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Mohan Limited Company issued 10,000 shares @ 100 each to the public, payable at 25 on application, 30 on allotment 20 on first call and 25 on second and final call. 14,000 equity share applications were received but company returned excess application money 4000 as the books of company.

~~Solved~~
Solved

Journal entries in the book of Mohan Limited Company.

Particulars	Dr Amount	Cr Amount
Bank A/c Dr to equity share application a/c. (Being application money received on 14,000 shares @ 25 each)	350,000	35,000
equity share application A/c Dr to equity share capital a/c (Being share application money transferred to share capital and excess application returned)	350,000	250,000 100,000

Equity share allotment A/c Dr 300,000

to equity share capital

300,000

(Being Amt due on 10,000 shares @ 30 each)

Banks A/c Dr to equity share allotment

300,000

300,000

(Being Amount received as allotment - 10,000 shares @ 30 each)

Equity share first call A/c Dr 200,000 to equity share capital

200,000

(Being Amount called for 10,000 shares @ 20 each as first call)

Bank A/c Dr to equity share first call

200,000

200,000

(Being Amount received as first call 10,000 shares @ 20 each)

Equity share ~~first~~ second and final call A/c Dr 250,000 to equity share capital

250,000

(Being Amt received as to first and final call 10,000 shares @ 25 each)

Banks A/c Dr to equity share second and final call

250,000

250,000

(Being Amount received on final call)

22,00,000