

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION																	
CH-8-1-COMPANY ACCOUNTS-SHARE CAPITAL																	
WORK SHEET 1																	
NAME OF STUDENT:																	
DATE:																	
Q.1	What do you mean by share capital of a company?																
Ans																	
Q.2	Give two points of distinction between Reserve Capital and Capital Reserve.																
Ans																	
Q.3	What do you mean by over subscription and under subscription of shares?																
Ans																	
Q.4	What do you mean by calls in arrears and calls in advance?																
Ans																	
Q.5	<p>Sushma Limited purchased a business from Anamika Traders for a sum of Rs. 14,00,000 payable Rs. 2,00,000 by Cash and for the balance issued equity shares of Rs. 100 each payable at a premium of 20%.</p> <p style="text-align: center;">The assets and liabilities consisted of the following:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Rs.</u></th> </tr> </thead> <tbody> <tr> <td>Machinery</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Building</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">3,00,000</td> </tr> </tbody> </table> <p>Record necessary Journal entries in the books of Sushma Limited.</p>						<u>Rs.</u>	Machinery	5,00,000	Building	5,00,000	Stock	4,00,000	Sundry Debtors	4,00,000	Sundry Creditors	3,00,000
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Ans	Date	Particulars	LF	Dr	Cr.												

Q.6	Anju Ltd. acquired Machinery worth Rs. 4,50,000 and Furniture Rs. 1,00,000 and took over creditors worth Rs. 55,000 from Sanju Ltd. Anju Ltd. issued Equity shares of Rs. 1,000 each at 10% premium as purchase consideration. Pass the necessary journal entries in the books of the company.				
Ans	Date	Particulars	LF	Dr	Cr.
Q.7	<p>The authorized capital of Ankit Ltd. is Rs. 20,00,000 divided into Rs. 2,00,000 equity shares of Rs. 10 each. Out of these the company issued 1,00,000 equity shares of Rs. 10 each. The amount is payable as follows:</p> <p>On application Rs. 2, on allotment Rs. 4 and on final call Rs. 3</p>				

The public applied for Rs. 90,000 equity shares and all the money was duly received. How will you show the 'Share Capital A/c' in the Balance Sheet of the company? Also prepare "Notes to Accounts" for the same.

Ans

Balance Sheet of Ankit Ltd. as at

Notes to Accounts:

Note No. 1

Share Capital		Amount

Q.8 On 1st April 2018, Ginni Filaments Ltd. was formed with an authorized capital of ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 shares. During the first year, ₹8 were called. Vasu holding 1,000 shares & Vidhi holding 2,000 shares did not pay the first call of ₹2 per share. Vidhi's shares were forfeited after the first call and later on 1,500 of the forfeited shares were reissued at ₹6 per share, ₹8 called up.

	Show share capital in the Balance Sheet of the company as per Schedule – III, Part – I of the Companies Act, 2013. Also prepare notes to the Account for the same.		
Ans	Balance Sheet of Ginni Filaments Ltd. (An Extract) As at 31st March, 2019		
Particulars		Note No.	Amount (₹)
Notes to Account: (Share Capital)			
Particulars			Amount (₹)

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION**CH-8-2-COMPANY ACCOUNTS-SHARE CAPITAL****WORK SHEET 2**

NAME OF STUDENT:

DATE:

Q.1 State the provisions of section 52(2) of The Companies Act, 2013 regarding uses of securities premium

Ans

Q.2 SK Ltd. re-issue 2,000 shares which were forfeited by crediting share forfeiture account by ₹ 3,000. These shares were re-issued at ₹ 9 per share. The amount transferred to capita reserve will be:
(a) ₹ 3,000 (b) ₹ 2,000 (c) ₹ 1000 (d) Nil

Ans

Q.3 Mukesh Ltd. Issued 50,000 shares of Rs. 10 each. Pass journal entries, when Shares are issued at 10% premium.

Ans

Date	Particulars	LF	Dr	Cr.

Q.4 Raghav Ltd. Forfeited 500 equity shares of Rs. 100 each for the non-payment of first call of Rs. 30 per share. The final call of Rs. 10 per share was not yet made. The forfeited shares were issued for Rs. 65,000 fully paid up. Pass the journal entries in the books of Raghav Ltd.

Ans	Date	Particulars	LF	Dr	Cr.
Q.5	N Ltd. issued 2,000 shares of Rs100 each. All the money was received except on 200 shares on which only Rs90 were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at Rs80 each as fully paid up. Pass necessary journal entries for the forfeiture and reissue of shares.				
Ans	Date	Particulars	LF	Dr	Cr.
Q.6	Amrit Ltd. issued 50,000 shares of Rs 10 each at a premium of ₹ 2 per share payable as ₹ 3 on application, ₹ 4 on allotment (including premium), ₹ 2 on first call and the remaining on second call. Applications were received for 75,000 shares and a pro-rata				

allotment was made to all the applicants. All moneys due were received except allotment and first call from Suman who applied for 1,200 shares. All his shares were forfeited. The forfeited shares were reissued for ₹ 9,600. Final call was not made. Prepare Cashbook and pass necessary journal entries

Ans	Date	Particulars	LF	Dr	Cr.

Q.7 Velco Ltd. issued 30,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first Call and ₹ 2 on second call.

Applications were received for 40,000 shares and a pro-rata allotment was made to the applicants of 35,000 shares. All money due were received except allotment and first call from Mohit who had applied for 2,100 shares. His shares were forfeited

after first call. Subsequently, the second call was duly made and duly received. Thereafter, the forfeited shares were reissued for ₹ 9 fully paid. Pass the necessary journal entries.

Ans	Date	Particulars	LF	Dr	Cr.

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION													
CH-8-1-COMPANY ACCOUNTS-SHARE CAPITAL													
WORK SHEET 1													
NAME OF STUDENT:													
DATE:													
Q.1	What do you mean by share capital of a company?												
Ans	The capital of a joint stock company is divided into small units. Each unit is called a share. Thus, all shares of a company taken together make share capital. The people or organisations having shares of a company are called shareholders of a company.												
Q.2	Give two points of distinction between Reserve Capital and Capital Reserve.												
Ans	<ol style="list-style-type: none"> 1. Capital Reserve is created out of capital profits whereas Reserve capital is a part of uncalled capital. 2. Capital Reserve is shown in the Balance Sheet whereas Reserve Capital is not shown in Balance Sheet. 												
Q.3	What do you mean by over subscription and under subscription of shares?												
Ans	<ol style="list-style-type: none"> 1. over-subscription number of shares applied is more than the shares offered for subscription whereas in under-subscription number of shares applied is less than the shares offered for subscription. 2. In over-subscription excess application money is to be refunded or adjusted towards allotment whereas in under-subscription all the applications are accepted, there is no excess money is to be refunded. 												
Q.4	What do you mean by calls in arrears and calls in advance?												
Ans	<p>Calls in Arrear refers to that part of capital which has been called –up but not yet been paid by the shareholders.</p> <p>When a company accepts money paid by some of its allottees for the calls not yet due, such amount is known as calls-in-advance.</p>												
Q.5	<p>Sushma Limited purchased a business from Anamika Traders for a sum of Rs. 14,00,000 payable Rs. 2,00,000 by Cash and for the balance issued equity shares of Rs. 100 each payable at a premium of 20%.</p> <p style="text-align: center;">The assets and liabilities consisted of the following:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Rs.</u></th> </tr> </thead> <tbody> <tr> <td>Machinery</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Building</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">3,00,000</td> </tr> </tbody> </table> <p>Record necessary Journal entries in the books of Sushma Limited.</p>		<u>Rs.</u>	Machinery	5,00,000	Building	5,00,000	Stock	4,00,000	Sundry Debtors	4,00,000	Sundry Creditors	3,00,000
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Ans	Balance Sheet of Ankit Ltd. as at																																																								

Particulars	Note No.	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
Equity and Liabilities (1) Shareholder' Fund (a) Share Capital	1	9,00,000	

Notes to Accounts:

Note No. 1

Share Capital	Amount
Authorized Capital 2,00,000 equity shares of Rs. 10 each	20,00,000
Issued Capital 1,00,000 equity shares of Rs. 10 each	10,00,000
Subscribed, but not fully paid 90,000 equity shares of Rs. 10 each	9,00,000

Q.8 On 1st April 2018, Ginni Filaments Ltd. was formed with an authorized capital of ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 shares. During the first year, ₹8 were called. Vasu holding 1,000 shares & Vidhi holding 2,000 shares did not pay the first call of ₹2 per share. Vidhi's shares were forfeited after the first call and later on 1,500 of the forfeited shares were reissued at ₹6 per share, ₹8 called up.

Show share capital in the Balance Sheet of the company as per Schedule – III, Part – I of the Companies Act, 2013. Also prepare notes to the Account for the same.

Ans

Balance Sheet of Ginni Filaments Ltd. (An Extract)

As at 31st March, 2019

Particulars	Note No.	Amount (₹)
I. EQUITY & LIABILITY		
Shareholder's Fund		
Share Capital	1	6,77,000
Notes to Account: (Share Capital)		
Particulars		Amount (₹)
Authorized Capital: 1,00,000 equity shares @ ₹ 10 each		10,00,000
Issued Capital: 90,000 equity shares of ₹ 10 each		9,00,000
Subscribed Capital: Subscribed but not fully paid up 84,500 equity shares of ₹ 8 called up	6,76,000	
Less: Calls in Arrear (1,000 x 2)	2,000	
Add: Share Forfeiture A/C (500 x 6)	3,000	
		6,77,000

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION																																	
CH-8-2-COMPANY ACCOUNTS-SHARE CAPITAL-MS																																	
WORK SHEET 2																																	
NAME OF STUDENT:																																	
DATE:																																	
Q.1	State the provisions of section 52(2) of The Companies Act, 2013 regarding uses of securities premium.																																
Ans	(a) For buy back of equity shares. (b) For issuing fully paid bonus shares to the shareholders of the company. (c) For writing off the preliminary expenses. For writing off commission or discount allowed on issue of shares or debentures of the company.																																
Q.2	SK Ltd. re-issue 2,000 shares which were forfeited by crediting share forfeiture account by ₹ 3,000. These shares were re-issued at ₹ 9 per share. The amount transferred to capita reserve will be: (a) ₹ 3,000 (b) ₹ 2,000 (c) ₹ 1000 (d) Nil																																
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Q.3	Mukesh Ltd. Issued 50,000 shares of Rs. 10 each. Pass journal entries, when Shares are issued at 10% premium.																																
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Q.4	Raghav Ltd. Forfeited 500 equity shares of Rs. 100 each for the non-payment of first call of Rs. 30 per share. The final call of Rs. 10 per share was not yet made. The forfeited shares were issued for Rs. 65,000 fully paid up. Pass the journal entries in the books of Raghav Ltd.																																
Ans	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Share Capital A/c</td> <td style="width: 20%; text-align: center;">.... Dr. 45,000</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">To Share First Call A/c</td> <td></td> <td style="text-align: right;">15,000</td> </tr> <tr> <td></td> <td style="text-align: center;">To Share Forfeiture A/c</td> <td></td> <td style="text-align: right;">30,000)</td> </tr> <tr> <td>Bank A/c</td> <td style="text-align: center;">.... Dr. 65,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">To Share Capital A/c</td> <td></td> <td style="text-align: right;">50,000</td> </tr> <tr> <td></td> <td style="text-align: center;">To Securities premium Reserve A/c</td> <td></td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Share Forfeiture A/c</td> <td style="text-align: center;">.... Dr.</td> <td style="text-align: right;">30,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">To Capital Reserve A/c</td> <td></td> <td style="text-align: right;">30,000</td> </tr> </table>	Share Capital A/c Dr. 45,000				To Share First Call A/c		15,000		To Share Forfeiture A/c		30,000)	Bank A/c Dr. 65,000				To Share Capital A/c		50,000		To Securities premium Reserve A/c		15,000	Share Forfeiture A/c Dr.	30,000			To Capital Reserve A/c		30,000
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Q.5 N Ltd. issued 2,000 shares of Rs100 each. All the money was received except on 200 shares on which only Rs90 were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at Rs80 each as fully paid up. Pass necessary journal entries for the forfeiture and reissue of shares.

Ans	Date	Particulars	Debit ₹	Credit ₹
	(i)	Share capital A/C Dr Calls-in- arrears A/C Share forfeited A/C (Being 200 shares forfeited)	20,000	2,000 18,000
	(ii)	Bank A/C Dr Share forfeited A/C Dr Share Capital A/C (Being 100 shares being reissued @80 as fully paid)	8,000 2,000	10000
	(iii)	Share forfeited A/C Dr To Capital Reserve A/C (Being gain on forfeiture and reissue to capital reserve)	7,000	7,000

Q.6 Amrit Ltd. issued 50,000 shares of Rs 10 each at a premium of ₹ 2 per share payable as ₹ 3 on application, ₹ 4 on allotment (including premium), ₹ 2 on first call and the remaining on second call. Applications were received for 75,000 shares and a pro-rata allotment was made to all the applicants. All moneys due were received except allotment and first call from Suman who applied for 1,200 shares. All his shares were forfeited. The forfeited shares were reissued for ₹ 9,600. Final call was not made. Prepare Cashbook and pass necessary journal entries

Ans	Journal (In the books of Amrit Ltd.)		
	Particulars	Amt (Dr.) ₹	Amt (Cr.) ₹
	Share Application A/c Dr. To Share Capital A/c To Share allotment A/c (Share application money transferred to share capital account and share allotment account)	2,25,000	1,50,000 75,000
	Share Allotment A/c Dr. To Share Capital A/c To Securities Premium A/c (Share Allotment money due with premium)	2,00,000	1,00,000 1,00,000
	Share 1 st Call A/c Dr. To Share Capital A/c (Share 1 st Call money due)	1,00,000	1,00,000

Share Capital A/c Dr.	5,600	
Securities Premium A/c Dr.	1,600	
To Share allotment A/c		2,000
To Share 1 st Call A/c		1,600
To Share Forfeiture A/c		3,600
(800 shares forfeited for non-payment of allotment and 1 st call money)		
Share Forfeiture A/c Dr.	3,600	
To Capital Reserve A/c		3,600
(Balance of share forfeiture account transferred to capital reserve account)		

Q.7 Velco Ltd. issued 30,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first Call and ₹ 2 on second call.

Applications were received for 40,000 shares and a pro-rata allotment was made to the applicants of 35,000 shares. All money due were received except allotment and first call from Mohit who had applied for 2,100 shares. His shares were forfeited after first call. Subsequently, the second call was duly made and duly received. Thereafter, the forfeited shares were reissued for ₹ 9 fully paid. Pass the necessary journal entries.

Ans

Journal (In the books of Velco Ltd.)

Particulars	Amount (Dr.) ₹	Amount (Cr.) ₹
Bank A/c Dr.	1,20,000	
To Share Application A/c (Share application money received)		1,20,000
Share Application A/c Dr.	1,20,000	
To Share Capital A/c		90,000
To Share allotment A/c		15,000
To Bank A/c		15,000
(Share application money transferred to share capital account and share allotment account. Money refunded on rejected shares)		
Share Allotment A/c Dr.	90,000	
To Share Capital A/c (Share Allotment money due)		90,000
Bank A/c Dr.	71,400	
To Share Allotment A/c		71,400

(Share Allotment money received except calls in arrears)		
Share 1 st Call A/c Dr. To Share Capital A/c (Share 1 st Call money due)	60,000	60,000
Bank A/c Dr. To Share 1 st Call A/c (Share 1 st Call money received except calls in arrears)	56,400	56,400
Share Capital A/c Dr. To Share Allotment A/c To Share 1 st Call A/c To Share forfeiture A/c (1,800 Shares forfeited after 1 st call for non-payment of allotment money and 1 st call)	14,400	3,600 3,600 7,200
Share 2 nd & Final Call A/c Dr. To Share Capital A/c (Share 2 nd & Final Call money due)	56,400	56,400
Bank A/c Dr. To 2 nd & Final Call A/c (Share 2 nd & Final Call money received)	56,400	56,400
Bank A/c Dr. Share Forfeiture A/c Dr. To Share Capital A/c (Forfeited shares reissued)	16,200 1,800	18,000
Share Forfeiture A/c Dr. To Capital Reserve A/c (Balance of share forfeiture account transferred to capital reserve account)	5,400	5,400