**Handout - KSL Bhd**

KSL Bhd has an authorized share capital of 300,000 ordinary shares of RM2 each, of which 100,000 shares had been issued at RM2.50 and fully paid on 31 December 2010.

On 15 April 2011, KSL Bhd decided to issue remaining ordinary shares, at a premium of RM2 each.

Payments were made as follows:

April 15 RM0.40 per share on application

30 RM2.50 per share on allotment (including the premium)

May 20 Balance on the first and final call

Application had been received for 280,000 shares and it was decided to deal with these as follows:

1. To refuse allotment and refund to applicants for 50,000 shares.
2. Applications for 50,000 shares received an allotment in full.
3. To allot the remainder of the available shares pro rate among the other applicants.

No monies were refunded to these applicants; the excess application monies were used to pay the allotment due.

Monies on the first and final call were received on the due date.

**You are required to:**

1. show the Journal entries (including cash items) to record the above transactions;

*(Narrations are* ***NOT*** *required)*

1. prepare the following accounts in the books of KSL Bhd:
   1. Application and Allotment;
   2. First and Final Call;
   3. Bank;
   4. Ordinary Share Capital;
   5. Share Premium.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Shares applied** | **Shares allotted** | **Application monies received (1)** | **Application & allotment monies required** | **Allotment monies receivable**  **(2) > (1)** | **Allotment monies refunded**  **(1) > (2)** |
| **Shares** | **Shares** | **RM** | **RM** | **RM** | **RM** |
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