**Practice 4**

JFB is a company with an authorized capital of 10,000,000 ordinary shares of RM1 each, of which 800,000 shares had been issued and fully paid on 30 June Year 4.

The company proposed to make an offer of 150,000 ordinary shares at a price of RM1,20 each, the arrangement for payment being:

* RM0.70 per share on application, including premium
* RM0.20 per share on allotment
* Balance on first and final call

Applications were received for 218,000 shares on 1 July Year 4. They were dealt with as follows:

|  |  |
| --- | --- |
| **Applications** | **Shares allotted on 10 July Year 4** |
| 30,000 | Full allotment |
| 180,000 | 2 shares for every 3 applied for |
| 8,000 | No share was allotted and the application monies refunded |
| 218,000 |  |

The excess application monies were held and set off against the amount due on allotment. Any balances remaining were then refunded on 10 July Year 4.

The allotment monies were received on 20 July Year 4.

The first and final call was made on 1 August Year and the monies were fully received on 30 August Year 4.

After the completion of the issue of ordinary shares, the company also made an issue of RM500,000 8% loan notes at a discounts of 1%, payable in full on application.

On 20 September Year 4, applications were received for RM580,000 of loan notes. Allotment was made on 30 September Year 4 and the excess application monies were refunded on the same date.

**You are required to prepare:**

1. Journal entries to record the above issue of shares and loan notes;
2. Equity and Liabilities section as it would appear on the Statement of Financial Position as at 1 October Year 4.