

ISSUE OF SHARES

1)Thick Paper Ltd invited applications for issuing 100000 shares of ₹100 each at a premium of ₹ 60 per share payable as follows-

On applications ₹30(premium ₹10)

On allotment ₹70 (premium₹50)

On first and final call the balance amount

Applications were received for 130000 shares and pro-rata allotment was made to all applicants as follows-

(i) Applicants of 80000 shares were allotted 60000 shares

(ii) Applicants of 50000 shares were allotted 40000 shares

X who belonged to the first category and was allotted 900 shares failed to pay the allotment and call money.Y who belonged to the second category and who applied for 1000 shares failed to pay the call money. Their shares were

forfeited and 1400 of the forfeited shares were re-issued @₹80 per share as fully paid. Reissued shares included

whole of Y's shares.

2)Blue Star Ltd invited applications for issuing 1,00,000 equity shares of ₹10 each at a premium of ₹10 per share . The amount was payable as follows:

On application – ₹10 per share(including ₹5 premium)

On allotment- The Balance

The issue was fully subscribed . A shareholder holding 300 shares paid the full share money with application. Another shareholder holding 200 shares failed to pay the allotment money. His shares were forfeited . Later on these shares were re-issued for ₹4,000 as fully paid up.

Pass necessary journal entries for the above transactions in the books of Blue Star Ltd.

3)Bhagwati Ltd was registered with an authorized capital of ₹2,00,000 divided into 20,000 shares of ₹10 each. 6,000 of these shares were issued to the vendor for building purchased and 8,000 shares were issued to the public and ₹5 per share were called up as follows:

On application-₹2 per share

On allotment – ₹1 per share

On first call – Balance of the called up amount

The amount received on these shares were as follows:

On 6,000 shares –Full amount called

On 1,250 shares – ₹3 per share

On 750 shares-₹2 per share

The directors forfeited 750 shares on which ₹2 per share were received . Pass necessary journal entries for the above transactions in the books of Bhagwati Ltd.