

Q. Jupiter Co. Ltd. issued 35,000 equity shares of ₹10 ~~each~~ each at a premium of ₹2 payable as follows:-

On Application ₹3
 On Allotment ₹5 (including premium)

Balance on 1st and final Call.

The issue was fully subscribed and all the money was duly received.
 Record journal entries in the books of Jupiter company limited.

Soln

In the Books of Jupiter Co. Ltd.
 Journal Entries

| Date | Particulars | Dr. Amt. | Cr. Amt. |
|-----------|--|----------|----------|
| 08 Sunday | Bank A/c — Dr To Eq. share application A/c | 1,05,000 | 1,05,000 |
| | (Being money received on application for 35,000 shares @ ₹3 per share) | | |
| | Eq. share application A/c — Dr To Eq. share Capital A/c | 1,05,000 | 1,05,000 |
| | (Being transfer of application money to share Capital A/c) | | |

| July | | 2018 | |
|------|----|------|----------|
| Mon | 30 | 2 | 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 |

July

| Date | Particulars | Dr | Cr | Amt. | Amt. |
|------|---|----|----|----------|--------------------|
| | Eq. Share Allotment A/c — Dr To Eq. Sh. Capital A/c To Securities Premium A/c | | | 1,75,000 | 1,05,000 70,000 |
| | (Being amount due on allotment of 35,000 shares @ ₹ 5 per share including premium) | | | | |
| | Bank A/c — Dr To Eq. Share Allotment A/c | | | 1,75,000 | 1,75,000 |
| | (Being money received including premium) | | | | |
| | Eq. Share 1st & final call A/c — Dr To Eq. Share Capital A/c | | | 1,40,000 | 1,40,000 |
| | (Being amount due on 1st & final call of ₹ 4 per share on 35,000 shares) | | | | |
| | Bank A/c — Dr To Eq. Shares 1st & final call A/c | | | 1,40,000 | 1,40,000 |
| | (Being money received on 1st & final call) | | | | |

August 2018

| | | | | |
|-----|---|----|----|----|
| Mon | 6 | 13 | 20 | 27 |
| Tue | 7 | 14 | 21 | 28 |
| Wed | 1 | 8 | 15 | 22 |
| Thu | 2 | 9 | 16 | 23 |
| Fri | 3 | 10 | 17 | 24 |

Issue of shares at Discount

Journal Entries

① At the time of allotment of shares :-

a) Share Allotment A/c — Dr
Discount on Issue of share A/c — Dr
 to Share Capital A/c

(Being amount due on allotment and discount allowed)

② On receipt of amount money :-

Bank A/c — Dr
 to Share Allotment A/c

(Being money excluding discount received)

③ At the time of writing off discount :-

Profit & Loss A/c — Dr
 to Discount on issue of shares A/c

(Being discount on shares written off)

| July | | | | | |
|------|----|---|----|----|----|
| 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 |

Q:- Fine Arts Ltd. issued to the public for subscription of 10,000 shares of ₹10 each at a discount of 10% payable at ₹4 on application, ₹3 on allotment and ₹2 on 1st & final call. The issue was fully subscribed and all the money was duly received.

Write journal entries for the above transactions in the books of the company.

Solⁿ

In the books of Fine Arts Ltd.
Journal Entries

| Date | Particulars | ₹ | ₹ |
|------|--|--------|--------|
| | | (Dr) | (Cr) |
| | Bank A/c — Dr to Share Application A/c | 40,000 | 40,000 |
| | (Being appli. money received on 10000 shares @ ₹4 each) | | |
| | Share Appli. A/c — Dr to Share Capital A/c | 40,000 | 40,000 |
| | (Being application money transferred to share capital A/c) | | |

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

| Date | Particulars | | |
|------|--|--------|--------|
| | Share Allotment A/c — Dr | 30,000 | |
| | Discount on issue of shares A/c — Dr | 10,000 | |
| | To Share Capital A/c | | 40,000 |
| | (Being amount due @ ₹ 3 per share on allotment & @ ₹ 1 per share discount on 10,000 shares allotted) | | |
| | Bank A/c — Dr | 30,000 | |
| | To Share Allotment A/c | | 30,000 |
| | (Being allotment money received on 10,000 shares) | | |
| | Share 1 st & final call A/c — Dr | 20,000 | |
| | To Share Capital A/c | | 20,000 |
| | (Being 1 st & final call of ₹ 2 per share due on 10,000 shares) | | |
| | Bank A/c — Dr | 20,000 | |
| | To Share 1 st & final call A/c | | 20,000 |
| | (Being 1 st & final call money received on 10,000 shares) | | |

| July | | | | |
|------|----|---|----|----|
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