

Q. X Ltd. invited applications for 20,000 shares of ₹10 each payable as under :- ₹3 per share on application; ₹3 per share on allotment; ₹2 per share on first call; and ₹2 per share on final call.

Final call was not made by the company. An applicant who had been allotted 100 shares failed to pay allotment and first call money due from him. His shares were forfeited after the first call and were immediately re-issued at ₹8.50 per share. Make necessary entries in the Journal of the company.

Soln

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c Dr. To Share Application A/c (Amount received on applications)		60,000	60,000
	Share Application A/c Dr. To Share Capital A/c (Amount of Share application transferred to Share Capital A/c)		60,000	60,000
	Share Allotment A/c Dr. To Share Capital A/c (Allotment Due)		60,000	60,000
	Bank A/c Dr. To Share Allotment A/c (Amount received on allotment on 19,900 shares @ ₹3 per share)		59,700	59,700

September		2018
Mon	3	10 17 24
Tue	4	11 18 25
Wed	5	12 19 26
Thu	6	13 20 27
Fri	7	14 21 28
Sat	8	15 22 29

Share First Call A/c Dr. 40,000
 To Share Capital A/c 40,000
 (First call due)

Bank A/c Dr. 39,800
 To Share First Call A/c 39,800
 (First call received on 19,900 shares @ ₹ 2 per share)

Share Capital A/c Dr. 800⁽¹⁾
 To Share Allotment A/c 300
 To Share First Call A/c 200
 To Share Forfeiture A/c 300
 (100 shares forfeited for non-payment of allotment & first call)

Bank A/c Dr. 850
 To Share Capital A/c 800
 To Securities Premium Reserve A/c 50
 (Re-issue of 100 forfeited shares @ ₹ 8.50 per share)

Sunday 23

Share forfeiture A/c Dr. 300
 To Capital Reserve A/c 300
 (Transfer of Share forfeiture A/c to Capital Reserve A/c)

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