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| **B** | | | | | | |
| **HY/ACAK/1220/B 05/11/2020** | | | | | | |
| **HALF YEARLY EXAMINATION (2020-21)** | | | | | | |
| **Subject: ACCOUNTANCY (ANSWER KEY)**  **Grade: XII** | | | | Max. Marks:80Time: 3 Hours. | | |
|  | Choose the correct answer from the options given below: | | | | |  |
| **1** | When goodwill is not recorded in the books at all on admission of a partner? | | | | | **1** |
|  | **a.** | If paid privately | **b.** | | If brought in cash |  |
|  | **c.** | If not brought in cash | **d.** | | If brought in Kind |  |
|  | Ans: A | | | | |  |
| **2.** | In the absence of an agreement to the contrary, the partners are | | | | | **1** |
|  | **a.** | Entitled for 6% interest on their capitals, only when there are profits | **b.** | | Entitled for 9% interest on their capitals, only when there are profits |  |
|  | **c.** | Entitled for interest on capital on the bank rate, only when there are profits | **d.** | | Not entitled for any interest in their capitals. |  |
|  | Ans: D | | | | |  |
| **3.** | A and N are partners with the capital or Rs' 25,000 and Rs' 15,000 respectively. Interest payable on capital is 10% p.a. Find the interest on capital for both the partners when the profits earned by the firms is 2,400. | | | | | **1** |
|  | **a.** | 2,500 and 1,500 | **b.** | | 1,500 and 900 |  |
|  | **c.** | 1,200 and 1,200 | **d.** | | None of these |  |
|  | Ans: B | | | | |  |
| **4** | A and B are Partners sharing Profits in the ratio of 3:2. They Admit C for ¼ share who contributed Rs 30,000 for his share of goodwill. The total value of the goodwill of the firm will be: | | | | |  |
|  | **a.** | Rs 1,50,000 | **b.** | | Rs 1,20,000 | **1** |
|  | **c.** | Rs 1,00,000 | **d.** | | Rs 1,60,000 |  |
|  | Ans: B | | | | |  |
| **5** | A, B and C are partner's with profit sharing ratio 4:3:2. B retires, and Goodwill was valued  `1, 08,000. If A& C share profits in 5:3, find out the goodwill shared by A and C in favour B. | | | | | **1** |
|  | **a.** | 22,500 and ` 13, 500 | **b.** | | 16, 500 and `.19, 500 |  |
|  | **c.** | 67,500 and ` 40, 500 | **d.** | | 19,500 and ` 16, 500 |  |
|  | Ans: D | | | | |  |
| **6** | The current account of a partner | | | | | **1** |
|  | **a.** | Will always have a credit balance | **b.** | | Will always have a debit balance |  |
|  | **c.** | May have a debit or credit balance | **d.** | | Can never have a debit balance |  |
|  | Ans: C | | | | |  |
| **7** | On admission of a partner, which of the following items the Balance Sheet is transferred to the credit of Capital Accounts of old partners in the old Profit-sharing Ratio, if Capital Accounts are maintained following Fluctuating Capital Accounts Method? | | | | | **1** |
|  | **a.** | Deferred Revenue Expenditure | **b.** | | Profit and Loss Account (Debit Balance) |  |
|  | **c.** | Profit and Loss Account (Credit Balance) | **d.** | | Balance in Drawings Account of partners |  |
|  | Ans: C | | | | |  |
| **8** | Retiring partner is compensated for parting with the firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in …….. | | | | | **1** |
|  | **a.** | Gaining Ratio | **b.** | | Capital Ratio |  |
|  | **c.** | Sacrificing Ratio | **d.** | | Profit sharing Ratio |  |
|  | Ans: A | | | | |  |
| **9** | Liabilities to third parties in case of dissolution of partnership firm do not include: | | | | | **1** |
|  | **a.** | Reserves | **b.** | | Credit Balance of P&L Account |  |
|  | **c.** | Partners loan | **d.** | | All of the Above |  |
|  | Ans: D | | | | |  |
| **10** | The forfeited shares can be reissued at: | | | | | **1** |
|  | **a.** | Par | **b.** | | Premium |  |
|  | **c.** | Discount | **d.** | | All of them |  |
|  | Ans: D | | | | |  |
| **11** | The maximum amount with which the company is registered is called. | | | | | **1** |
|  | **a.** | Authorized Share Capital | **b.** | | Issued Share Capital |  |
|  | **c.** | Paid up capital | **d.** | | Called up capital |  |
|  | Ans: A | | | | |  |
| **12** | Premium on issue of shares can be used for ................ | | | | | **1** |
|  | **a.** | distribution of dividend | **b.** | | writing off capital losses |  |
|  | **c.** | transferring to general reserve | **d.** | | paying fees to directors |  |
|  | Ans: B | | | | |  |
| **13** | A, B and C share profits and losses of the firm equally. B retires from business and his share is purchased by A and C in the ratio of 2:3. New Profit sharing ratio between A and C respectively would be. | | | | | **1** |
|  | **a.** | 1:1 | **b.** | | 2:2 |  |
|  | **c.** | 7:8 | **d.** | | 3:5 |  |
|  | Ans: C | | | | |  |
| **14.** | G Ltd acquired assets worth 7,50,000 from H Ltd. by issue of shares of 100 at a premium of 25%. The number of shares to be issued by G Ltd. to settle the purchase are | | | | | **1** |
|  | **a.** | 7,500 | **b.** | | 7,50,000 |  |
|  | **c.** | 6,000 | **d.** | | 6,00,000 |  |
|  | Ans: C | | | | |  |
| **15.** | Loss of re-issue should not exceed the .................... amount | | | | | **1** |
|  | **a.** | Discount | **b.** | | Premium |  |
|  | **c.** | Par | **d.** | | forfeited |  |
|  | Ans: D | | | | |  |
| **16.** | Amount due to outgoing partner is shown on the balance sheet as his | | | | | **1** |
|  | **a.** | Liability | **b.** | | Assets |  |
|  | **c.** | Capital | **d.** | | Loan |  |
|  | Ans: D | | | | |  |
| **17** | A firm may be compulsory dissolved when all the partners or all the partners except one become ……………….  **Insolvent** | | | | | **1** |
| **18** | X and Y are partners sharing profit in the ratio 3 : 2. They admit P and Q as new partners. X surrendered 1/3rd of his share in favour of P and Y surrendered 1/4th of his share in favour of Q. Their new ratio would be ……………………  **Ans – 4:3:2:1** | | | | | **1** |
| **19** | Any change in the relationship of existing partners Which results in an end of the existing agreement and enforces making of a new agreement is called…………………  **Ans- Reconstitution of partnership** | | | | | **1** |
| **20** | What is purchased goodwill?  **Answer: Purchased goodwill is that goodwill which is acquired by a firm for a consideration, whether paid in cash or kind.** | | | | | **1** |
| **21** | Pass Journal entries for the following transactions in the book of the firm on its dissolution:  a) Bills receivable of Rs. 20,000 discounted with the bank is dishonoured as drawee was declared insolvent and 30% amount is received in cash from him.  b) Mr. Verma, a creditor to whom Rs. 6,000 are due, accepted office equipment at ` 4,000 and the balance paid to him by cash.  d) Debtors of ` 5,00,000 and provision for doubtful debts of Rs. 20,000 transferred to realisation account. On dissolution bad debts were Rs. 1,00,000 and remaining debtors realised at 30% discount.  **a. Cash A/c Dr. 6000**  **To Realisation A/c 6000**  **(Being 30% realized from drawer)**  **Realistion A/c Dr. 20,000**  **To Bank A/c 20,000**  **(Being full amount paid to Bank)**  **b. Realisation A/c 2000**  **To cash A/c 2000**  **(Being Net `2000 paid to Mr. Verma)**  **c. Cash A/c Dr 2,80,000**  **To Realisation A/c 2,80,000**  **(Being 70% realised from Debtors)** | | | | | **3** |
| **22** | Ajay Co. Ltd. Purchased a machine from Vikram Co. for Rs. 64,000. It was decided to pay Rs. 10,000 in cash and balance paid by issue of shares of Rs. 10 each. Pass journal entries if shares are Issued at premium of 20%.   1. **Machinery Account Dr. 64000**   **To Vikram Ltd. 64000**  **(Being the machine purchased) 64,000**   1. **Vikram Ltd Dr. 10,000**   **To Bank A/c 10,000**  **(Being amount paid)**   1. **Vikram Ltd. (Vendor) Dr. 54,000**   **To Share Capital Account 45,000**  **To Security Premium Reserve Account 9,000**  **(Being 4,500 shares of issued to vendor at a premium of Rs. 2 per share)** | | | | | **3** |
| **23** | Himanshu and Vikrant are partners in a firm and share profits equally. Their Balance Sheet as on March 31, 2017 is as follows:  Balance Sheet as at March 31, 2017   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Rs. | Assets | Rs. | | Capitals: |  | Fixed Assets | 3,60,000 | | Himanshu 2,00,000 |  | Current Assets | 40,000 | | Vikrant 1,40,000 | 3,40,000 |  |  | |  |  |  |  | | Creditors | 60,000 |  |  | |  | 4,00,000 |  | 4,00,000 |   During the year 2016-17, Himanshu’s Drawings were Rs. 30,000 and Vikrant’s Drawings were Rs. 40,000. During the year 2016-17 the firm earned profits of Rs. 1,00,000. While distributing profits for the year 2016-17, interest on capital @ 5 % per annum and interest on drawings @ 12 % per annum were ignored.  Showing your workings clearly, pass necessary rectifying entry.    **Statement of Opening Capital**   |  |  |  | | --- | --- | --- | | **Particulars** | **Himanshu** | **Vikrant** | | **Closing Drawings**  **Less: Profit already Opening Capital** | **2,00,000**  **30,000** | **1,40,000**  **40,000** | | **2,30,000**  **50,000** | **1,80,000**  **50,000** | | **1,80,000** | **1,30,000** |   **Statement Showing Adjustment**  **Himanshu Vikrant Total**   |  |  |  |  | | --- | --- | --- | --- | | **5 % Interest on Capital (Cr.)** | **9,000** | **6,500** | **15,500** | | **12 % Interest on Drawings (Dr.)** | **1,800** | **2,400** | **4,200** | | **Profit to be recovered (Dr.)** | **5,650** | **5,650** | **11,300** | | **Total (Dr.)** | **7,450** | **8,050** | **15,500** |   **Adjustment 1,550(Cr.) 1,550 (Dr.)**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Date** | **Particulars** | **L F** | **Dr. Amount** | **Cr. Amount** | | **2017**  **Apr 1** | **Vikrant’s Capital Account Dr Dr.**  **To Himanshu’s Capital** |  | **1,550** | **1,550** | | | | | | **4** |
| **24** | X, Y, Z are partners sharing profits & losses in the ratio of 5:3:2. They decide to share future profits & losses in the ratio of 2:3:5 w.e.f 1st April 2019.  Following items appear in the balance sheet as on 31/3/18.  General Reserve 75,000  Workmen Compensation Reserve ` 12,500  Profit & Loss Account ` 37,500  Advertisement Suspense A/c (Dr) ` 50,000  Pass necessary journal entries.   1. **General Reserve A/c Dr. 75,000**   **Workmen Compensation Reserve A/c Dr.12,500**  **Profit & Loss Account Dr. 37,500**  **To X’s Capital A/c 62,500**  **To Y ’s Capital A/c 37,000**  **To Z ’s Capital A/c 25,000**  **(Being the reserves & profits transferred to odd partners int their old ratio)**   1. **X’s Capital A/c Dr. 25,000**   **Y s Capital A/c Dr. 15,000**  **Z’s Capital A/c Dr. 10,000**  **To advertisement Suspense A/c 50,000**  **(Being advertisement suspense transferred to old partners in old ratio)** | | | | | **4** |
| **25** | A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. C is admitted as a new partner for 3/13th share in the profits. C contributed following assets towards his capital and for his share of goodwill.  Land ` 90,000; Machinery ` 90,000; Stock ` 60,000; Debtors ` 60,000.  On the date of admission, Goodwill of the firm is valued at ` 5,20,000. Journalize the above transaction.  **1.Land A/c Dr. 90,000**  **Machinery A/c Dr. 60,000**  **Stock A/c Dr. Debtors A/c Dr. 60,000**  **To premium for Goodwill A/c (5,20,000 × 3/13) 1,20,000**  **To C's Capital A/c (b/f) 1,80,000**  **(Being the amount of capital and Goodwill brought in kind)**  **2. Premium for Goodwill A/c Dr. 1,20,000**  **To A's Capital A/c 72,000**  **To B's Capital A/c 48,000**  **(Being goodwill distributed between A and B in sacrificing ratio, i.e. 3 : 2)** | | | | | **4** |
| **26** | A, B and C are partner sharing profits in the ration of 3:2:1. A dies on 31st July 2015. The profits of the firm for the year ending 31st March 2015, were 42,000. Calculate as share of profit.  A). On time Basis from 1 April to 31st July 2015 on the basis of Last year's Profit.  (B). On sales basis Sales for the last year ` 2,10,000 and for current year upto 31st July are Rs. 90,000?  **(A)A’s Profit = Preceding year’s profit × Proportionate Period × Share of A**  **= Rs. 42,000 × 4/12 × 3/6 = Rs. 7,000**  **(B)PROFIT= Rs. 18,000 A’s share = Rs. 18,000×3/6 = Rs. 9,000** | | | | | **4** |
| **27** | STL Global Ltd. was formed with a nominal Share Capital of Rs. 40,00,000 divided into 4,00,000 shares of Rs. 10 each. The Company offered 1,30,000 shares to the public payable Rs. 3 per share on Application, Rs. 3 per share on Allotment and the balance on First and Final Call. Applications were received for 1,20,000 shares. All money payable on allotment was duly received, except 2,000 shares held by. Y. First and Final Call was not made by the Company. How would you show the relevant items in the Balance Sheet of STL Global Ltd.?  **Balance Sheet (Extract) of S T L Global Ltd. (Relevant Part only)**  **Equity and Liabilities**  **Shareholder's Funds :**   1. **Share Capital 7,14,000**   **NOTES:**  **(1) Share Capital Authorised Capital:**  **4,00,000 shares of Rs. 10 each 40,00,000**  **Issued Capital: 13,00,000**  **1,30,000 shares of Rs.10 each**  **Subscribed but not Fully Paid Capital:**  **1,20,000 shares of Rs. 10 each; Rs. 6 per shares**  **called up 7,20,000**  **Less: Calls in Arrears (2,000 shares \* Rs. 3) 6000 7,14,000** | | | | | **4** |
| **28** | X,Y and Z were in partnership sharing profits in proportion to their capitals. Their Balance Sheet as on 31st March, 2018 was as follows:   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount (₹) | Particulars | Amount (₹) | | Sundry Creditors | 16,600 | Cash | 15,000 | | Workmen’s Compensation Fund | 9,000 | Debtors 21,000  Less-Prov for Doubtful Debts (1400) | 19,600 | | General Reserve | 6,000 | Stock | 19,000 | | Capitals :   1. 90,000 2. 60,000 3. 30,000 | 1,80,000 | Machinery Building | 58,000  1,00,000 | |  | 2,11,600 |  | 2,11,600 |   On the above date, Y retired owing to ill health. The following adjustments were agreed upon for calculation of amount due to Y.   1. Provision for Doubtful Debts to be increased to 10% of Debtors. 2. Goodwill of the firm be valued at ₹ 36,000 and be adjusted into the Capital Accounts of X and Z, who will share profits in future in the ratio of 3:1. 3. Included in the value of Sundry Creditors was ₹ 2,500 for an outstanding legal claim, which will not arise.   d)Y to be paid ₹ 9,000 immediately and balance to be transferred to his Loan Account.  Prepare Revaluation Account, Partner’s Capital Accounts and Balance Sheet of the new firm after Y’s retirement  Dr. Revaluation Account Cr.   |  |  |  |  | | --- | --- | --- | --- | | Particulars | Amount (₹) | Particulars | Amount (₹) | | To Provision for doubtful debts  To Gain on  Revaluation   1. 900 2. 600 3. 300\_\_ | 700  1,800  \_\_\_\_\_\_\_\_\_  2,500  ============ | By Creditors A/c | 2,500  \_\_\_\_\_\_\_\_\_  2,500  ======== |     CAPITAL A/C   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | Particulars | X (₹) | Y (₹) | Z (₹) | Particulars | X (₹) | Y (₹) | Z (₹) | | To Z’s capital A/c  To Cash a/c  To Y’s Loan A/c  To balance c/d | 9,000  ---  ----  89,400  -----------  98,400 | ----  9,000  68,600  77,600 ======= | 3,000  ----  ----  29,800  -----------  32,800 ======= | By balance b/d  By Reserve A/c  By Revaluation  BY Workmen compensation Fund  By X’s Capital A/c  By Y’s Capital A/c | 90,000  3,000  900  4,500  ---  ----  ----------  98,400 ======= | 60,000  2,000  600  3,000    9,000  3,000  -----------  77,600  ======= | 30,000  1,000  300  1,500  ----  ----------  32,800  ======== | | | | | | **6** |
| **29** | R and S two partners of a business firm, agreed to appropriate the profits of their firm on the following terms:   * 1. Interest is payable on capital @ 5% per annum.   2. R will be entitled to a salary of ` 500 per month.   3. Interest on loan to be given by the firm to the partners to be charged @ 10% per annum.   4. Interest on drawings to be charged from the partners @ 5% per annum.   5. S will get commission @ 1% on the sales made during the year.   6. R is entitled to a Rent of ` 25,000 per annum for allowing the firm to carry on the business in his premises.   The net profit of the firm for the year ended 31st March, 2015, was ` 1,80,000 before taking into account any of the above terms:   |  |  |  | | --- | --- | --- | | **Particulars** | **R** | **S** | | Capital Balances on 1st April 2014 | 1,50,000 | 1,40,000 | | Loan advanced on 1st October, 2014 | --- | 1,00,000 | | Drawings made during the year | 40,000 | 30,000 |   During the year 2014-15, sales of the firm amounted to ` 7,00,000.  From the above information, prepare:  (a) Profit and Loss Appropriation Account (b) Partners’ Capital Account  **PROFIT AND LOSS APPROPRIATION A/C FOR**   |  |  |  |  | | --- | --- | --- | --- | | **PARTICULARS** | **AMT** | **PARTICULARS** | **AMT** | | **IOC**  **R=7500**  **S=7000** | **14,500** | **By NET PROFIT** | **1,50,000** | | **TO SALARY TO R** | **6,000** | **BY IOD**  **R=1000**  **S=750** | **1,750** | | **TO COMMISSION TO S** | **7,000** |  |  | | **TO DIVISIBLE PROFIT** | **1,24,250** |  |  | |  | **1,51,750** |  | **1,51,750** |   **PARTNERS’ CAPITAL A/C**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **PARTICULARS** | **R** | **S** | **PARTICULARS** | **R** | **S** | | **TO DRAWINGS** | **40,000** | **30000** | **BY BALANCE b/d** | **150000** | **140,000** | | **TO IOD** | **1,000** | **750** | **BY IOC** | **7500** | **7000** | |  |  |  | **BY SALARY** | **6000** |  | |  |  |  | **BY COMMISSION** |  | **7000** | |  |  |  | **BY P/L APP A/C** | **62125** | **62125** | | **TO BALANCE c/d** | **184625** | **185375** |  |  |  | |  | **225625** | **216125** |  | **225625** | **216125** | | | | | | **6** |
| **30** | X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st March 2010 stood as under:   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount | Assets | Amount | | Bills payable  Creditors  General Reserve  Investment fluctuation Fund  Capital A/c:  X  Y  Z | 90,000  36,000  18,000  4,000  1,40,000  1,60,000  1,00,000  5,48,000 | Cash at bank  Debtors 70,000  Less provision 10,000  Stock  Investments  Furniture  Machinery  Goodwill | 44,000  60,000  80,000  44,000  48,000  2,48,000  24,000  5,48,000 |   On that date they decided to dissolve the business. It is agreed that:   1. X takes over the Furniture at Rs.40,000 and Debtors amounting to Rs.50,000 at Rs.46,000. He also agrees to pay off the Bills Payable. 2. Y takes over stock at book value and Machinery at book value less 20%. 3. Z is to take over the remaining debtors at 80 % of the book value. 4. Investments were taken over by the Creditors in full Settlement of their claim. 5. Goodwill of the firm was sold for Rs.20,000. 6. The expenses of dissolution amounted to Rs.3,000   Prepare Realization A/c.   |  |  |  |  | | --- | --- | --- | --- | | **Realisation A/c** | | | | | **To Drs.** | **70000** | **By prov.** | **10000** | | **To Stock** | **80000** | **By B/p** | **90000** | | **To Invst.** | **44000** | **By Crs.** | **36000** | | **To Furniture** | **48000** | **ByIFF** | **4000** | | **To Machinery** | **248000** | **By X's capital** |  | | **To Goodwill** | **24000** | **Furniture** | **40000** | | **To X's capital** |  | **Drs.** | **46000** | | **(B/p)** | **90000** | **By Y's capital** |  | | **To Cash** | **3000** | **Stock** | **80000** | |  |  | **Machinery** | **198400** | |  |  | **By Cash** | **20000** | |  |  | **By Z's capital** |  | |  |  | **Drs.** | **16000** | |  |  | **To Loss** |  | |  |  | **X 33300** |  | |  |  | **Y 22200** |  | |  |  | **Z 11100** | **66600** | |  | **607000** |  | **607000** | | | | | | **6** |
| **31** | R and K are partner sharing profit 3:2. Their Balance Sheet on 31st December 2011 was as follows:   |  |  |  |  | | --- | --- | --- | --- | | **Liabilities** | **Rs** | **Assets** | **Rs** | | Creditors  Provision for doubtful debts  Profit and Loss A/c  Workmen compensation fund  Capital  R 90,000  K 60,000 | 90,000  6,000  20,000  14,000  1,50,000 | Bank  Debtors  Stock  Furniture  Machinery  Patents  Goodwill | 45,000  50,000  30,000  50,000  80,000  15,000  10,000 | | **2,80,000** | **2,80,000** |   S is admitted on 1st January 2012 into partnership on the following terms: -  (i) Goodwill of the firm is valued at Rs 2,00,000.  (ii) S brings Rs 25,000 in cash out of his share in goodwill.  (iii) Provision for bad debts should be maintained at 10%.  (iv) Stock is overvalued by 20%. Furniture is to be appreciated by 10% and Machinery  is to be depreciated by 20%.  (v) The liability regarding workmen compensation is determined at Rs.4,000.  (vi) Their new profit-sharing ratio is 5:3:2.  (vii) S will bring Rs.48,750 as his capital.  Prepare Revaluation A/c, Partners’ Capital accounts and Balance Sheet after admission.  **Revaluation A/c**   |  |  |  |  | | --- | --- | --- | --- | | **Particulars** | **Rs.** | **Particulars** | **Rs.** | | To Stock  To Machinery | 5,000  16,000 | By Provision for Bad Debts  By Furniture  By Partners Capital A/c | 1,000  5,000 | |  |  | R 9,000 |  | |  |  | K 6,000 | 15,000 | |  |  |  |  | |  | **21,000** |  | **21,000** |   **Partners’ Capital A/c**   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Particular** | **R** | **K** | **S** | **Particular** | **R** | **K** | **S** | | To Goodwill A/c | 6,000 | 4,000 | – | By Balance b/d | 90,000 | 60,000 | – | | To Revaluation A/c | 9,000 | 6,000 | – | By P & L A/c | 12,000 | 8,000 | – | | To Balance c/d | 1,13,000 | 82,000 | 48,750 | By W. C. Fund A/c | 6,000 | 4,000 |  | |  |  |  |  | By Premium A/c | 12,500 | 12.500 | – | |  |  |  |  | By S’s Current A/c | 7,500 | 7,500 | – | |  |  |  |  | By Bank A/c (B F) |  |  | 48,750 | |  | **1,28,000** | **92,000** | **48,750** |  | **1,28,000** | **92,000** | **48,750** |   **Balance Sheet** | | | | | **8** |
| **32** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Anu Ltd. invited application for issuing 80,000 shares of Rs. 10 each at a premium of Rs. 4 per  shares. The Amount was payable as follows.  On Application Rs. 5 per shares  On allotment Rs. 9 per shares (including premium)  Application were received for 1,00,000 shares and allotment was made on the following basis.   1. To applicants for 80,000 shares – 60,000 shares 2. To applicants for 20,000 shares – 20,000 shares   Money overpaid on application was utilized towards sum on allotment. Rajiv who applied  for 1,200 shares (belong to category 1) failed to pay his dues and his shares were forfeited.  Company reissued 600 forfeited shares at Rs 6 per share fully paid up.  Pass journal entries in the books of Anu Ltd. to record the above transactions.   |  |  |  |  | | --- | --- | --- | --- | | Sl No | Particulars | Debit | Credit | | 1 | Bank A/c……………………………………Dr  To Share Application A/c | 5,00,000 | 5,00,000 | | 2 | Share application A/c……………………. Dr  To Share Capital  To Share Allotment | 5,00,000 | 4,00,000  1,00,000 | | 3 | Share Allotment A/c……………………. Dr  To Share Capital  To securities premium | 7,20,000 | 4,00,000  3,20,000 | | 4 | Bank A/c ………………………………….Dr  To Share Allotment | 6,13,400 | 6,13,400 | | 5 | Share Capital A/c ………………………..Dr.  Securities premium………………………..Dr.  To Share allotment  To Share Forfeited | 9,000  3,600 | 6,600  6,000 | | 8 | Bank A/c ………………………………..Dr  Share Forfeited  To Share Capital | 3,600  2,400 | 6,000 | | 9 | Share forfeiture A/c………………….Dr  To Capital Reserve | 1,600 | 1,600 | | | | | | | **8** |

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