

- |                                       |                  |
|---------------------------------------|------------------|
| 1 April 2016 – Payable on application | \$1.00 per share |
| 30 June 2016 – Final payment          | \$1.10 per share |

The applicants were issued shares and all final payments were received on the due date. Excess application monies were returned to applicants.

**(a)** Prepare the relevant ledger accounts to record the issue of shares.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[10]

**(b)** Explain **two** differences between ordinary shares and preference shares.

1

2

[4]

(c) Name **one** capital reserve.

..... [1]