

calls in Arrear and calls in Advance

Q. Thakur & Co. Ltd with a Registered Capital of Rs 20,00,000 in shares of Rs 10 each, issued 1,00,000 of such shares, payable as Rs 2 per share on application, Rs 3 per share on allotment and Rs 3 per share two months later and the balance as and when required. All money payable on allotment was received. But when the call of Rs 3 per share was made, one shareholder failed to pay the amount due on 500 shares and another who held 1,000 shares paid them up in full.

Pass the necessary journal and Cash Book entries in the books of the Company.

Solution -

		Dr Cr	
Date	Particulars	L.F.	Amount
	Bank A/c ————— Dr		
	To Share Application A/c		200,000
	(Application money received on 1,00,000 shares @ Rs 2 per share)		200,000
	Share Application A/c ————— Dr		200,000
	To Share Capital A/c		200,000
	(Transfer of application money on 1,00,000 shares to share cap A/c)		200,000
	Share First Call A/c ————— Dr		300,000
	To Share Capital A/c		300,000
	(Share first call money due on 1,00,000 shares @ Rs 3 per share)		300,000
	Share Allotment A/c ————— Dr		300,000
	To Share Capital A/c		300,000
	(Allotment money due on 1,00,000 shares @ Rs 3 per share)		300,000
	Share First Call A/c ————— Dr		300,000
	To Share Capital A/c		300,000
	(Share first call money due on 1,00,000 shares @ Rs 3 per share)		300,000



Officer

Cash Book A/c

To Share Application All	200,000	By Balance b/d	800,500
To Share Allotment All	309,000		
To Share First Call All	298,500		
To Call-in-Advance All	2,000		
	800,500		
To Balance b/d	800,500		

Working Notes

1 Amount due on first call $100,000 \times 3 = 300,000$
 Less Calls in Arrears $(500 \times 3) = 1500$
298,500

2 Cells-in-Advance = $1000 \times Rs 2 = 2000$

~~_____~~
~~_____~~

Dr Jagdish Prasad Baishtantri
 Deptt of Commerce
 Dr L.K.V.D. College Talpur
 Date - 27/18/2020