Problem No. 1

At par

Ajay Ltd. having an authorised capital of Rs. 1,00,000/- in 10,000 Equity shares of Rs. 10 each. Company issued 5,000 equity shares to the public subscription. Applications were received for 5,000 shares. The Amount were called as under.

Application money Rs. 2   final call Rs. 2   Allotment Rs. 3

First call RS. 1   second call RS. 2

The Directors Refunded to excess Application money on 400 shares & adjusted that on 600 shares towards the allotment money due.

Journalise the transaction in the Books of Ajay Ltd.

Problem No. 1 – Solution

Journal of Ajay Ltd.

Date	Particular	L.F	Debit Rs.	Credit Rs.
1	Cash A/C Dr. To Share Application A/C (Being Application money received for 6000 Shares)		12,000	12,000
2	Share Application A/C Dr. To Equity share Capital A/C (Being Application money on 5000 shares trd. to equity share Capital a/c)		10,000	10,000
3	Share Allotment A/C Dr. To Equity share Capital A/C (Being share Allotment money due on 5000 Shares)		15,000	15,000

Date	Particular	L.F	Debit Rs.	Credit Rs.
4	Share Application A/C Dr. To Cash A/C (400×2) To share allotment A/C (600×2) (Being excess Application money partly refunded & Partly adjusted towards share allotment a/c)		2,000	800 1,200
5	Cash A/C Dr. To Share Allotment A/C (Being Allotment money received)		13,800	13,800
6	Share First call A/C Dr. To Equity share Capital A/C (Being share First call money due on 5000 Shares)		5,000	5,000
7	Cash A/C Dr. To Share First call A/C (Being First call money received)		5,000	5,000

Date	Particular	L.F	Debit Rs.	Credit Rs.
8	Share Second call A/C Dr. To Equity share Capital A/C (Being share second call money due on 5000 Shares)		10,000	10,000
9	Cash A/C Dr. To Share Second call A/C (Being Allotment money received)		10,000	10,000
10	Share Final call A/C Dr. To Equity share Capital A/C (Being share Allotment money due on 5000 Shares)		10,000	10,000
11	Cash A/C Dr. To Share Final call A/C (Being Application money trd. to equity share Capital a/c)		10,000	10,000

Thank You