

- Company Accounts

Journal

Compo → 10K eq. → QQ public
Share @ 10

Ap → 3 Allo → 4 final call → 3

|| Bank Dr. (10K x 3) 30K
To eq. Share app. a/c 30K

On the date
eq. Share Application Dr. 30K
To eq. Share Capital 30K

Allotment Due
eq. Share all. Dr. 40K
To eq. Share Cap. 40K

All Money Rec.
Bank a/c Dr. 40K
To eq. Share all. a/c 40K

Call money Due
eq. Share 1st call Dr. 30K
To eq. Share Capital 30K

Call money Rec.
Bank a/c Dr. 30K
To 1st Call 30K

Eq → Compe → QQ public
Issue → 10K @ 10

App → 3 all → 4 1st call → 3

- public applied for 8500 Share.

↓
{ Undersubscription }

1) Q → 1000 Share
 ✓
 Kamal full amt. is paid
 along with allotment

2) Q - 500 Share
 Sahil App ✓
 All. X
 Call ✓ ✓

Journal

1) Bank a/c Dr. 25500
 To eq. Share app. a/c 25500

2) eq. Share app. a/c Dr. 25500
 To eq. Share Cap. a/c 25500

3) eq. Share allo. a/c Dr. 34K
 To eq. Share Cap. 34K

4) Bank a/c Dr. (34K + 3K - 2K) 35K
 Call in Advance Dr. 2K
 To eq. share allot. a/c 34K
 To Call in advance a/c 3K

5) eq. Share Ist call a/c Dr. 25500
 To eq. Share Cap. 25500

6) Bank a/c Dr.
~~3000~~ 3000 + 34K -
 Call in Adv.

6a) Bank a/c Dr. 24500
 Call in Adv. 3000
 To eq. Share Ist call 25500
 To Call in Advance 2000

Ques- The Delhi Artware Ltd issue 50k eq. Share of ₹ 100 each and 10000 preference Share of ₹ 100 each. The Share Capital was to be collected as Under

	Eq. Share (Rs.)	Preference Share (Rs.)
On application	25	20
On allotment	20	30
first call	30	20
final call.	25	30

all these Share Were Subscribed. final Call was received. On 42000 eq. Share and 88000 preference Share. prepare the Cash book and Journalised the remaining transactions in the books of the Company.

Cash book

To eq. Share appo.	1250000		
To pref. Share appo.	2000000		
To eq. Share allotment	1000000		
To pref. Share allo	3000000		
To eq. Sh. 1st call	1500000		
To pref. Sh. 1st Call	2000000		
To eq. Share final Call	1050000	By Bal. cld	14444000
To pref. Share final Call	2640000	(bal. fig)	

Journal

1) Eq. Share app Dco 12500000
 Per. Sho app. Dco 20,00,000
 To Eq. Share Capo 12,50,000
 To per. Share Capo 20,00,000

2) Eq. Share all. a/c Dco 10,00,000
 per Share all. a/c Dco 30,00,000
 To Eq. Share Capital 10,00,000
 To per. Share Capital 30,00,000

3) Eq. Share 1st Call a/c Dco 1500000
 per Share 1st Call a/c Dco 20,00,000
 To Eq. Share Capital 1500000
 To per. Share Capital 20,00,000

4) Eq. Share final Call a/c Dco 1250,000
 per Share final Call a/c Dco ~~3000,000~~
 To Eq. Share Capo 1250,000
 To per. Share Capo 30,00,000

5) Call in Advance a/c Dco 560000
 (8K x 25) To Eq. Share final call a/c 200000
 (12K x 30) To per. Share final Call a/c 360000

6) Bank a/c Dco 1050000
 Call in Advance a/c Dco 200000
 To Eq. Share final call 1250000

Bank a/c Dco 1050000

To Eq. Share final call 1050000

Call in Advance 260

To Eq. Share final call 260

Bank a/c Dr. 2640000
 To preference share final call 2640000

Call in Arrears A/c Dr. 360000
 To per share final call. 360000

→ Call in Arrears a/c Dr. 360000
 Bank a/c Dr. 2640000
 To per share final call 30,00,000

xxx

xxx

xxx

xxx

Call in Arrears

When Calls in Arrears a/c
 is opened

Without opening calls in Arrears a/c

→ Due → eq. Sh. final call Dr. 1250000
 To eq. Sh. Capital 1250000

→ Amt Rec. → Bank a/c Dr. 1050000
 To eq. Sh. final call 1050000

Eq. Share final call a/c Dr. 1250000
 Cr. 1050000

Calls in Arrears 200000

Due balance 200000
 ↓ Receivable

Amt Bank a/c Dr. 200000
 Rec. To calls in Arrears 200000

Bank a/c Dr. 200000
 To eq. Sh. final call 200000

→ Issue of shares at ~~low~~ premium

face value → ₹ 10

Issue price → ₹ 15

↓

₹ 5 - Security premium

↓

Gain of Capital nature

↓

Security premium a/c

←

Specific
Reserve

↓

Reserve and Surplus

eg →

F.V. → 10 ₹ , Issue price → 12 ₹

App → 4

all → 4 + 2

fin. Call → 2

10 + 2

★ → ~~primary~~ premium can be call up along with any of the installments,

but if nothing is mentioned, it will be assumed that the premium is with allotment.

Journal:

eg. Share allotted Dec 6

To eq. Share Capital 4

To Security premium 2

face value

On 1st Oct. 2022 Pioneer equipment limited received applications for 2,50,000 equity share of Rs. 100 each to be issued at a premium of 25 percent payable as: On application = 25. On allotment = 75 (Including premium). Balance account amount on shares as and when required. The share were allotted by the company on Oct. 20, 2022 and the allotment money was duly received on Oct. 31, 2022. Record Journal entries in the books of the company to record the transactions in connection with the issue of share.

Journal

App → 25

all → 50 + 25

Tst → 25

100 + 25

Bank a/c Dr. 6250000

To eq. Sh. app. a/c 6250000

Eq. Sh. app. a/c Dr. 6250000

To eq. Share Capital 6250000

Eq. Sh. all Dr. (250K x 75) 18750000

250K x 50) To eq. Sh. Cap a/c 12500000

250K x 25) To Sec. premium 6250000

Bank a/c Dr. 18750000

To eq. Share all. a/c 18750000

Eq. Sh. Tst Call a/c Dr. 6250000

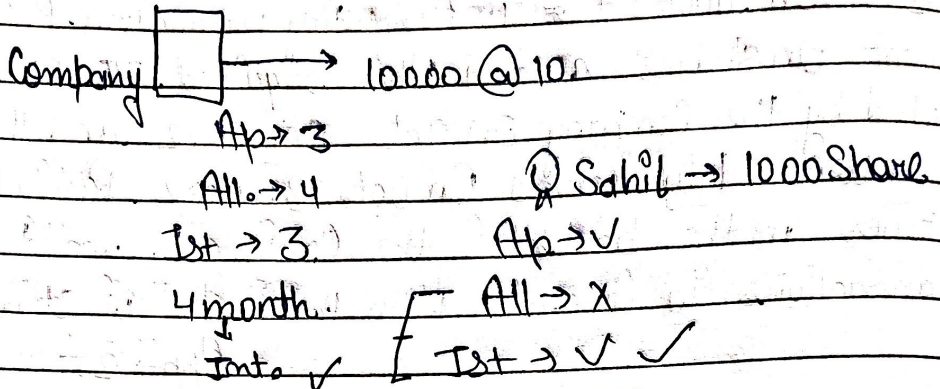
To eq. Share Tst Call. 6250000

Bank a/c Dr. 6250000

To eq. Share Tst & final call 6250000

Interest On Calls in Arrears & Advance

1) Int. On Calls in Arrears



★ $\rightarrow$ Int On Call in Arrears is generally mentioned in AOA

★ $\rightarrow$ In Case nothing is mentioned, then rate prescribed by Table F is ~~applicable~~ applied.

10% p.a. from the date, installment was due till the date amt. is received.

Int. On Calls in Arrears $\rightarrow (1000 \times 4) \times \frac{10}{100} \times \frac{4}{12} = 133 \text{ ₹}$

Journal

1) Shareholder a/c Dr. 133
 To Int. On Calls in Arrears 133

2) Bank a/c Dr. 4133
 To Call in Arrears 4000
 To Shareholder a/c 133

2.) Int On Calls in Advance

→ As per Table F. Int @ 12% p.a. is allowed from the date money is received till the date, installment is due.

eg Q Kamal
1000 @ 10

Ap → 3

Al → 4

1st → 3

11/4/2025 App → 3000

30/6/2025 all. → $1000 \times 4 + 1000 \times 3$

30/9/2025 call → - Adv.

* Int. → $\frac{3000 \times 12 \times 3}{100 \times 12} \Rightarrow 90 \text{ ₹}$

Journal

30/9/25 Int On Call in Adv. Dr. 90
To Shareholder 90

30/9/25 Shareholder a/c Dr. 90
To Bank 90

Q PYQ May 2022.

A limited issued 20,000 eq. Share of ₹ 10 each at a premium of 10%, payable ₹ 2 On application, ₹ 4 On allotment (Inc. premium) ₹ 2 On first call and balance On the final call. All the share were fully subscribe. Mr. M who held 2000 share paid the full remaining amt. On the 1st call itself. The final call which was made after 4 months from the first call was fully paid except for a shareholder having 200 shares and another shareholder having 100 share. They paid their due amt. after 3 months and 4 months respectively along with Int. on calls in Advance. The company also paid

Int. On Calls In adv. to Mr. M.

The Company maintains Calls in Advance and calls Adv. a/c gives Journal entries to record these transactions. Show workings of Int. Calculation.

→ App → 2

All → 3+1

1st Call → 2

Final Call → 3

10+1

WN 1

Int. On Calls in ~~Advance~~ Advance

$$(12000 \times 3) \times 12\% \times \frac{4}{12} \rightarrow 240 \text{ ₹}$$

WN 2

Int. On Calls in Advance (100 Shares) ✓

$$(100 \times 3) \times \frac{10}{100} \times \frac{4}{12} \rightarrow 10 \text{ ₹}$$

$$200 \text{ Share} \rightarrow 200 \times 3 \times 10\% \times \frac{4}{12} \rightarrow 15 \text{ ₹}$$

Journal

1) eq. Sh. first Call 40K

To eq. Sh. Cap. 40K

Bank Dr. (40K + 6K) 46000

To eq. Sh. first call 40000

To Calls in Adv. 6000

3. eq. Share final call 60,000
To eq. Share Cap^a 60,000

4.) Bank a/c Dr^a 53100
160K - 6K - 900
Call in Arrear 9000
Calls in Adv^a 6K.
To eq. Share final call 60K

5.) Int^a On Calls in Adv^a Dr^a 240
To Shareholder a/c 240

6.) Shareholder a/c Dr^a 240
To Bank 240

7. Shareholder a/c Dr^a 15
To Int^a On calls in Arrear 15

8.) Bank a/c Dr^a 615
To calls in Arrear 600
To Shareholder a/c 15

9. Shareholder a/c Dr^a 10
To Int^a On calls in Arrear 10

10 Bank Dr^a 310
To calls in Arrear 300
To Shareholder a/c 10

Over Subscription.



Applied Share > Issued Shares

Issued $\Rightarrow$ 50,000 Share @ 10 App $\Rightarrow$ 3

Applied $\Rightarrow$ 60,000 Share all $\Rightarrow$ 4

Tst $\Rightarrow$ 3

Excess Application = 10,000 Shares

Reject - Refund

$$10000 \times 3 \Rightarrow 30000$$

1) Bank a/c Dr. 180000
 To eq. Share App 180000

2) Eq. Share app Dr. 180K
 50000 $\times$ 3) To eq. Share Cap. 150K
 10000 $\times$ 3) To Bank 30K

Q.4

Pant Ltd. invited applications for 50K eq. Share, at Rs. 20 each which are payable as On application Rs. 10 On allotment Rs. 10 and first and final call Rs. 20. The Company rec. application for 60K Share. The directors accepted application for 50,000 Share and rejected the rest. Show Journal entries if Company required application and allotment money was received for 45,000 Shares.

→ App → 20
 call → 10
 Ist → 20

Journal

1) Bank a/c Dr. (60K x 20) 1200000
 To eq. Share app. 1200000

2) eq. Share app. a/c Dr. 1200000
 50000 x 20) To eq. Share Cap. 10,00,000
 10000 x 20) To Bank 200000

3) eq. Share allotment a/c Dr. 500000
 (50K x 10) To eq. Share Cap. 500000

4) Bank a/c Dr. (45K x 10) 450000
 Calls in Advance a/c Dr. 50000
 To eq. Share All. a/c 500000

XXXX

XXXX

PRO-RATA

App — All.

60K — 50000

62.5

App → 3

All → 4

Ist → 3

App's Money Rec. → 60K x 3 → 180000

eq. Sh. Cap. → 50K x 3 → 150K

→ Excess money → 30K
 (10K x 3)

↓
 If nothing is mentioned.

↓
 It will be adjusted in allotment.

Journal

1) Bank a/c Dr. (60K x 3) 180000
 To eq. Share app. 180000

2) eq. Sh. app Dr. 180000
 50K x 3) To eq. Sh. Cap. 150000
Adv. To eq. Share all. 30000

3) eq. Share allotment 200000
 (50K x 4) To eq. Share Cap. 200000

4) Bank a/c Dr. 170000
 20K - 30K) To eq. Share all. A/c 170000

Q.7

JHP Limited is a Company with an authorised Share Capital of 10,00,000 in eq. Share of ₹ 10 each of which 60000 Share had been issued and fully paid on 30th 2021. The Company proposed to make a further issue 100000 of these ₹ 10 Shares at a price of ₹ 14 each the arrangements for payment being

- a) Rs. 2 per Share payable on app. to be rec. by 1st July
- b) allotment to be made on 10th July 2021 and a further 5 per Share (including the premium) to be payable.
- c) The final call for the balance to be made and the mon Rec. by 30th Ap. 2022.

Application were Rec. for 355000 Shares and were as follows

application

Journal

July 1 Bank A/c (355K x 3) 710000
 To eq. Share app 710000

July 10 eq. Share app A/c 710000
 (100000 x 2) To eq. Share Cap 200000
 To Bank 80000
 To eq. Share all 430000

July 10 eq. Share all, A/c (11K x 5) 500000
 To eq. Share Cap 100000
 To Sec. premium 400000

Bank a/c A/c 70K
 To eq. Share all 70K

xxx

xxx

xx

PRO-RATA + Calls in Advance

10. → X Ltd. issued to the public for subscription 40K shares of ₹ each at par payable as ₹ 2 each on application. Allotment was made pro rata to 80% of applicants ~~and 20% to whom 1600 shares~~ were allotted. Paid only the application money and S who had applied 2400 shares paid the entire call money due along with the allotment. Pass the necessary Journal entries to record the above transactions assuming that calls in advance a/c is maintained.

App	Allot
80% 60K	40K
48K	40K
12K	- Nil.

$$R \quad \frac{48K}{40K} \times 1600 \Rightarrow 1920$$

$$\text{Excess money App} \Rightarrow 640$$

$$(320 \times 2)$$

$$\text{Allotment money due} \Rightarrow 3200$$

$$(1600 \times 2)$$

$$\text{Excess app money adj} \quad 640$$

$$\text{Calls in Advance} \quad \underline{2560}$$

S

$$\text{allotted Share} = 2400 \times \frac{40K}{48K} \Rightarrow 2000 \text{ Share}$$

Journal

Bank a/c Dr. 120000
To eq. Sh. app a/c 120000

eq. Sh. app Dr. 120000

2) To eq. Sh. Cap. 80K

(2) To Bank 240K

(2) To Allotment 16K

eq. Sh. all a/c Dr. 80K

To eq. Sh. Cap. a/c 80K

4) Bank a/c Dr. 1256
 (80K - 2560 + 12K - 16K)
 Calls in Advance 1256
 To eq. Sh. All. 64000
 To Calls in Adv. 12K

5) eq. Sh. first Call Dr. 80K
 To eq. Sh. Cap 80K

6) Bank a/c Dr. 72800
 (80K - 3200 - 4K)
 16000 x 2) Calls in Advance Dr. 3200
 (20000 x 2) Calls in Adv. Dr. 4000
 To eq. Sh. first call 80K

7) eq. Sh. final call Dr. 160K
 To eq. Sh. Cap 160K

8) Bank Dr. 145600
 (16K - 6400 - 8K)
 Calls in Advance 6400
 Calls in Adv. 8K
 To eq. Sh. final call 160K

xxxx

xxxx

Forfeiture of Shares

Q Nikki

1000 Share @ 10

App → 14 ✓

All → 3 X

Tot → 3 X

Journal

- 1) Bank Dr. 4K
 To eq. Sh. App. alc. 4K
- 2) equity Share app. Dr. 4K
 To eq. Share Cap. 4K
- 3) eq. Share all alc Dr. 3K
 To eq. Share Capital 3K (Called Up)
- 4) Calls in Arrear Dr. 3K
 To eq. Share all. 3K
- 5) Eq. Sh. first Call Dr. 3K
 To eq. Sh. Cap. 3K
- 6) Calls in Arrear Dr. 3K
 To eq. Sh. ^{Final} call 3K

forfeiture

Eq. Share Cap. alc (1000x10)	10K	(Called UP)
1000x6)	To Calls in Arrear	6K (Called And not Rec.)
1000x4)	To eq. Share forfeiture	4K (Called and Rec.)

↓
To paid Shareholder ne diya

→ forfeiture means Cancellation of Shares.

Solo A Ltd. forfeited 30K eq. Shares of Rs 10 fully called up held by Mr. X for non-payment of final call @ Rs 4 each. However he paid application money @ ~~2~~ 4 per share and allotment money @ 2 4 each. These were originally

issued at par. Give Journal entry for the forfeiture

30K x 10) Eq. Share Cap. a/c Dr 300000
30K x 4) To calls in Advance 120K
30K x 6) To eq. Share forfeiture 180K

Q.11

X Ltd. forfeited 20K eq. Share of Rs. 10 each Rs 8 called for non payment of first call money @ Rs 2 each. share money = 2 per share and allotment money @ 4 per share having already been recd. by the Company. Give Journal entry for the forfeiture.

Journal

Eq. Share Cap. a/c (20K x 8) 160000
20K x 2) To calls in Advance 40K
20K x 6) To eq. Share forfeiture 120K

forfeiture of Share issued at premium

10K @ 12 → fully subscribe

Ap → 4 ✓

All → 4+2 ✓

Is → 2 ✗

Q. Block
2000 Share

4K
Sec. Pr. A/c

5 Uses ← Specific Reserve

Journal

- 1) Bank Dr. 8K
To eq. Sh. app 8K
- 2) Eq. Share app 8K
To eq. Sh. Cap 8K
- 3) Eq. Share all Dr. 12000
To eq. Share Cap 8000
To Sec. premium 4000
- 4) Bank Dr. 12K
To Eq. Share All. A/c 12K
- 5) Eq. Sh. first and final Call Dr. 4K
To eq. Sh. Cap 4K
- 6) Calls in Arrear Dr.
To eq. Share first & final Call
- 7) Eq. Share Cap. Dr. (2000 X 10) 20K
To Calls in Arrear 4K
(2000 X 8) To eq. Sh. forfeited 16K (Do not include premium amt.)

Pg.

Additi

1000 Share

10 + 2

Ap → 4

All → 4 + 2

Tst → 2

forfeited.

Bank a/c Dr. 4K
To eq. Share appalc 4K

Eq. Share appalc Dr. 4K
To eq. Share Cap 4K

Eq. Share call a/c Dr. 6000

To eq. Share Cap 4000

To Sec. premium 2000

Calls in Arrear 6000

To eq. Sh. call a/c 6000

Eq. Sh. Capital Dr. (1000x8) 8000

Sec. premium a/c (1000x2) 2000

(1000x6) To Calls in Arrear 6000

To eq. Sh. forfeiture 4000
(Inc. premium).

Money
Not Recd.

Q.12

X Ltd. forfeited 5000 eq. Share of Rs 100 each fully called up which were issued at a premium of 20% Amt. payable on Share were: On application Rs. 20,000 allot. Rs 50 (Inc. per) On first call 50 Only app. money was paid by the Shareholder in respect of these Share pass Journal entry for the forfeiture.

Eq. Share Capital Dr. 500000

Sec. premium a/c Dr. 100000

To Calls in Arrear 500000

To eq. Share forfeiture a/c 100000

→ Applied - 1k

→ Allotted - 600

Apr 4 ✓

$$A_{II} \rightarrow 3+2 \quad \times$$

Ist = 3 x

WN → Excess money App. (400×4) 1600

All money due $\rightarrow FV = [3]$

1800

SPR [2]

1200

Excess App. Money Adj $\rightarrow 1600$

Calls in Advance

200

1200

 $\sqrt{1400}$

forfeiture

eg. Share Cap Alc Dy 6K

Sec. primordial D. 1200

To call in Answer 3200

To eq. share forfeiture 4000

g

Q $\left\{ \begin{array}{l} \rightarrow \text{Applied - IR} \\ \rightarrow \text{Alloted - 500} \end{array} \right.$

→ Applied - 1K

→ Alloted - 500

App $\rightarrow$ 4 ✓

$$Allo \rightarrow 5 \times (3+2)$$

Ist $\rightarrow 3 \times$

500x4 } excess money App 2000

All. money due P.V [3]

1500

(000)

Rec.

(1500)

~~1500~~

Excess money diff

calls in American

Forfeiture

eq. Share Cap. a/c Dr 5000

Sec. pmt. A/c Dr 500

To Calls in Arrear 2000

To eq. Sh. forfe. A/c 3500

xxx

xxx

xxx

Reissue of Shares

Q Sahil - 1000 Share @ 10

Apr 3 ✓

Aug 4 x

Oct 3 x

Forfeit → eq. Share Cap. Dr 10000

To Calls in Arrear 7000

To eq. Sh. forfeiture 3000

Re-Issue

par premium Discount

↓
Max. Discount = Amt. forfeited on
Reissued Share

Journal

Bank a/c Dr 7000

eq. Sh. forfeited Dr 3000

Discount

To eq. Sh. Cap 10K

↓
fully paid up

→ Reissue of Share is not allotment but Only Sale.

eg Q Pinku - 500 Share @ 10 App → 3 ✓
All → 4 ✓.

Isf → 3 X, Share forfeited.
The Shares are reissued @ ₹ 5 per Share
fully paid Up.

1) eq. Sh. Cap. Dr. 5K
To calls in Arrear 1500
To eq. Sh. forfeiture 3500 → (Cr.)

2) Bank a/c Dr. (500 X 5) 2500
eq. Sh. forfeiture (500 X 5) 2500 → (Dr.) (Discount)
To eq. Sh. Cap. 5K.

Capital Gain → Amt. forg. On reissued Share -
Discount On reissued Share
⇒ Transferred to Capital Reserve.

3) eq. Share forfeited 1000
To Capital Res. 1000

eg Q Rohan 1000 Share @ 10 Ap → 3 ✓
all → 4 X forfeited
"Called up → 7" Int → 3 -

eq Sh. Cap. Dr. 7000
To call in Arrear 4000
To eq. Sh. forfeited 3000

1. a) Re-issued @ ₹ 6 per share, ₹ 7 paid up

→ Bank a/c Dr 6000
Eq. Sh. forfeited a/c Dr 1000
To eq. Sh. Cap. 7000

→ eq. share forfeited Dr. 2K
To eq. Sh. Cap. Reserve 2K

(b) Reissue @ 9 per share

I Bank a/c Dr 9K

To eq. Sh. Cap. 7K

To Sec. paid. 2K

→ If paid up value is not given, we will use called up value of forfeited shares.

II Eq. share for. a/c Dr. 3000

To Capital Reserve 3000

c) Reissue @ 9 ₹ per share fully paid up

→ Bank Dr. 9K

Eq. Sh. for. Dr. 1K

To eq. Sh. Cap. 10K

→ Eq. share forfeited 2K

To Capital Rec. 2K

eg → Q Vidhi : 5000 share @ 10 App → 4 L
 All → 3 X
 Iss → 3 X Share forfeited

Out of the forfeited share, 4000 share are
 reissued @ ₹ 8 per share

1) Eq. Sh. Cap. A/c Dr. 50K
 To called in arrears 30K
 To Eq. Sh. Forf. 20K

2) Bank Dr. 32K
 Eq. Share Forf. Dr. 8K
 To Eq. Share Capital 40K

Capital Gain ⇒ Amt. Forf. On Dis On Re-issue
 Reissue share Share

$$\frac{20000}{5000} \times 4000 - 8000 = 8000$$

3) Eq. Sh. Forf. Dr. 8000
 To Cap. Res. 8000

Q.15 Beautiful Co. Ltd. issued 30K eq. shares of Rs. 10 each payable as Rs. 3 per share. On application Rs. 5 per share (Inc. ₹ 2 premium) On allotment and Rs. 4 per share On Call. all the share were subscribe. Money due on all share were fully rec. except from Ram holding 500 shares who failed to pay the allotment and called money and Shyam holding 1000 share who failed to pay the call money. All these 1500 share were forfeited & the share forfeited 1250 share

(Jmco. Whole Ram's share) were subsequently re-issue to Jadu as fully paid up at a d/s. of Rs. 2 per share. Pass the necessary entries.

Sol

- 1) Eq. Sh. Cap a/c Dr. 15K
 Sec. premium a/c Dr. 1000 (500x2)
 (500x9 + 100x4) To Calls in Advance 8500
 (500x3 + 100x6) To eq. Sh. Jmco. 7500
- 2) Bank a/c Dr. 10K
 Eq. Sh. Jmco. a/c Dr. 2000
 To eq. Sh. Cap. 12500
- 3) Eq. Share Jmco. a/c Dr. 3500
 To Cap. Reserve 3500

W.N → Capital Reserve.

Ram → 500 Share	Shyam → 750 Share
Am't. pay. On 500 Sh. → 1500	Am't. pay. On 750 Sh. = 4500
(-) Discount (500x2) 1000	(-) Dis. = 1500
Cap. Res. 500	Cap. Res. 3000

Cap Res → 3000 + 500 = 3500.

Q → P.Y.Q. June 2023

BP Ltd. issued a prospectus inviting application for 1,00,000 eq. Sh. of Rs. 10 each at premium of 2 per share payable as follows.

On app → 3 per Share
On all. → 5 per Share (Inc. p.m.)
On Tot → 4 per Share

applications were rec. for 3,60,000 eq. Sh. app. for 80K Sh. were rejected and the money refunded. Shares allotted to remaining applications as follows.

Category	No. of Sh. apps	No. of Sh. allotted
I	160000	80K
II	120000	40K

Excess money rec. with app. was adjusted towards sum due on allotment and the balance amt. returned to the applicants. All calls were made duly rec. except the final call by a Shareholder belonging to Category I who has applied for 680 Shares. His Shares were forfeited. The forfeited Sh. were reissued at Rs. 13 per Share fully paid up.

pass necessary entries:-

WV 1 eq. Sh. allotted to the Shareholder

$$\frac{680 \times 80K}{160K} \Rightarrow 340 \text{ Shares}$$

	I	II
1) Excess money Appo.	80K X 3 ⇒ 240K	80K X 3 ⇒ 240K
2) Allotment money due	80K X 5 = 400000	40K X 5 ⇒ 2L.
3) Excess money on Appo.	240000	200000
4) All. Money Rec.	160000	
Money Refunded		40000

Journal
Bank a/c Dr. 1080000
To eq. Sh. app. 1080000

eq. Sh. app Dr. 1080000
To eq. Sh. Cap 360000
To Bank a/c 280000
To eq. Share all. A/c 440000

eq. Sh. all. Dr. 600000
To eq. Sh. Cap 360000
To Sec. premium 240000

Bank a/c Dr. 160K
To eq. Sh. all. 160K

eq. Sh. first call & final call Dr. 480000
To eq. Sh. Cap 480000

Bank a/c Dr. 478640
Calls in Arrear Dr. 1360
To eq. Sh. first and final call 480K

eq. Sh. Cap Dr. 3400
To calls in Arrear 1360
To eq. Sh. forfeiture 2040

Bank a/c Dr. 4420
To eq. Sh. Cap a/c 3400
To Sec. premium 1020

Share forf. a/c Dr. 2040
To Cap. Res. 2040