

Financial Account

B. Com Part I

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Question.

Rashant Limited issued 20000 shares of 10 each at a premium of 20% payable as follows.

Rs. 3 on Application

(3+2) = 5 on Allotment

2 on first call and

2 on final call

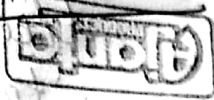
A shareholder did not pay first call money on his 1000 shares. Hence these shares were forfeited after first call. Other amounts were duly received. Give journal entries in the books of company up to second call. Give Journal

Ans.

Journal Entries in the books of Prashant Limited.

Particulars	Dr Amount	Cr Amount
BANK A/c Dr to Share application A/c.	60,000	
(Being application money received.)		60,000
Share application A/c Dr to Share Capital.	60,000	
(Being application money transferred to share capital.)		60,000
Share Allotment A/c Dr to Share Capital	1,00,000	
" Securities Premium		60,000
(Being Allotment money due)		40,000
BANK A/c Dr to Share Allotment A/c	1,00,000	
(Being Allotment money received)		1,00,000
Share First call A/c Dr to Share Capital.	40,000	
(Being first call money due)		40,000
BANK A/c Dr to Share First call	38,000	
(Being first call money received)		38,000
Share Capital A/c Dr $1000 \times 8 = 8000$ to Share First call	8,000	
" For forfeited share		2,000
(Being 1000 share forfeited)		6,000

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Share Final call money 38000

to share capital.

(Buy Final call money  
done)

38000

Bank A/c dr 38000

to Share Final call

(Buy Amt received on  
Final call)

38000