



Q2. The Adersh Control Device Ltd was registered with the authorised capital of Rs.3,00,000 divided into 30,000 shares of Rs.10 each, which were offered to the public. Amount payable as Rs.3 per share on application, Rs.4 per share on allotment and Rs.3 per share on first and final call. These share were fully subscribed and all money was dully received. Prepare journal and Cash Book.

Solution:

#### Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Money received against application		—	—
(ii)	Equity Share Application A/c Dr To Equity Share Capital A/c (30,000×3) (Being application money for 30,000 shares @ ₹ 3 per share transferred to share capital A/c)		90,000	90,000
(iii)	Equity Share Allotment A/c Dr To Equity Share Capital A/c (30,000×4) (Being allotment money due on 30,000 shares @ ₹ 4 per share)		1,20,000	1,20,000
(iv)	Money received against allotment due		—	—
(v)	Equity Share First and Final Call A/c Dr To Equity Share Capital A/c (30,000×3) (Being first and final call money due on 30,000 shares @ ₹ 3 per share)		90,000	90,000
(vi)	Money received against first and final call		—	—

**Note** All the entries related to bank (i.e., money received in different situations) will not be passed as the question has asked for separate cash Book.

Dr Cash Book (Bank Column)				Cr			
Date	Particulars	JF	Amt. (₹)	Date	Particulars	JF	Amt. (₹)
	To Equity Share Application		90,000				
	To Equity Share Allotment		1,20,000				
	To Equity Share First and Final Call		90,000		By Balance c/d		3,00,000
			<u>3,00,000</u>				<u>3,00,000</u>

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