

Accounting For Share Capital

<ol style="list-style-type: none"> 1 In what ways capital reserve is different from reserve capital? 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
<ol style="list-style-type: none"> 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. 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. 	3
<ol style="list-style-type: none"> 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. 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. 	6

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	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.	
7	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. 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	

