

Q:- From the following information, prepare the Journal and the Balance sheet as at 31st March, 2007.

(a) shares offered for public subscription - 5000 shares of Rs 100 each.

(b) shares payable - in four equal instalments.

(c) Premium on shares - Rs 10 per share along with allotment.


(d) Application received for 3800 shares

(e) outstanding on 31st March 2007 - 600 shares on first call and 900 shares on final call

(f) preliminary expenses Rs 2000.

Solution:

Date	particulars	L.F.	Dr Amount	Cr Amount
	Bank A/c ————— Dr		95,000	95,000
	To share Application A/c			
	(Application money received on 3800 shares @ Rs 25 per share)			
	Share Application A/c ————— Dr		95,000	
	To Share Capital A/c			95,000
	(Transfer of application money in Share Capital A/c)			
	Share Allotment A/c ————— Dr		1,33,000	
	To Share Capital A/c			95,000
	To Security premium A/c			38,000
	(Allotment money due together with premium)			
	Bank A/c ————— Dr		1,33,000	
	To share Allotment A/c			1,33,000
	(Allotment money received)			
	Share First call A/c ————— Dr		95,000	
	To Share Capital A/c			95,000
	(First call money due on 3800 shares @ Rs 25 per share)			
	Bank A/c ————— Dr		80,000	
	To Share First call A/c			80,000
	(First call money received on 3200 shares @ Rs 25 per share)			
	Share Final call A/c ————— Dr		95,000	
	To Share Capital A/c			95,000
	(Final call money due on 3800 shares @ Rs 25 per share)			

 Officer

Date	Particulars	Dr Cr	
		Amount ₹	Amount ₹
	Bank A/c ————— Dr	72,500	
	To Share Final Call A/c		72,500
	(Final call money received on 2900 shares @ ₹ 25 per share)		
	Preliminary Expenses A/c — Dr	2,000	
	To Bank A/c		2,000
	(Preliminary expenses paid)		

Balance Sheet
as on 31st March 2007

Liabilities	Amount ₹	Assets	Amount ₹
Issued Capital:		Cash at Bank	37,500
5000 Shares of ₹ 100 each	500,000	Preliminary Exp.	2,000
Subscribed Capital			
3800 Shares of ₹ 100 each	3,80,000		
Paid-up Capital			
3800 Shares of ₹ 100 each, fully called-up	3,80,000		
Less call in arrears	37,500		
	3,42,500		
Security Premium A/c	38,000		
	<u>3,80,500</u>		<u>3,80,500</u>

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