

Calls in Arrears

① For calls in arrears on share allotment/
share calls: -

Calls in arrears A/c ——— Dr
 To share Allotment A/c
 To Relevant Call A/c

(Being arrears on share allotment & call transferred)

② On receipt of Amount of calls in arrears
at a subsequent date —

Bank A/c ——— Dr
 To Calls in arrears A/c

(Being calls in arrears amount received)

Accounting entries of Interest on Calls in Arrears.

① For interest becoming due on calls in arrears:-

Sundry Member A/c ——— Dr
To Interest on calls in arrears A/c

(Being interest on calls in arrears due)

② On receipt of Interest on calls in arrears:-

Bank A/c ——— Dr
To Sundry Members A/c

(Being receipt of interest on calls in arrears)

③ For transfer of Interest on Calls in arrears to
Profit & Loss Account :-

Interest on calls in arrears A/c ——— Dr
To P/L A/c

(Being transfer of interest on calls in arrears
to Profit & Loss A/c)

June		
Mon	4	11
Tue	5	12
Wed	6	13
Thu	7	14
Fri	1	8
Sat	2	9

Q:- A company was formed with a capital of ₹ 15,00,000 in shares of ₹ 10 each. It offered to the public 1,00,000 shares payable at ₹ 1 per share on application, ₹ 2 per share on allotment and ₹ 3 per share on first call. The balance of ₹ 4 per share was to be called in case of necessity. Applications were received for 90,000 shares & shares were allotted accordingly. All the money were duly received with the exception of allotment money on 300 shares & first call money on 600 shares.

Journalise the whole of the transaction.

Soln.

Journal Entries

Date	Particulars	Dr Amount	Cr Amount
	Bank A/c — Dr To Share Application A/c (Being application money received on 90,000 shares @ ₹ 1 per share)	90000	90000
	Share Application A/c — Dr To Share Capital A/c (Being application money transferred to share capital A/c)	90,000	90,000

July	2018
Mon	30 2 9 16 23
Tue	31 3 10 17 24
Wed	4 11 18 25
Thu	5 12 19 26
Fri	6 13 20 27
Sat	7 14 21 28
Sun	1 8 15 22 29

Date	Particulars	Amount	Amount
	Share Allotment A/c — Dr To Share Capital A/c	180000	180000
	(Being amount due on allotment of 90000 shares @ ₹ 2 per share)		
	Bank A/c — Dr To share Allotment A/c	179400	179400
	(Being receipt of allotment money on 89,700 shares)		
	Share 1 st call A/c — Dr To Share Capital A/c	2,70,000	2,70,000
	(Being amount due on 1 st call on 90,000 shares @ ₹ 3 per share)		
	Bank A/c — Dr To share 1 st call a/c	268200	268200
	(Being 1 st call money received on 89,400 shares)		

W.N.

Areas on Allotment
(300x2) 600

on 1st call
(600x3) 1800

Total areas 2400

Cash at Bank = ₹ 90000

(+) ₹ 1,79,400

(+) ₹ 2,68,200

Total ₹ 5,37,600 -