



Q12. Kishna Ltd issued 15,000 shares of Rs.100 each at a premium of Rs.10 per share, payable as follows:

	(₹)
On Application	30
On Allotment	50 (including premium)
On First and Final Call	30

All the shares subscribed and the company received all the money due, With the exception of the allotment and call money on 150 shares. These shares were forfeited and reissued to Neha as fully paid share of Rs.12 each.
Give journal entries in the books of the company.

Answer

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr To Share Application A/c (Being shares application money received for 15,000 shares @ ₹ 30 per share)		4,50,000	4,50,000
(ii)	Share Application A/c Dr To Share Capital A/c (15,000×30) (Being share application money of 15,000 shares transferred to share capital account)		4,50,000	4,50,000
(iii)	Share Allotment A/c Dr To Share Capital A/c (15,000×40) To Securities Premium A/c (15,000×10) (Being share allotment money on 15,000 shares @ ₹50 per share including ₹ 10 securities premium due)		7,50,000	6,00,000 1,50,000
(iv)	Bank A/c (14,850×50) Dr Calls-in-Arrears A/c (150×50) Dr To Share Allotment A/c (Being shares allotment received on 14,850 shares and 150 shares failed to pay the money due)		7,42,500 7,500	7,50,000

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(v)	Share First and Final Call A/c Dr To Share Capital A/c (Being share first and final call for 15,000 shares @ ₹ 30 per share due)		4,50,000	4,50,000
(vi)	Bank A/c (14,850×30) Dr Calls-in-Arrears A/c (150×30) Dr To Share First and Final Call A/c (Being share first and final call received for 14,850 shares @ ₹ 30 per share and 150 shares failed to pay amount due)		4,45,500 4,500	4,50,000
(vii)	Share Capital A/c (150×100) Dr Share Premium A/c (150×10) Dr To Calls-in-Arrears A/c (150×80) To Share Forfeiture A/c (150×30) (Being 150 shares forfeited for non-payment of share allotment and share first and final call)		15,000 1,500	12,000 4,500
(viii)	Bank A/c Dr To Share Capital A/c (150×100) To Securities Premium A/c (150×20) (Being 150 shares of ₹ 100 each reissued @ ₹120 to Neha)		18,000	15,000 3,000
(ix)	Share Forfeiture A/c Dr To Capital Reserve A/c (Being balance of share forfeiture account transferred to capital reserve account)		4,500	4,500

***** END *****