



INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



Subject : Accountancy	Topic : Company Accounts Calls in advance	Date of Issue: __/__/2017 Worksheet No.18
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Name of the Student : _____	Class & Division : XII _____	Roll Number : _____

Lal Ltd. which has been carrying on business for a few years, offered 12,000 shares of Rs.100 each to the public at Rs.110 payable as under.

- Rs.20 on Application;
- Rs.35 on Allotment (including Premium)
- Rs.20 on First call; and
- Rs. 30 on Final call.

All the shares were applied for and allotted. Mohan, to whom 100 shares were allotted, paid the whole of the sum due along with allotment (under arrangement with directors). Mr.Sohan, holder of 500 shares, failed to pay allotment money and first call money but he paid the same along with second and final call. Pass Journal entries.

Q2. Ajith Ltd. issued 20,000 shares of Rs.10 each at a premium of 10% payable as follows:

- On application Rs.2 (1st Jan.,2014),
- On allotment Rs.4 (including premium -1st April , 2014),
- On first call Rs.3 (1st June, 2014), and
- On Second & Final call Rs.2 (1st Aug., 2014).

Applications were received for 12,000 shares and the directors made allotment in full. One shareholder, to whom 40 shares were allotted, paid the entire balance on his shareholdings with allotment money and another shareholder did not pay allotment and 1st call money on his 60 shares but which he paid with final call. Pass Journal entries.

Q3. On 1st January, 2014, Huzaif Ltd. makes an issue of 10,000 equity shares of Rs.10 each payable as: on application Rs.2;

- On allotment Rs.3;
- On first and final call Rs.5 (three months after allotment).

Applications were received for 13,000 shares and directors made allotment in full to the applicant demanding five or more shares and returned money to applicants for 3,000 shares. One shareholder, who was allotted 20 shares, paid first and final call with allotment money and another shareholder did not pay allotment money on his 30 shares but which he paid with first and final call. Journalise the transactions including cash transactions.

Q.4. Rekha Ltd. issued 40,000 shares of Rs.10 each at a premium of 20% payable as follows:

- On application Rs.3,
- On allotment Rs.4, (including Premium)
- On first call Rs.3, and
- On Second & Final call Rs.2.

Applications were oversubscribed by 12,000 shares and the directors rejected all excess applications One shareholder, to whom 600 shares were allotted, paid the entire balance on his shareholdings with allotment money and another shareholder did not pay allotment and 1st call money on his 300 shares but which he paid with final call. First call was made after three months from allotment and final call was made after two months from First call. Pass Journal entries.



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- Q.5. On 1st January, 2015, Manas Ltd. makes an issue of 1,00,000 equity shares of Rs.10 each at par payable as:
On application Rs.2;
On allotment Rs.3;
On first and final call Rs.5 (three months after allotment).
Applications were received for 1,50,000 shares and directors made allotment in full to 1,00,000 applicants and returned money to applicants for 50,000 shares. One shareholder, who was allotted 2,000 shares, paid first and final call with allotment money and another shareholder did not pay allotment money on his 400 shares but which he paid with first and final call.
Pass Journal entries.
- Q.6 Sindhu Electronics Limited invited applications for 40,000 equity shares of Rs.10 each at a Premium of 10% payable as follows:-
- | | |
|----------------|--------------------------|
| On application | Rs.2 |
| On allotment | Rs.4 (including Premium) |
| On First call | Rs.2 |
| On Final call | Rs.3. |
- Applications received for 60,000 shares and allotment was made pro-rata to 80% of applicants. Mr. Sharma, holder of 1600 shares failed to pay allotment money and call money but he paid the same along with the final call. Mr. Mohit the applicant of 2400 shares paid the entire call money due along with the allotment. Pass journal entries.
- Q.7 Natasha Ltd. offered to public for subscription 10,000, 12% preference shares of Rs.100 each at a premium of Rs.5 per share. Payment was to be made as follows:
- | | |
|-------------------------|-----------------------|
| | Rs. |
| With application | 20 |
| With allotment | 55(including premium) |
| On first and final call | 30 |
- Applications were received for 34,000 shares.
Applications for 2,000 shares were accepted in full. The remaining 8,000 shares were allotted to the applicants for 32,000 shares on pro-rata basis. No money was refunded , the surplus being treated as calls –in – advance on which interest was payable @ 6% per annum. The call was made three months after the date of allotment. All money was duly received. The company promptly paid interest on calls –in –advance to shareholders. Journalise the above –mentioned transactions. Also prepare Calls –in –Advance Account and 12% Preference Share Capital Account.
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