**Unified Exam Bookkeeping and Accounts Past Year Papers Collection - Year 2004 Question 5**

He Fa Bhd has an authorized share capital of RM 4,500,000 consisting of 1,500,000 ordinary shares of RM 3 each. The issued share capital on 31 December 2003 was RM 1,500,000 which had been issued at par and was fully paid. The bank balance as at 31 December 2003 was RM 1,500,000.

On 1 January 2003, the company further issued 500,000 of its RM 3 ordinary shares at the price of RM 5 per share. Payments were made as follows:

|  |  |  |
| --- | --- | --- |
|  |  | Per Share |
|  |  | RM |
| 2004 |  |  |
| Jan 01 | On application | 1 |
| Jan 20 | On allotment (including the premium of RM 2 per share) | 3 |
| Feb 10 | On first and final call | 1 |

Applications had been received for 850,000 shares and it was decided to deal with these as follows:

1. To return cheques to applicants for 50,000 shares;
2. To give full allotment to applicants for 200,000 shares;
3. To allot the remainder of the available shares pro rata among the other applicants;
4. The excess application monies sent by the successful applicants were not to be refunded but to be used as part payment of amounts due on allotment.

An applicant, to whom 1,000 shares had been allotted, failed to pay the amount due on the first and final call.

**You are required to:**

1. record the above transactions for the year 2004 in the ledger of He Fa Bhd, balancing each account:
2. Bank Account;
3. Application and Allotment Account;
4. First and Final Call Account;
5. Ordinary Share Capital Account;
6. Share Premium Account;
7. Call in Arrears Account.
8. Show the above accounts in the Balance Sheet of He Fa Bhd as at 29 February 2004.