



DHEERAJ MALHOTRA COMMERCE CLASSES

Worksheet

Class 12th chapter (Issue forfeiture of shares)

Mob:9079123628

Question 1 Discover limited offers 20000 shares to the public Rs. 3 on application on Rs. 4 on allotment and Rs. 3 on first and final call. Application for 37000 shares were received on which allotment was made as under

application of 5000 shares	5000 shares
application for 25000 shares	15000 shares
application for 7000 shares	nil

calculate the application money to be adjusted towards allotment and pass necessary journal entries assuming that amount due were received

Question 2 Srijan Limited issued Rs. 10 lakh New Capital divided into Rs. 100 shares at a premium of Rs. 20 per share payable as Rs 10 on application Rs. 40 on allotment including Rs. 10 premium and the balance on first and final call. Over payment on application were to be applied towards some due on allotment and first and final call. Where no allotment was made money to be refunded in full .

The issue was oversubscribed to the extent of 13000 shares. An application for 12000 shares for allotted only 2000 shares and application for 3000 shares were sent a letter of regret and application money was returned to them. All the money due was duly received.

Give journal entries to record the above transactions in the books of company

Question 3 Star Plus company issued for public subscription 150000 shares of the value of Rs.100 each payable as Rs. 20 on application Rs. 40 on allotment and Rs. 40 on first and final call . The company received an application for 3 lakh shares. The allotment was done as under:

- A Application for 30000 shares for allotted 10000 shares
- B Application for 140000 shares were allotted at 80000 share
- C Remaining applicants were allotted 60000 shares

Harit, a shareholder who had applied for 7000 shares of group B failed to pay allotment and call money. Roshan, another shareholder who was allotted 6000 shares paid the call money along with the allotment. Roshan also belong to group B

Pass necessary journal entries in the books of company

Question 4 Mars Limited invited application for issuing 100000 equity shares of Rs. 10 each the amount was payable as follows on application Rs.2 on allotment Rs. 3 per share on first and final call Rs. 5 per share . Application for received for 150000 shares and pro rata allotment was done as under:

- A Application of 80000 shares allotted 60000 share
- B Applicants for 70000 share allotted 40000 share

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(i) Mukul of category A who was allotted 600 shares failed to pay allotment money His share were forfeited immediately after the allotment

(ii) Krishna of category B who was an applicant of 1400 equity shares failed to pay the first and final call his shares were also forfeited

Of the equity shares forfeited 1000 equity shares were reissued (including whole of the Mukul's equity share) as fully paid up for Rs. 8 per share.

pass necessary in the books of the company .

Question 5 Dash Limited issued up prospectus inviting application for 10000 equity shares of Rs. 10 each at a premium of Rs. 4 per share payable as:

on application Rs. 3 (including Rs 1 premium)

on allotment Rs. 2 (including Rs 1 premium)

on first call Rs. 4 (including Rs. 1 premium)

on 2nd call and final call Rs 5 (including Rs.1 premium)

Applications were received for 15000 equity shares and allotment was made on prorata basis.

(i) Nikhil who applied for 60 equity shares failed to pay allotment money and on his subsequent failure to pay first call , his equity shares were forfeited.

(ii) Arjun who was allotted 100 equity shares failed to pay the two calls and on his such Failure is equity shares were forfeited.

Of the equity shares forfeited 120 equity shares were Reissued including whole of Nikhil's equity shares to Karan as fully paid up for Rs. 8 per share. Pass necessary journal entries and the books of the company.

Question 6 Sangam Limited issued 1 lakh equity shares of Rs. 10 each at a premium of Rs. 4 per share payable as Rs 6 on application (including Rs.2 premium) Rs. 6 on allotment (including Rs. 2 premium) and balance on first and final call. Applications were received for 2 lakh shares and pro rata allotment was made in the ratio 3 : 2 and remaining applicants were sent letters of regret. Excess application money was adjusted towards some due on allotment.

(i) Ishan to whom 200 shares were allotted failed to pay allotment and call money

(ii) Pratik to whom 100 shares were allotted, failed to pay the call money.

Their shares were forfeited and were Reissued at Rs. 7 per share Fully paid up

Pass journal entries in the books of the company .

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Question 7 Sky limited offers 20000 shares of Rs. 10 each to the public for subscription . The amount is payable is Rs. 3 on application Rs.2 to on allotment Rs.2 on first call Rs. 1 on 2nd call and balance on 3rd and final call the company did not make the third and final call the company received the amount as under:

On 15000 shares	full amount was received
on 2500 shares	Rs. 7 per share was received
on 1500 shares	Rs. 5 per share was received
on 1000 shares	RS 3 per share was received

The directors forfeited 2500 shares on which less than Rs. 7 per share has been paid. Pass the necessary journal entries in the books of the company and also show the share capital as would appear in the balance sheet

Question 8 Neelkamal Limited invited application for issuing 1 lakh share of Rs. 10 each. The amount was payable as Rs. 3 on application Rs.2 on allotment and Rs. 5 on first and final call. Applications were received for 220000 shares. Applications for 20000 shares were rejected and their application money was refunded. Shares were allotted to the remaining applicants as follows:

- Allotted 50% shares to Piyush who had applied for 40000 shares.
- To allotted in full to Sameer who had applied for 20000 shares.
- To allotted balance of the shares on pro rata basis to the other applicants

Excess application money was utilized in the payment of allotment and first and final call. All calls were made and were duly received except the first and final call on 600 shares allotted to an applicant in category (iii) . His shares were forfeited . The forfeited shares were reissued for Rs. 9 per share fully paid up Pass the necessary journal entries in the books of Neel Kamal Limited for the above transactions

Question 9 Sangeeta Limited inverted application for issuing 60000 shares of 10 each at par. The amount was payable as follows on application Rs 2 per share on allotment Rs. 3 per share on first and final call Rs. 5 per share Application for received for 92000 share

Allotment was made on the following basis:

- To applicant for 40000 shares full
- To applicant for 50000 shares 40%
- To applicant for 2000 shares nil

Rs. 1,08,000 was realised on account of allotment (excluding the amount carried from application money) and Rs. 250000 on account of call. The directors decided to forfeited shares of those applicants to whom full allotment was made and on which allotment money was overdue

Pass journal entries in the books of Sangeeta limited to record the about transaction .



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Question 10 Vibhu Limited invited application for issuing 40000 equity shares of Rs. 100 is at a premium of Rs. 100 per share. the amount was payable as follows:

On application and allotment Rs. 100 per share (including Rs 50 premium)

On first and final call balance

Applications for 50000 shares were received. Shares were allotted to all applicants on prorata basis excess money received with applications was transferred towards sum due on first and final call. All calls were made and were duly received except the first and final call on 500 shares applied by Sharma and 200 shares allotted to Verma. Their shares were forfeited . Out of the forfeited shares 400 shares were Reissued at Rs. 80 per share as fully paid up. The Re issued shares included all the shares of Verma

path necessary journal entries for the above transaction in the books of Limited

FORFEITED SHARES

Question 11 Pass the journal entries for the forfeiture of shares in the following cases:

(i) Bajaj Limited forfeited 70 shares of Rs. 10 each issued at par to Harsh on which he had not paid Rs. 3 per share due on first call and Rs 1 per share due on second and final call.

(ii) Ankit Limited forfeited 50 shares of Rs. 10 each (Rs. 7 called up) issued at par to Sohan on which he had not paid Rs. 2 per share due on first call

Question 12 Mega Limited issue 10000 shares of Rs. 10 each payable as Rs. 3 on application Rs.2 on allotment Rs. 4 on first call and Rs.1 on second and final call. Ram was allotted 100 shares. Give necessary entries relating to forfeiture of shares in each of the following alternative cases:

Case 1 if Ram failed to pay allotment money and his shares were forfeited before making the first call

Case 2 if Ram failed to pay allotment money and his subsequent failure to pay the first call His shares were forfeited

Case 3 if Ram failed to pay first call and on his subsequent failure to pay the second and final call his shares were forfeited

Case 4 if Ram failed to pay second and final call and his shares were forfeited

Question 13 XY Limited issued 5000 shares of Rs. 10 each at a premium of Rs 2. The amount is payable as

on application Rs. 4

on all allotment Rs. 5(including premium of Rs 2)

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on first and final call Rs. 3

Hari was allotted 100 shares give necessary journal entries relating to forfeiture of shares in each of the following alternative:

Case 1 if Hari failed to pay allotment money and his shares were forfeited before making the first and final call

Case 2 if Hari fail to pay allotment money and on his subsequent failure to pay first and final call his shares were forfeited

Case 3 if Hari fail to pay the first and final call and his shares were forfeited

Question 14 A company allotted 6000 shares on pro rata basis to the applicant of 10000 shares The amount is payable as Rs. 3 on application Rs 5 on allotment and balance on call. Lokesh who was allotted 300 shares failed to pay allotment money. His shares were forfeited before making the call . Pass necessary journal entry.

Question 15 A company allotted 3000 shares on Pro rata basis to the applicant of 5000 shares. The amount is payable as Rs.4 on application Rs.5 on allotment (including premium of Rs 2 per share) and balance on call. Chirag who was allotted 600 shares failed to pay the allotment and call money . His shares were forfeited. Pass necessary journal entry

Question 16 Colors Limited forfeited 500 shares issued to Mayank, who had applied for 600 shares for non payment of allotment and first call money . The second and final call was not yet made. The amount was payable as Rs. 6 on application RS 3 on allotment (including premium of Rs 2) , Rs.2 on first call and balance on second and final call. Pass the necessary Journal entry on forfeiture of shares .

Question 17 Royal Limited forfeited 200 shares of Rs. 10 each for non payment of first and final call of Rs. 3 per share The forfeited shares were reissued. Pass the necessary Journal entries in each of the following individual cases:

Case 1 if shares are Reissued at maximum permissible discount

Case 2 if the shares are reissued at Rs. 9 per share

Case 3 if shares are issued at Rs. 10 per share

Case 4 if shares are reissued at Rs. 12 per share

Pass the necessary journal entries

Question 18 Saral Limited forfeited 500 shares issued to Rajat for non-payment of first call of Rs 2 per share and second and final call of Rs. 3 per share. Saral Limited also forfeited 700 shares issued to Shivam for non payment of second and final call of Rs. 3 per share. The shares of Rs. 10 each were originally issued at the premium of Rs 2 per share. The forfeited

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shares were reissued to Kapil for Rs. 11 per share fully paid up. Pass the entries to record the forfeiture and Reissue of shares.

Question 19 Hathway Limited forfeited 500 equity shares of 10 each issued at a premium of Rs. 5 per share for non payment of allotment of Rs. 7 per share (including premium of Rs. 5 per share) and first and final call of Rs. 5 per share. Out of these 60 Equity shares were subsequently reissued at Rs. 9 Per share. Give the journal entries to record the following transaction of forfeiture and Reissue of share and open forfeited shares account .

Question 20 BCG Limited forfeited 75 shares of Rs. 10 each issued at a premium of Rs. 4 per share for non payment of allotment of Rs. 8 per share (including premium) The first and final call of Rs. 4 per share was not made. The forfeited shares were Reissued at Rs. 15 per share fully paid.

Question 21 Moon Limited 400 shares of 10 each for non payment of first call of Rs. 2 per share. The second and final call of Rs 3 is yet to be made .The forfeited shares were Re issued for Rs. 6 per share

Question 22 Visa Limited forfeited 500 shares of 100 each for the non payment of first call of Rs 30 per share the second and final call of Rs. 10 per share was not yet made. Out of the forfeited share 300 shares were Re issued for Rs. 39000 fully paid up. Pass the necessary journal entries in the books of company

Question 23 Sudarshan Limited forfeited 500 shares of Rs. 10 each for non payment of first call of Rs 2 per share Second and final call of Rs. 1 per share has not yet been made. Out of the forfeited share 300 shares were Re issued as fully called up and gain on Re issue transferred to Capital Reserve amounted to Rs. 1200

Question 24 Saral Limited 500 shares of Rs. 10 each (originally issued at a premium of Rs. 1 per share payable along with application money) on which allotment money of Rs. 4 and first call money of Rs.2 were not received. The second and final call of Rs. 1 is not yet called. These shares were originally allotted on pro rata basis in the ratio of 3:2. Out of the forfeited shares 200 shares were Re issued at a discount of Rs.2 per share credits as Rs. 9 paid up

CONSIDERATION OTHER THAN CASH

Question 25 Madhur took over the Asset of Rs. 390000 and liability of Rs. 40000 of Rasova Limited for a consideration of Rs. 400000. 20% was paid by cheque and balanced by issue of fully paid equity share of Rs. 100 each at a premium of 60%. Show necessary journal entries in the books of Madhur Limited.

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Question 26 Sandesh limited to over the Assets of Rs. 7 lakh and liability of Rs 2 lakh from Sanchar Limited for purchase consideration of Rs. 459500. Rs. 8500 were paid by accepting a draft in the favour of Sanchar Limited payable after 3 months and the balance was paid by issue of equity share of Rs. 10 each at a premium of 10% in the favour of Sanchar Limited. Pass necessary journal entries for the above transaction in the books of Sandesh Limited .

Question 27 Sony Limited purchased a running business from redmi Limited for a sum of Rs. 22 lakh by issuing 20000 fully paid up equity shares of Rs. 100 each at a premium of 10%. The Assets and liabilities consisted of the following

Particular	Book value	Agreed price
Machinery	8 lakh	9 lakh
Trade receivable	3 lakh	250000
Inventory	5 lakh	5 lakh
Building	12 lakh	1150000
Trade payables	270000	250000

Pass necessary journal entries in the books of Sony Limited

Question 28 Sun Limited issued 4000 equity shares of Rs. 10 each credited as fully paid up to the promoters for their services. Pass necessary journal entries in the books of sun Limited

Question 29 Ankit Limited issued 3000 equity shares of Rs. 10 each credited as fully paid up to the underwriters for their underwriting services. Pass necessary journal entries in the books of Ankit Limited.