

KVS ZIET CHANDIGARH
Class Test (Issue of Shares)
Accountancy

M. M. 15.

Time 30 Minutes

Q 1 As per Company Act 2013 section 52 (2) the amount of Securities Premium Reserve cannot be utilized :-

- A) issuing fully paid bonus shares to members.
- B) Writing off preliminary expenses of the company.
- C) In purchasing its own shares
- D) paying trade expenses of the company. (1)

Q 2 as per Company Act 2013 section 2(62) the paid up share capital of one person company should not more than:-

- A) 50 lakh
- B) 2 crores
- C) 10 lacs
- D) 1 crore. (1)

Q 3 Grand limited offer 1 00000 shares of Rs 10 each for subscription on following terms:

Rs 3 to be paid on application

Rs 3 to be paid on allotment.

Rs 4 to be paid in 2 months after allotment.

Applications received for 90000 shares and allotment was made to all the applicants.

All the money due on allotment was received but a shareholder holding 1500 failed to pay the call money.

Show the share capital in the balance sheet of the company. (3)

Q 4 X Limited forfeited 300 shares of Rs 10 each, Rs 8 called up held by Mr. A for nonpayment of second call money of Rs 3 per share these shares were reissued to Mr. Z for Rs 10 per as fully paid up.

b) VT Limited forfeited 200 shares of rupees 10 each issued at a premium of Rs 5 per share held by Mohan for non payment of the final call of Rupees 3 per share. These share were reissued to Mr Narender at Rs 6 per share .

Pass journal entries for the forfeiture of shares for above cases . (2,2 =4)

Q 5 Shagun India Limited issued for subscription 40,000 equity shares of Rs 10 each at a premium of rupees 2 per share payable as under :-

on application rupees 2 per share

on allotment rupees 5 per share (including premium)

on first call rupees 2 per share and

on second and final call rupees 3 per share Applications received for 60000 shares. Allotment was made on Pro Rata basis to the applications of or 48000 shares. Remaining applications being refused. Money overpaid on the application was applied towards amount due on allotment.

Amrit to whom 1600 shares were allotted failed to pay the allotment money and Varun to whom 2,000 shares were allotted failed to pay to calls.

These were the shares were subsequently forfeited after the second and final call .

Pass journal entries in the books of Shagun India Limited to record the above transactions.

<p style="text-align: center;">KVS ZIET CHANDIGARH ACCOUNTANCY CUMULATIVE TEST ISSUE OF SHARES</p>		
Q1	Amount paid by purchasing company in consideration for assets taken over is called_____.	1
Q2	What is the Rate Of Interest on Calls in Arrears .	1
Q3	Give any one Provision for utilization of securities premium reserve.	1
Q4	<p>V Ltd. Issued 20,000 Equity shares of Rs 10 each at a premium of Rs. 3 payable as follows:</p> <p>On Application Rs 4 .On Allotment Rs 5 (including Securities Premium Reserve) On First Call Rs. 2 On Final Call Rs. 2 All shares were duly subscribed and all money duly received. Pass necessary Journal Entries.</p>	3
Q5	<p>Pass necessary journal entries for the following transactions in the Books of Rajan Ltd. (a) Rajan Ltd. purchased machinery of Rs. 7,20,000 from Kundan Ltd. The payment was made to Kundan Ltd. by issue of equity shares of Rs.100 each at 20% Premium.</p> <p>(b) Rajan Ltd. purchased a running business from Vikas Ltd. for a sum of Rs.2,50,000 payable as Rs.2,20,000 in fully paid equity shares of Rs.10 each and balance by a bank draft. The assets and liabilities consisted of the following: Plant & Machinery Rs. 90,000; Buildings 90,000; Sundry Debtors 30,000; Stock 50,000; Cash 20,000; Sundry Creditors 20,000.</p>	4

KVS ZIET CHANDIGARH

Cumulative Class Test Accountancy -XII Issue of Shares - Upto Over Subscription Time Allowed - 20 minutes Max. Marks - 10		
1	<p>Authorised capital of a company is divided into 5 lakh shares of rupees 10 each. It issued 3 lakh shares. Public applied for 3,60,000 shares. Amount of issued capital will be</p> <p>A Rs. 30,00,000 B Rs. 36,00,000 C Rs. 50,00,000 D Rs. 6,00,000</p>	1
2	<p>A building was purchased for rupees 9,00,000 and payment was made in Rs. 100 shares at 20% premium. Securities premium reserve account will be _____.</p>	1
3	<p>Aarav Ltd. issued 2,00,000 shares of Rs. 10 each at a premium of Rs. 4 per share payable as Rs. 6 on application including Rs.2 premium), Rs. 7 on allotment (including Rs.2 premium)and the balance on first and final call. Applications were received for 3,00,000 shares and the allotment was made to all the applicants on pro rata basis.</p> <p>Chander, who was allotted 400 shares failed to pay allotment and call money Suresh, who had applied for 300 shares failed to pay call money. Pass the necessary journal entries by opening calls in arrears and calls in advance account wherever necessary.</p> <p style="text-align: center;">OR</p> <p>Vikas Ltd. issued 80,000 shares of Rs. 10 each a payable as Rs. 2 on application, Rs. 3 on allotment , Rs.2 on first and Rs. 3 on final call. Applications were received for 1,20,000 shares and the allotment was done as under :</p> <p>Applicants of 20,000 shares – allotted 20,000 shares Applicants of 40,000 shares – allotted 10,000 shares Applicants of 60,000 shares – allotted 50,000 shares Allotment was made and all shareholders except Tammana, who had applied for 2,400 shares out of the group (iii), could not pay allotment money. Another shareholder Chaya ,who was allotted 500 shares out of group (ii), failed to pay first call.</p> <p>Pass necessary journal entries and prepare cash book in the books of Vikas Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.</p>	8

KVS ZIET CHANDIGARH
Cumulative test
Topic- issue of shares
Issue of debentures

Time-40 minutes

m.m.-15

Sr. .no.	questions	marks
1.	Differentiate between equity shares and debentures on the basis of risk involved	1
2..	XYZ limited issued 10,000 9% debenture of Rs 100 each at a discount of 6%. These debentures are to be redeemed at a premium of 10 % after 5 years. Pass the journal entries for the issue of debentures. Also show the amount of discount of debentures to be written off every year.	3
3.	S. Singh Limited obtained a loan of ₹ 5,00,000 from State Bank of India @ 10 % interest. The company issued ₹ 7,50,000, 10 % debentures of ₹ 100/- each, in favor of State Bank of India as collateral security. I) Pass necessary journal entries for the above transactions: When company decided not to record the issue of 10 % Debentures as collateral security. II) When company decided to record the issue of 10 % Debentures as collateral security.	3
4.	'Venus Ltd' was registered with an authorized capital of Rs 40,00,000 divided into 4,00,000 equity shares of 10 each. 70,000 of these shares were issued as fully paid to 'M/s. Star Ltd.' for building purchased from them. 2,00,000 shares were issued to the public and the amounts were payable as follows : On Application – Rs 3 per share On Allotment – Rs 2 per share On First Call – Rs 2 per share On Second and Final Call – Rs 3 per share The amounts received on these shares were as follows : On 1,00,000 shares – Full amount called On 60,000 shares – Rs 7 per share On 30,000 shares – Rs 5 per share On 10,000 shares – Rs 3 per share The directors forfeited 10,000 shares on which only Rs 3 per share were received. These shares were reissued at Rs 12 per share fully paid. Pass necessary journal entries for the above transactions in the books of 'Venus Ltd'.	8

KVS ZIET CHANDIGARH
Cumulative test
Topic-issue of shares
Issue and Redemption of Debentures

Time-40 minutes

m.m.-20

Sr.no.	questions	marks
1.	Differentiate between equity shares and debentures on the basis of risk involved	1
2.	A portion of share capital that is reserved by the company and will be utilized only on the happening of winding up of the company is called _____.	1
3.	Wellness Co. Ltd. has issued 20,000, 9% Debentures of ₹ 100 each at a premium of 10% on 1st April, 2018 redeemable as follows: 31st March, 2021 – 10,000 debentures 31st March, 2022 – 4,000 debentures 31st March, 2023 – balance debentures. It transferred to Debentures Redemption Reserve the required amount as applicable rules of the Companies Act and Rules, 2014 on due date. How much amount will be transferred to General Reserve on 31st March, 2021 a) ₹ 1,00,000 b) ₹ 2,50,000 c) ₹ 5,00,000 d) ₹ 20,00,000	1
4.	Journalise the following transactions a) Mehar Ltd. issued ₹ 1,00,000, 12% Debentures of ₹ 100 each at a premium of 5% redeemable at a premium of 2% b) 12 % Debentures were issued at a discount of 10% to a vendor of machinery for payment of ₹ 9,00,000	3
5.	On 1st April, 2016, Ganesh Ltd. acquired assets of RS. 6, 00,000 and took over liabilities of Rs 70,000 of Sohan Ltd. at an agreed value of RS. 6, 60,000. Ganesh Ltd. issued 12% Debentures of RS. 100 each at a premium of 10% in full satisfaction of purchase consideration. The debentures were redeemable after three years at a premium of 5%. The company decided to transfer the minimum required amount to Debenture Redemption Reserve on 31st March, 2018. It also made the required investment in Government securities earning interest @ 10% p.a. on 1st April, 2018. Tax was deducted on interest earned @ 10%. Ignoring entries relating to writing off loss on issue of debentures and interest paid on debentures pass the necessary journal entries to record the issue and redemption of debentures.	3
6.	S. Singh Limited obtained a loan of ₹ 5, 00,000 from State Bank of India @ 10 % interest. The company issued ₹ 7, 50,000, 10 % debentures of ₹ 100/- each, in favor of State Bank of India as collateral security.	3

	<p>Pass necessary journal entries for the above transactions:</p> <p>i. When company decided not to record the issue of 10 % Debentures as collateral security.</p> <p>ii. When company decided to record the issue of 10 % Debentures as collateral security.</p>	
7.	<p>'Rathee Ltd. invited applications for issuing 1, 00,000 equity shares of RS 10 each. The shares were issued at a premium of 60%. The amount was payable as follows : On Application and Allotment – RS. 6 per share (including premium RS 4) On First and Final Call – Balance including premium Applications for 1, 90,000 shares were received. The allotment was made as follows : Category A – Applications for 10,000 shares were rejected. Category B – Applications for 1,00,000 shares were allotted 50,000 shares. Category C – Applications for 80,000 shares were allotted 50,000 shares. Excess money received on application and allotment was adjusted towards sums due on first and final call. Ali, who belonged to Category B, and had applied for 1,000 shares, paid the entire amount of his share money with application. Bali, who belonged to Category C, was allotted 1,000 shares, failed to pay the first and final call money. His shares were forfeited and re-issued at RS.15 per share fully paid up. Pass necessary journal entries for the above transactions in the books of Rathee Ltd.</p>	8