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Question.

(A) Girish Limited had on 31 March 2014, 40000 equity shares of 10 each, Rs 8 per share called up. In September 2014, The company decided to reduce Rs 10000 shares to Rs 8 as fully paid by cancelling unpaid amount of 2 per share. Pass Journal Entries.

(B) Mahesh Limited had Rs 4,00,000. Authorised Capital divided in to 4000 shares of 100 each. All these shares were issued and were paid to the extent of Rs 70 per share. The company decided in June 2014 to pay off Rs 20 per share and to reduce Rs 100 shares to Rs 50 fully paid up by cancelling unpaid amount. There was Rs 1,00,000 balance (credit) in Profit & Loss Account. Pass necessary Journal entries and show share Capital Account in the Balance sheet.

P.T.O

(A)

### Journal Entries

Date	Particulars	Dr		Cr
		Amount	Amount	
	Share Capital A/c (Partly Paid)	Rs 3,20,000		
	To Share Capital (Fully Paid)		3,20,000	
	(Being Cancellation of Rs 2 unpaid amount on 4000 shares.)			

(B)

### Journal Entries

	Share Capital A/c Dr	80,000		
	To Shareholders		80,000	
	(Being transfer @ 20 on 4000 shares for repayment.)			
	Shareholders A/c Dr	80,000		
	To Bank		80,000	
	(Being repayment to shareholders)			
	P.S.L. A/c Dr	80,000		
	To Capital Reserve		80,000	
	(Transfer upon repayment)			
	Share Capital A/c (Partly Paid) Dr	2,00,000		
	To Share Capital (Fully Paid)		2,00,000	
	(Being Cancellation of Rs 50 per share on 4000 shares to bring them Rs 50 paid)			

(C)

### Balance sheet Liabilities side only

Share Capital Authorized 4000 shares @ 50 each. | 2,00,000