



Problem No. 3

premium

ABC Ltd. having an Authorised capital on 4,000 shares of Rs. 20 each. issued 3,000 shares at Rs. 24 each. The Applications were Received for 4,000 shares the amounts were called as

Application money Rs. 5 Allotment money Rs. 10 (including premium)
First call Rs. 5 Final call Rs. 4

The Directors refunded the Application money on 400 shares & adjusted that on 600 shares towards the Allotment money due.

All the amounts were received except the following.
Mr. A holding 100 shares did not pay first & final calls
Mr. B holding 200 shares did not pay final call

Pass necessary Journal Entries.

Problem No. 3 – Solution

Journal of ABC Ltd.

Date	Particular	L.F	Debit Rs.	Credit Rs.
1	Cash A/C Dr. To Share Application A/C		20,000	20,000
2	Share Application A/C Dr. To Equity share Capital A/C		15,000	15,000
3	Share Allotment A/C Dr. (3000×10) To Equity share Capital A/C (3000×6) To share Premium A/C (3000×4)		30,000	18,000 12,000

Date	Particular	L.F	Debit Rs.	Credit Rs.
4	Share Application A/C Dr. To Cash A/C To Share Allotment A/C		5,000	2,000 3,000
5	Cash A/C Dr. To Share Allotment A/C		27,000	27,000
6	Share First call A/C Dr. To Equity share Capital A/C		15,000	15,000
7	Cash A/C Dr. To Share First call A/C		14,500	14,500

Date	Particular	L.F	Debit Rs.	Credit Rs.
8	Share Final call A/C Dr. To Equity share Capital A/C		12,000	12,000
9	Cash A/C Dr. (To Share Final call A/C		10,800	10,800

Thank You