

B. Com II (Hons)
issue of shares.

Q. → Prabhat Ltd issued 10,000 shares of Rs 20 each, payable as Rs 8 per share on application, Rs 4 per share on allotment and the balance two months later. Applications for 9000 were received and those were duly allotted. Allotment money was received on 8000 shares only and call money on 7,500 shares. Show the Journal entries and open the Balance Sheet.

Ans: -

Solution

Journal Entries.

Date	Particulars	L.F.	Dr Amount	Cr Amount
	Bank A/c ————— Jr To Share Application A/c (Application money received on 9000 shares @ Rs 8 per share)		72,000	72,000
	Share Application A/c ————— Dr To Share Capital A/c (Application money transferred to share capital A/c)		72,000	72,000
	Share Allotment A/c ————— Dr To Share Capital A/c (Allotment money due @ Rs 4 per share)		36,000	36,000
	Bank A/c ————— Dr To Share Allotment A/c (Allotment money received on 8000 shares @ Rs 4 each)		32,000	32,000
	Share Call A/c ————— Dr To Share Capital A/c (Call money due on 9000 shares @ Rs 8 each)		72,000	72,000
	Bank A/c ————— Dr To Share Call A/c (Call money received on 7,500)		60,000	60,000

Balance Sheet of Prabhat Ltd

Liabilities	Amount ₹	Assets	Amount ₹
Issued Capital:			
10,000 shares of Rs 20 each	2,00,000	Cash at Bank.	164,000
Subscribed Capital:			
9000 shares of Rs 20 each	1,80,000		
Called & paid-up capital			
9000 shares of Rs 20 each			
fully called up - 1,80,000			
less: call in arrears 16000	1,64,000		
	1,64,000		1,64,000

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