

**D.A.V. PUBLIC SCHOOL, NEW PANVEL**

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Std:- XII

SUB: - ACCOUNTANCY

Practice Worksheet

1. A Ltd. purchased machinery from B Ltd. amounting ₹95,000. Payment was to be made as follow:

20% of the cost of machinery in cash and balance by issue of preference shares of ₹20 each at a discount of 5%.

Pass the requisite Journal entries in the books of A Ltd.

What is the number of preference shares to be issued by A Ltd. A Ltd. purchased machinery from B Ltd. amounting ₹95,000. Payment was to be made as follow: 20% of the cost of machinery in cash and balance by issue of preference shares of ₹20 each at a discount of 5%. Pass the requisite Journal entries in the books of A Ltd.

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2. Reliance Ltd. issued 1,00,000 shares of ₹10 each at a premium of ₹2 each as follows:

Application	₹2
Allotment	₹5 (including premium)
First call	₹2
Final call	₹3

All the shares were applied for and allotted. All the moneys were received except one shareholder holding 1,000 shares that could not pay allotment and first call money. His shares were forfeited after the first call was made. Final call was made afterwards and the money was duly received. 600 of the forfeited shares were reissued at ₹9 per share as fully paid-up.

Pass the requisite Journal entries in the books of Reliance Ltd.

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3. Jain Ltd. offered 1,00,000 equity shares of ₹10 each at a premium of ₹2 each for Public subscription. The amount was payable, as follows:

Application	₹2
Allotment	₹5 (including premium)
First call	₹2
Final call	₹3

Applications were received for 1,95,000 shares. The allotment was made as follows:

Category-I: Applications for 10,000 shares were rejected

Category-II: Full allotment was made to the applicants for 15,000 shares

Category-III : Pro-rata allotment was made to the other applicants with the stipulation that the excess money shall be applied for at the time of allotment

All the moneys were received except in the case of :

- (a) Ajay holding 1000 shares that could not pay allotment and first call money. His shares were forfeited after the first call was made. (Belongs to category-III)
- (b) Another shareholder Vijay who has applied for 1,000, however, could not pay the two calls. His shares were forfeited after the Final call was made. (Belongs to category-III)
- 700 of the forfeited shares were reissued at ₹8 per share, as fully paid-up (*whole of Vijay's shares being included*).

Pass the requisite Journal entries in the books of Jain Ltd. 8

4. Why Company is called an artificial person? 1

5. What do you mean by issuing shares at premium? State any three purposes for which the balance of share premium account can be utilized. 3