

Accounting For Share Capital

1	In what ways capital reserve is different from reserve capital?	1
2	What do you mean by authorised capital?	
3	State the restriction regarding the utilization of securities premium money.	
4	What do you mean by minimum subscription?	
5	What are the sweat Equity Shares?	
6	Explain Private placement of shares?	
7	What are the right shares?	
8	What is preferential allotment?	
9	Can forfeited shares be reissued at discount?	
10	State the minimum Re-issue price.	
11	What is meant by surrender of shares?	
12	Distinguish between calls in arrears and calls in advance.	
13	What do you mean by oversubscription of shares?	
14	What do you mean by under subscription of shares?	
15	What is meant by prorata allotment of shares?	
16	State giving reason whether securities premium be used for working capital.	
1	Alpha Ltd issued 100000 shares of Rs 20 each at par. money on these shares is to be payable as follows: Application Rs 6 per share and Rs 10 each on allotment and balance in two equal calls. Subscription was received for 95000 shares were allotted and all the money was duly received on time. pass journal.	3
2	Alpha Ltd issued 100000 shares of Rs 20 each 10% premium. money on these shares is to be payable as follows: Application Rs 12 per share(including premium) and balance on allotment. Applications were received for 88000 shares. Allotment was made and all the money was duly received on time. pass journal.	
3	Alpha Ltd issued 100000 shares of Rs 20 each 10% premium. money on these shares is to be payable as follows: Application Rs 12 per share(including premium) and balance on allotment. All the shares were subscribed and allotted and all the money was duly received on time except allotment on 1200 shares. pass journal.	
4	On 1-01-2014 Z Ltd. received in advance the first call of Rs 3 per share on 10000 equity shares. the first call was due on 1-04-2014. The subscribed capital was 50000 equity shares of Rs 20 each. Journalise assuming that there was no call in arrears.	
5	G Ltd. did not receive the 1st call on 2700 equity shares @ Rs 3 per share. The same was due on 1-01-2005. The amount was received on 1-02-2005. Open calls in arrears account and record transaction in the books of the company.	
1	Alpha Ltd Registered with 180000 shares of Rs 20 each decided to issued 100000 shares of Rs 20 each. money on these shares is to be payable as follows: Application Rs 12 per share and balance on allotment. Applications were received for 90000 shares. Allotment was made and all the money was duly received on time. Show the above transactions in company's balance sheet.	6
2	Alpha Ltd Registered with 180000 shares of Rs 20 each decided issued 100000 shares of Rs 20 each. money on these shares is to be payable as follows: Application Rs 12 per share and balance on allotment. All the shares were subscribed and allotted and all the money was duly received on time except allotment on 1200 shares. Show the above transactions in company's balance sheet.	
3	Alpha Ltd Registered with 180000 shares of Rs 20 each decided to issued 100000 shares of Rs 20 each. money on these shares is to be payable as follows: 30% on Application and 50% on allotment and balance in two equal calls. All the shares were subscribed and allotted and all the money was duly received on time except calls on 1200 shares. Consequently these shares were forfeited. Show the above transactions in company's balance sheet.	

4	Alpha Ltd Registered with 180000 shares of Rs 20 each decided to issued 100000 shares of Rs 20 each. money on these shares is to be payable as follows: Application Rs 6 per share and Rs 10 each on allotment, final call Rs 4 each. All the shares were subscribed and allotted and all the money was duly received on time except allotment and first call money on 1200 shares. these shares were forfeited and were reissued Rs 18 each as fully called up. Show the above transactions in company's balance sheet.	
5	Alpha Ltd Registered with 180000 shares of Rs 20 each decided to issued 100000 shares of Rs 20 each. money on these shares is to be payable as follows: Application Rs 6 per share and Rs 10 each on allotment and Rs 4 each on final call. All the shares were subscribed and allotted and all the money was duly received except allotment and call money on 1200 shares these shares were reissued for Rs 26000 as fully paid up. Show the above transactions in company's balance sheet.	
1	Purchased equipment for Rs 800000, payable 10% by bank draft and balance by issue of shares of Rs 20 each issued at 20% premium. Pass journal.	4
2	X ltd purchased equipment worth Rs 540000 payable by issue of shares of Rs 20 each. Pass journal.	
3	X ltd issued 40000 shares of Rs 20 each to the vendor of Machinery worth Rs 36000. Pass journal.	
4	Purchased equipment for Rs 1000000, payable Rs 160000 by bank draft and balance by issue of shares of Rs 10 each issued at 20% premium. Pass journal.	
5	PQR limited purchase sundry assets of Rs 600000 and a liabilities of Rs 70000 of Raj traders at an agreed value of Rs 550000 paid by issue of fully paid up shares of Rs 10 each at a premium of 10%. Pass journal.	
6		
7	Vikas Ltd purchased the running business from X ltd. for a agreed sum of Rs 2000000 Payable be issue of fully paid up equity shares of Rs 20 each. Assets and liabilities consisting of the following: Machinery Rs 2000000; Trade Receivables Rs 700000; Furniture Rs 1500000; Trade Payables Rs 1300000. Pass journal.	
	Vikas Ltd issued 30000 fully paid up equity shares of Rs 10 each at par for the purchase of the following Assets and liabilities of Y ltd. Machinery Rs 100000; Trade Receivables Rs 200000; Furniture Rs 50000; Trade Payables Rs 150000. Pass journal.	
1	a) FORFEIT 450 SHARES OF Rs 30 EACH ISSUED at par due to the non payment of first call of Rs 7 and final call of Rs 3 per share. These share were reissued @ Rs 26 per share as fully paid up. b) Forfeit 450 shares of Rs 30 each (fully called up) issued at par. On these shares only application money of Rs 12 per share was paid. These share were reissued @ Rs 25 per share as fully paid up. c) Forfeit 450 shares of Rs 30 each issued at par due to the non payment of final call of Rs 8 per share. These share were reissued @ Rs 32 per share as fully paid up. d) Forfeit 450 shares of Rs 30 each issued at par due to the non payment of final call of Rs 8 per share. These share were reissued @ Rs 25 per share as fully paid up.	8
2	a) Forfeit 700 shares of RS 50 each issued at 10% premium (payable with allotment). On these shares final call of Rs 10 per share was not paid. These shares were later on reissued for Rs 33000 as fully paid up. b) Forfeit 400 shares of Rs 30 each issued at 10% premium(fully called up). On these shares only application money of Rs 10 each including premium was paid. These shares were reissued @ Rs 26 each as fully paid up. c) Forfeit 400 shares of Rs 30 each issued at 10% premium(fully called up). On these shares only application money of Rs 10 each including premium was paid. These shares were reissued @ Rs 32 each as fully paid up.	

3	<p>d) Forfeit 400 shares of RS 20 each issued at 20% premium (payable with allotment). On these shares final call of Rs 5 per share was not paid. These shares were later on reissued for Rs 7500 as fully paid up.</p> <p>e) Forfeit 1000 shares of Rs 10 each issued at a premium of Rs 2 per share to Mohan on which only application of Rs 4 per share including premium was paid where as allotment of RS 8 each was not paid. These shares were reissued to sham for Rs 9000 as fully paid up.</p> <p>a) X Ltd. forfeited 200 shares of Rs.100 each, Rs.70 called up, on which the shareholders had paid application and allotment money of Rs.50 per share. Out of these, 150 shares were re-issued to Naresh as Rs.70 paid up for Rs 80 per share.</p> <p>b) Y Ltd. forfeited 180 shares of Rs 10 each, Rs 8 called up, issued at a premium of Rs2 per share to R for non-payment of allotment money of Rs 5 per share (including premium). Out of these, 160 shares were re-issued to Sanjay as Rs8 called up for Rs10 per share fully paid up.</p> <p>c) Z Ltd. forfeited 130 shares of Rs 100 each for non-payment of first and final call money of Rs 30 per share. Out of these, 100 shares were re-issued at Rs 30 per share fully paid up.</p>	
1	<p>XYZ limited invited application for 80000 equity shares of Rs 50 each issued at 20 % premium payable as follows :Application Rs 16 per share (including premium of Rs 6 per share); Allotment Rs 20 per share (including premium of Rs 4 per share); 1st call Rs 10 per share and balance whenever required. Applications were received for 120000 shares. Shares were allotted on pro-rata basis to the applicants of 100000 shares.</p> <p>X to who applied for 6000 shares were allotted was failed to pay the allotment and calls hence his shares were forfeited and were reissued @ Rs54 per share as fully paid up.</p>	8
2	<p style="text-align: center;">OR</p> <p>Sara limited invited application for 50000 equity shares of Rs 20 each issued @ Rs 24 each payable as follows :Application Rs 8 per share (including premium of Rs 2per share) Allotment Rs 6 per share (including premium of Rs 2 per share) First call Rs 4 per share. And balance whenever required.</p> <p>Applications were received for 92000 shares and the allotment was made to the applicants of 80000 shares on the following basis :</p> <p>A. Applicants for 40000 shares were allotted 30000 shares and B. Applicants for 40000 shares were allotted 20000 shares.</p> <p>X who belonged to (A) category and was applied for 2000 shares was failed to pay the allotment money and 1st call therefore his shares were forfeited. Y who belonged to (B) category and was allotted 800 shares failed to pay calls. Pass journal.</p>	
3	<p>Tara limited invited application for 100000 equity shares of Rs 10 each issued at 20 % premium payable as follows :</p> <p>Application Rs 4 per share (including premium) Allotment Rs 6 per share Final call Rs 2 per share.</p> <p>Applications were received for 130000 shares. directors decided to make prorata allotment to the applicants of 120000 shares remaining applications were rejected..</p> <p>X who hold 4000 shares was failed to pay allotment and call money. Their shares were forfeited and reissued @ Rs 8.50 per share as fully paid up. Pass journal.</p>	
4	<p>Xltd. issued 50000 shares of Rs 10 each at a premium of Rs 2 per share payable as Rs 3 on application, Rs 5 including premium on allotment and the balance in two equal calls. Applications were received for 92000 shares and allotment was done as under:</p> <p>A. Applicants of 40000 shares-Allotted 30000 shares. B. Applicants of 40000 shares- Allotted 20000 shares. C. Applicants of 12000 shares- Nil.</p> <p>Suresh who applied for 2000 shares (category A) did not pay any money other than application money his shares were forfeited after first call, whereas Chander who was allotted 800 shares (category B) paid the call money due along with allotment. Pass journal.</p>	

	Identify the value being ignored by company while making allotment of shares.	
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