



Q5. Mohit Glass Ltd. issued 20,000 shares of Rs.100 each at Rs.110 per share, payable Rs.30 on application, Rs.40 on allotment (including Premium), Rs.20 on first call and Rs.20 on final call. The applications were received for 24,000 shares and allotted 20,000 shares and reject 4,000 shares and amount returned thereon. The money was duly received. Give journal entries.

Solution:

Answer

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c (24,000×30) Dr To Share Application A/c (Being application money received on application for 24,000 shares @ ₹ 30 per share)		7,20,000	7,20,000
(ii)	Share Application A/c Dr To Share Capital A/c (20,000×30) To Bank A/c (4,000×30) (Being share application of 20,000 shares @ ₹ 30 transferred to share capital account and the balance returned)		7,20,000	6,00,000 1,20,000
(iii)	Share Allotment A/c Dr To Share Capital A/c (20,000×30) To Share Premium A/c (20,000×10) (Being allotment money due on 20,000 shares @ 40 per share including ₹ 10 for premium)		8,00,000	6,00,000 2,00,000
(iv)	Bank A/c (20,000 × 40) Dr To Share Allotment A/c (Being allotment money received on 20,000 shares @ ₹ 40 per share)		8,00,000	8,00,000
(v)	Share First Call A/c Dr To Share Capital A/c (20,000×20) (Being share first call money due on 20,000 shares @ ₹ 20 per share)		4,00,000	4,00,000
(vi)	Bank A/c (20,000×20) Dr To Share First Call A/c (Being share first call money received on 20,000 shares @ ₹ 20 per share)		4,00,000	4,00,000

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(vii)	Share Final Call A/c Dr To Share Capital A/c (20,000×20) (Being share final call money on 20,000 shares @ ₹ 20 per share)		4,00,000	4,00,000
(viii)	Bank A/c (20,000×20) Dr To Share Final Call A/c (Being share final call money received on 20,000 shares @ ₹ 20 per share)		4,00,000	4,00,000

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