**Practice 2**

On 1 September Year 2, Big Glove Bhd decided to raise its capital by offering 200,000 ordinary shares of RM1.50 each at a price of RM2.00 per share payable as follows:

|  |  |  |
| --- | --- | --- |
|  |  | **Per Share** |
| Year 2 |  | **RM** |
| Sept 1 | Application, including premium RM0.50 | 1.00 |
| 24 | Allotment | 0.50 |
| Oct 1 | First Call | 0.30 |
| Nov 1 | Second and Final Call | 0.20 |
|  |  | 2.00 |

The applications were closed on 8 September Year 2. On that day, applications for 600,000 shares had been received and were dealt with as follows:

1. To allot the shares to the applicants for the first 400,000 shares pro rata to their original applications, and the balance of application monies was applied to the amount due on allotment;
2. The cash paid by unsuccessful applicants was returned to them at the date of allotment.

The balance of allotment monies was received on 30 September Year 2. The remaining requested instalments were all paid in full.

**You are required to prepare**:

1. journal entries in the books of Big Glove Bhd;
2. the following ledger accounts in the books of Big Glove Bhd:
   1. Applications and Allotment;
   2. First Call;
   3. Second and Final Call;
   4. Bank;
   5. Ordinary Share Capital;
   6. Share Premium.