

**Class: XII****Subject : Accountancy****Assignment No. 2**

1. Bilochpur Ltd. has an outstanding balance of Rs. 4,00,000, 8% Debentures of Rs. 100 each. The Board of Directors decided to purchase 1, 00,000 debentures at a price of Rs. 96 for investment purposes but after few months they took a decision to sell them @ Rs. 99 in the market. Record necessary entries to show above transactions.
2. (a) (i) Z Ltd. purchased a building for Rs. 2,20,000. Half of the payment was made in cash and the balance by issue of 12% debentures at premium of 10% Pass the necessary journal entries in the books of Z Ltd.  
(ii) A Ltd. issued Rs. 2,00,000. 12%. Debentures as collateral security. Pass necessary journal entries in the books of A Ltd.  
(b) A company had issued 10% Rs. 100 debentures amounting to Rs. 80,000 redeemable at the option of the company by drawing at par or by purchase in the open market. The company decides to redeem Rs. 20,000 debentures by the purchase of Rs. 16,000 debentures in the open market at Rs. 98 each and draw Rs. 4,000 debentures. Assuming that company had sufficient balance in the Debenture Redemption Reserve before the purchase of own debentures, pass the necessary journal entries in the books of the company.
3. X Ltd. invited applications for 2,00,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as to Rs. 2 on application, Rs. 5 on allotment including premium, Rs. 2 first call & Rs. 3 on final call.  
Applications were received for 3,00,000 shares. Applications for 60,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Ram, who applied for 9,600 shares, failed to pay allotment and two calls and Shyam the holder of 12,000 shares, failed to pay two calls. These shares were forfeited. Subsequently, all these shares were reissued at Rs.8 per share as fully paid up. Pass necessary journal entries in the books of X Ltd.
4. Beriwal Ltd. at present is having an equity share capital of Rs. 1, 00,000. The face value of one equity share is Rs. 10. It intends to make further issue of equity as follows:  
(I) General public-10,000 equity shares at a discount of Re. 1 per share. Terms of issue:  

Application	Rs.2,	Allotment	Rs.2,	First and Final Call	Rs.5
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The shares issued to the public were oversubscribed by 1,000 shares. The directors have refunded the entire excess application money. Jatin holding 200 shares failed to pay the final call and these shares have been forfeited after having notices of forfeited etc. Later these shares were issued to Bobby of maximum discount.

(II) The company acquired assets worth Rs. 9,00,000, the payment was settled by the issue of sufficient number of equity shares at a discount of Re. 1 per share. You are required to  
(a) Give journal entries to record the above Share Capital transactions including forfeiture and reissue.  
(b) Give journal entries in respect of purchase of assets.
5. Goodwill Trading Co. Ltd. had issued share capital of Rs. 1,40,000 in equity shares of Rs. 10 each, on which Rs. 7.50 per share was called and paid. When the final call of Rs. 2.50 per share was made, all the shareholders paid their money in full excepting two shareholders, one holding 200 shares and the other 100 shares. These shares were forfeited in due course and were reissued to a new shareholder who paid Rs. 5 for each share.  
You are to give the Journal entries recording the above transactions in the books of the company.
6. A company issued 20,000 shares of Rs. 100 each payable Rs. 25 per share on application, Rs. 25 per share on allotment and the balance in two calls of Rs. 25 each. The company did not make the final call of Rs. 25 per share. All the money was duly received with the exception of the amount due on the first call on 400 shares held by Mr. Modi. The Board of Directors forfeited these shares and subsequently reissued them as Rs. 75 per share paid-up as for a sum of Rs. 28,000. Journalise the above transactions and prepare the Share Capital Account.

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