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Course - BBA
Subject - Accountancy
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1)

JOURNAL ENTRY

IN THE BOOKS OF SHAGUN Ltd.

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Bank A/C	Dr.		1,50,000	
	To Share Application A/C				1,50,000
	(Being application money received)				
	Share Application A/C	Dr.		1,50,000	
	To Share Capital A/C				1,50,000
	(Being application transferred to share Capital)				
	Share Allotment A/C	Dr.		2,40,000	
	To Share Capital A/C				1,80,000
	To Security Premium Reserve A/C				60,000
	(Being allotment amount due and issued at a premium of ₹2 per share)				
	Bank A/C	Dr.		2,40,000	
	To Share Allotment A/C				2,40,000
	(Being allotment amount received)				
	Share first Call A/C	Dr.		1,50,000	
	To Share Capital A/C				1,50,000
	(Being first Call due)				
	Bank A/C	Dr.		1,49,000	
	Calls in Arrear A/C	Dr.		1,000	
	To Share first Call A/C				1,50,000
	(Being first call amount received except 200 shares)				

Share final Call A/c Dr.		1,20,000	
To Share Capital A/c			1,20,000
(Being final call due)			
Bank A/c Dr.		1,19,200	
Calls in Arreor A/c Dr.		800	
To Share first Call A/c			1,20,000
(Being final call omount received except 200 shares)			
Share Capital A/c Dr.		4,000	
To Share forfeiture A/c			2,200
To Share first Call A/c			1,000
To Share final call A/c			800
(Being 200 shares forfeited)			
Bank A/c Dr.		2,000	
To Share Capital A/c			2,000
(Being 100 shares were reissued at ₹ 20 per shares)			
Share forfeited A/c Dr.		1,100	
To Capital Reserve A/c			1,100
(Being forfeited shares transferred to Capital Reserve A/c)			

Dr.

Bank A/C

Cr.

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
	To Share Application A/c	1,50,000		By balance c/d	6,60,200
	To Share Allotment A/c	1,80,000			
	To Share first Call A/c	1,49,000			
	To Share final Call A/c	1,19,200			
	To Security Premium Reserve A/c	60,000			
	To Share Capital A/c	2,000			
		6,60,200			6,60,200

Balance Sheet

Name of the Company : Shagun Ltd.

Balance Sheet as at :

Particulars	Amt (₹)
I. EQUITY AND LIABILITIES	
1. Shareholders funds	
a) Share Capital	6,00,400
b) Reserve and Surplus	
(i) Security Premium Reserve	60,000
(ii) Capital Reserve	1,100
	6,61,500
II. Assets	
1. Current Asset	
(i) Cash and Cash Equivalent	
(a) Cash at bank	6,60,200

Notes to Accounts :—

Particulars		Amt.(₹)
1. Share Capital		
Authorized Capital		
40,000 shares @ 20 per share		8,00,000
Issued Capital		
30,000 shares @ 20 per Shares		6,00,000
Subscribed and fully paid up		
30,000 shares @ 20 per shares	6,00,000	
Less : Calls in arrear		
200 shares @ 9 per shares	1,800	
	5,98,200	
Add : forfeited Shares	2,200	
	6,00,400	6,00,400

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Working Notes :—

Profit on 200 shares = 2,200

Profit on 100 shares = $\frac{\cancel{2200}}{\cancel{200}} \times 100$ = 1100

Less : loss on reissue = —

∴ Transfer to Capital Reserve A/C 1100

2)

Journal Entry

In the books of Kokan Ltd.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/C Dr.		2,00,000	
	To 11 % Debenture Application and Allotment A/c			2,00,000
	(Being debenture amount received)			
	11 % Debenture Application and Allotment A/c Dr.		2,00,000	
	To 11 % Debenture A/C			2,00,000
	(Being debenture amount received			
(ii)	Bank A/C Dr.		2,20,000	
	To 11 % Debenture Application and Allotment A/c			2,20,000
	(Being debenture amount received)			
	11 % Debenture Application and Allotment A/c Dr.		2,20,000	
	To 11 % Debenture A/c			2,00,000
	To Security Premium Reserve A/C			20,000
	(Being debenture amount received alongwith premium of 10 %)			
(iii)	Bank A/C Dr.		1,80,000	
	To 11 % Debenture Application and Allotment A/c			1,80,000
	(Being debenture amount due)			
	11 % Debenture Application and Allotment A/c Dr.		1,80,000	
	Discount on issue of debenture A/c Dr.		20,000	
	To 11 % Debenture A/C			2,00,000
	(Being debenture amount received at a discount of 10 %)			

(iv)	Bank A/c Dr.	2,00,000	
	To 11% Debenture Application and Allotment A/c		2,00,000
	(Being debenture amount received)		
	11% Debenture Application and Allotment A/c Dr.	2,00,000	
	Loss on issue on debenture A/c Dr.	20,000	
	To 11% Debenture A/c		2,00,000
	To Premium on Redemption of Debenture A/c		20,000
	(Being debenture issued at par and redeemed at premium)		
(v)	Bank A/c Dr.	2,30,000	
	To 11% Debenture Application and Allotment A/c		2,30,000
	(Being debenture amount received)		
	~~11% Debenture Application and Allotment A/c Dr.~~		
	~~Loss on issue of debenture A/c Dr.~~		
	~~To 11% Debentures A/c~~		
	~~To Premium on Redemption of Debentures A/c~~		
	~~(Being debenture issued at premium and redeemed at premium)~~		
	11% Debenture Application and Allotment A/c Dr.	2,30,000	
	Loss on issue of debenture A/c Dr.	20,000	
	To 11% Debenture A/c		2,000 00
	To Security Premium Reserve A/c		30,000
	To Premium on Redemption of Debenture A/c		20,0 00
	(Being debenture issued at 15% premium and redeemed at premium)		

Date	Particulars		Dr.	Cr.
2015				
Oct. 1	Share final call A/c	Dr.	1,00,000	
	To Share Capital A/c			1,00,000
	(Being final call due)			
Oct. 1	Bank A/c	Dr.	92,000	
	Calls in Advance A/c	Dr.	8,000	
	To Share final call A/c			1,00,000
	(Being final call amount received)			
Dec. 1	Interest on Calls in advance A/c	Dr.	300	
	To Bank A/c			300
	(Being interest charged @ 6% p.a on advance payment of Calls)			
Dec. 1	Statement of P/L A/c	Dr.	300	
	To Interest on Calls in advance A/c			300
	(Being interest on calls in advance transfer to Statement of P/L A/C.)			

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Working Note :—

Interest on Calls in Advance :-

On first Call :- $\cancel{4000}^{20} \times \frac{3}{\cancel{12}_{x}} \times \frac{6}{\cancel{100}} = 60$

On Second Call :- $\cancel{8,000} \times \frac{\cancel{6}^{3}}{\cancel{12}_{2}} \times \frac{6}{\cancel{100}} = 240$

₹ 300

4) →

Dr. Machinery A/c Cr.

Date	Particulars	Amt. (₹)	Date	Particulars	Amt. (₹)
2006			2006		
April 1	To bank A/C (40,000 + 10,000)	50,000	Dec. 31	By depreciation A/C	3,750
			Dec. 31	By balance c/d	46,250
		50,000			50,000
2007			2007		
Jan. 1	To balance b/d	46,250	Dec. 31	By depreciation A/C	5,000
			Dec. 31	By balance c/d	41,250
		46,250			46,250
2008			2008		
Jan. 1	To balance b/d	41,250	Sept. 30	By depreciation A/C	3,750
			Sept. 30	By bank A/C	30,000
			Sept. 30	By P/L A/C	7,500
		41,250			41,250

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Working Note :—

(1) On Sale of Machinery (Loss)

Cost of Machinery = 50,000
Less : Depreciation
(3,750 + 5,000 + 3,750) = 12,500
37,500
Less : Sale Price of Machinery = 30,000
Loss on Sale of machinery = 7,500

(vi)	Bank A/c Dr.	1,80,000	
	To 11% Debenture Application and Allotment A/c		1,80,000
	(Being debenture amount received)		
	~~11% Debenture Application and Allotment A/c Dr.~~		
	~~Discount on issue of debentur~~		
	11% Debenture Application and Allotment A/c Dr.	1,80,000	
	loss on issue of debenture A/c	40,000	
	To 11% Debenture A/c		2,00,000
	To Premium on Redemption of Debentures A/c		20,000
	(Being issued at discount of 10% and redeemed at premium)		

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3)→ ~~Shares~~

Journal Entry

In the books of Shankar Ltd.

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
2015					
Jan. 1	Bank A/c	Dr.		1,50,000	
	To Share ~~Capi~~ Application A/c				1,50,000
	(Being application money received)				
Jan. 1	Share ~~Capital~~ Application A/c	Dr.		1,50,000	
	To Share Capital A/c				1,50,000
	(Being application transfer to share capital)				
April 1	Share Allotment A/c	Dr.		2,00,000	
	To Share Capital A/c				2,00,000
	(Being allotment due)				
April 1	Bank A/c	Dr.		2,12,000	
	To Share Allotment A/c				2,00,000
	To Calls in advances A/c				12,000
	(Being allotment ~~all~~ amount received and also amount of first and final call of 400 shares)				
July 1	Share first Call A/c	Dr.		50,000	
	To Share Capital A/c				50,000
	(Being first call due)				
July 1	Bank A/c	Dr.		46,000	
	Calls in Advance A/c	Dr.		4,000	
	To Share first Call A/c				50,000
	(Being first call received)				

5) →

Journal Entry

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
(i)	Loss of goods A/c	Dr.		200	
	To Purchases A/c				200
	(Being goods stolen by employee)				
(ii)	Charity A/c	Dr.		100	
	To Purchases A/c				100
	(Being goods given as charity)				
(iii)	No Entry			—	—
(iv)	Lost of goods by fire A/c	Dr.		1,000	
	To Purchases A/c				1,000
	(Being goods lost by fire)				
(v)	Drawings A/c	Dr.		1,500	
	To Cash A/c				500
	To Purchases A/c				1,000
	(Being goods and cash withdrawn for his personal use)				
(vi)	Lost by theft A/c	Dr.		5,000	
	To Cash A/c				5,000
	(Being ~~loss of~~ cash was stolen)				

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