMAX LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	On Forfeiture of Shares:			
	Share Capital A/c (200 × ₹ 8) ...Dr.		1,600	
	Securities Premium A/c (200 × ₹ 2) ...Dr.		400	
	To Share Allotment A/c (WN 1 & 2)			920
	To Share First Call A/c (200 × ₹ 3)			600
	To Forfeited Shares A/c (240 × ₹ 2)			480
	(200 shares forfeited for non payment of allotment money and first call)			
	On Re-issue of Shares:			
	Bank A/c (100 × ₹ 9) ...Dr.		900	
	Forfeited Shares A/c (100 × ₹ 1) ...Dr.		100	
	To Share Capital A/c			1,000
	(100 forfeited shares re-issued as fully paid for ₹ 9 per share)			
	Forfeited Shares A/c (₹ 240 – ₹ 100) ...Dr.		140	
	To Capital Reserve A/c			140
	(Transfer of gain on re-issue to Capital Reserve)			

Working Notes:

1. No. of Shares allotted to Ramesh = 200 shares.

2. Calculation of the amount due but not paid on allotment:	₹
A. Application money received on shares applied (240 × ₹ 2)	480
B. Less: Application money due on shares allotted (200 × ₹ 2)	400
C. Excess Application money adjusted on allotment	<u>80</u>
D. Allotment money due on shares allotted (200 × ₹ 5)	1,000
Less: Excess Application money adjusted (C)	<u>80</u>
Allotment money due but not received	<u>920</u>

(b) JOURNAL OF DAS LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	On Forfeiture of Shares			
	Share Capital A/c (250 × ₹ 80) ...Dr.		20,000	
	Securities Premium A/c (250 × ₹ 10) ...Dr.		2,500	
	To Shares Allotment A/c (250 × ₹ 30)			7,500
	To Shares First Call A/c (250 × ₹ 30)			7,500
	To Forfeited Shares A/c (250 × ₹ 30)			7,500
	(250 shares forfeited for non payment of allotment and first call money)			
	On Reissue of 100 Shares			
	Bank A/c (100 × ₹ 90) ...Dr.		9,000	
	To Share Capital A/c (100 × ₹ 80)			8,000
	To Securities Premium A/c (100 × ₹ 10)			1,000
	(100 shares reissued as ₹ 80 paid-up for ₹ 90 per share)			
	Forfeited Shares A/c (100 × ₹ 30) ...Dr.		3,000	
	To Capital Reserve A/c			3,000
	(Transfer of gain on reissue to Capital Reserve)			

24.

JOURNAL OF PETROMAX LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c (9,000 × ₹ 10) ...Dr.		90,000	
	To Forfeited Shares A/c			63,000
	To Shares First and Final Call A/c (9,000 × ₹ 3)			27,000
	(9,000 shares forfeited for non-payment of first and final call of ₹ 3 per share)			
	Bank A/c (6,000 × ₹ 9) (WN) ...Dr.		54,000	
	Forfeited Shares A/c ...Dr.		6,000	
	To Share Capital A/c (6,000 × ₹ 10)			60,000
	(6,000 shares reissued for ₹ 54,000, i.e., @ ₹ 9 per share)			
	Forfeited Shares A/c ...Dr.		36,000	
	To Capital Reserve A/c			36,000
	(Gain on reissue transferred to Capital Reserve being the amount forfeited on 6,000 shares)			

Working Note:

Amount forfeited on 6,000 shares (6,000 × ₹ 7) = ₹ 42,000

Less: Amount transferred to Capital Reserve = ₹ 36,000

Loss/Discount on Reissue of 6,000 shares = ₹ 6,000

Loss on Reissue per share = ₹ 1, So, forfeited shares are reissued at ₹ 9 per share, i.e., ₹ 10 – ₹ 1.

Or
JOURNAL OF SHUBH LTD.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c (3,00,000 × ₹ 2) ...Dr.		6,00,000	
	To Equity Shares Application A/c (Application money received)			6,00,000
	Equity Shares Application A/c ...Dr.		6,00,000	
	To Equity Share Capital A/c (1,00,000 × ₹ 2)			2,00,000
	To Equity Shares Allotment A/c (1,00,000 × ₹ 3)			3,00,000
	To Bank A/c (Application money adjusted and the balance refunded)			1,00,000
	Equity Shares Allotment A/c ...Dr.		3,00,000	
	To Equity Share Capital A/c (Allotment money due)			3,00,000
	Equity Shares First and Final Call A/c (1,00,000 × ₹ 5) ...Dr.		5,00,000	
	To Equity Share Capital A/c (First and final call due)			5,00,000
	Bank A/c ...Dr.		4,95,000	
	Calls-in-Arrears A/c ...Dr.		5,000	
	To Equity Shares First and Final Call A/c (Call money received except on 1,000 shares)			5,00,000
	Equity Share Capital A/c ...Dr.		10,000	
	To Forfeited Shares A/c			5,000
	To Calls-in-Arrears A/c (6,000 shares forfeited for non payment of call money)			5,000
	Bank A/c ...Dr.		8,000	
	Forfeited Shares A/c ...Dr.		2,000	
	To Equity Share Capital A/c (1,000 shares reissued @ ₹ 8 per share)			10,000
	Forfeited Shares A/c ...Dr.		3,000	
	To Capital Reserve A/c (₹ 5,000 – ₹ 2,000) (Gain on reissue transferred to Capital Reserve)			3,000

Note: No. of shares allotted to Mohan = $\frac{1,00,000}{3,00,000} \times 3,000 = 1,000$ shares.