**2022 Confucian Private Secondary Paper 2 Question 3**

Soho Berhad has an authorized capital of 300,000 Ordinary Shares of RM 2.00 each. Prior to the issue, the following balances were extracted from the company’s books for the year ended 31 December 2020:

**Statement of Financial Position (extract) 31 December 2020**

|  |  |
| --- | --- |
| **Equity** | **RM** |
| Issued and Paid-Up Capital |  |
| - 100,000 Ordinary Share of RM 2.00 each | 200,000 |
| Share Premium | 30,000 |

On 1 January 2021, the directors decided to increase the issued share capital of the company in accordance with the Company’s Articles by offering the remaining 200,000 Ordinary Shares of RM 2.00 each at a premium of RM 0.10 per share, payable as follows:

On application RM 0.60 per share

On allotment, including premium RM 1.00 per share

On first and final call **?**

On 15 January 2021, applications had been received for 335,000 shares and the company decided to deal with them as follows:

* 1. To return cheques to applicants for 35,000 shares;
  2. To accept in full applications for 100,000 shares;
  3. To allot the remaining shares pro rata on the basis of 1 shares for every 2 shares applied for. The excess application monies by the successful applicants were not refunded, but to be used as part payment of amounts due on allotment.

The shares were allotted on 31 January 2021 and the unsuccessful applicants were repaid their cash at this date. The balance of the allotment monies was received on 10 Feb 2021.

The first and final calls were made on 1 March 2021 and the monies were fully received on 31 March 2021 except for a shareholder who failed to pay the call money on 5,000 shares allotted to him.

After the completion of the issue of ordinary shares, the company also made an issue of RM 300,000 7% loan notes at a discount of 1%, payable in full on application.

On 15 May 2021, applications were received for RM 380,000 of loan notes. Allotment was made on 31 May 2021 and the excess application monies refunded on the same date.

On 30 June 2021, an interim dividend of RM 0.08 per ordinary share was declared and approved. This dividend subsequently paid on 1 August 2021.

**You are required to:**

1. Calculate
2. excess application monies;
3. first and final call per share, which is mark as “ ? ” above; and
4. the interim dividend on Ordinary Shares.
5. Prepare Journal entries (without narrations), to record the above issue of shares and loan notes;
6. Prepare Ordinary Share Capital account;
7. Show “Equity and Liabilities section” as it would appear on the company’s extracted Statement of Financial Position as at 30 June 2021.