B COM THIRD SEMESTER **ASSIGNMENT 1** **Date of submission– 1/09/2011**

1. Ideal Ltd was registered with an authorized capital of Rs 7500000.It issued 600000 equity shares of Rs 10 each at a premium of Rs 2 per share, payable as to Rs 3 with application, Rs 4 (including premium) on allotment and the balance on first and final call. Applications were received for 1200000 shares. The Board of Directors accepted all the applications, allotment being made in pro rata basis. All the shareholders paid the balance of allotment money and call in time. Pass Journal entries and prepare balance sheet. (BS total -7200000)

2. X Ltd forfeits 100 12% preference shares of Rs 25 each, fully called up on which Rs 1500 have been received and reissues them as fully paid up to one of the directors upon payment of Rs 2300. Give the necessary journal entries. (Capital reserve 1300)

3. Y Ltd forfeits 200 equity shares of 10 each issued at par for non payment of the first call @ Rs 2 per share and the second and final cal @ Rs 3 per share. The shares are reissued as fully paid up to one of the directors @ Rs 9 per share. (Capital reserve 800)

4. Poonam Co Ltd offered to public for subscription 1, 00,000 14% preference shares of Rs 100 each at a premium of Rs 10 per share. Payment was to be made as follows: On application Rs 30, On allotment Rs 40 (including premium), On first call and final call Rs 40. Applications were received for all the shares offered and allotment was duly made. All moneys were duly received except the money on call on 100 shares which were forfeited after the requisite notices had been served. Later, all the forfeited shares were reissued as fully paid up @ Rs 95 per share. Journalise. (Capital reserve 5500)

5. Neelam Co Ltd issues 500000 equity shares of Rs 10 each at a premium of 25% , Rs 4 per share being payable along with application and balance including premium being payable on allotment. Applications total 4, 80,000 shares. All applications are fully accepted. Allotment money on 200 shares is not received. After due notices had been served, these shares are forfeited. Later all these shares are reissued as fully paid up @ Rs 9 per share. Pass Journal entries (Capital reserve 100)

6. Kay Ltd with an authorized capital of Rs 3000000 offered to the public 200000 equity shares of Rs 10 each at a premium of Re 1 each. The payment was to be made as follows: With application Rs 3 , On allotment Rs 5, On first call and final call Rs3. Applications totaled 4,00,000 . Shares were allotted on a pro rata basis. Arun who had applied for 400 shares and to whom 200 shares had been allotted failed to pay the balance of allotment money due from him. His shares were forfeited and reissued to Tarun as Rs 8 (including premium of Re 1) per share paid up at Rs 6 per share. Ramesh another shareholder failed to pay the call money on 100 shares held by him. His shares were also forfeited. These shares were reissued @Rs 12 per share. Expenses of the issue came to Rs 12000. Prepare Journal, the cash book, Ledger and the Balance Sheet. (Cash a/c – 21 89 700, Bs total- 22,01,700)

7. Kaveri Ltd resolved to buyback 300000 of its fully paid equity shares of Rs 10 each at Rs 12 per share. Fo this purpose it issued 10000 13% preference shares of 100 each at par, the total sum being payable with applications. The company uses Rs 850000 of its balance in securities premium account apart from its balance in General Reserve Account to fulfil the legal reuirements of buyback. Pass necessary journal entries. (Gen reserve – 1150000)

8. A company has 40000 12% redeemable preference shares of Rs 100 each fully paid. The company decides to redeem the shares on Dec 31.1999at a premium of 5 percent. The company makes the following issues

a) 1,00.000 equity shares of Rs 10 each at a premium of 10 percent.

b) 10,000 14% debentures of Rs 100 each

Give Journal entries. (CRR- 3000000)

9. Extract of AB Ltd: Authorized Share capital – 3500000,

Issued and subscribed: 150000 equity shares of Rs 10 each fully paid up 15, 00,000.

5000 11% redeemable preference shares of Rs 100 each Rs 90 called and paid up. – Rs 450000

Reserves and Surplus: Capital reserve – 75000, Securities premium – 15000, General reserve – 160000, Profit and loss account – 185000

The company decides to redeem all the preference shares at a premium of 1%. For the specific purpose, it issues 2000 14% redeemable preference shares of Rs 100 each at a premium of 5%, the entire amount being payable along with application. The whole issue is taken up by the public. The redemption of 11% redeemable preference shares is duly completed. Journalise.

(GR – 160000, P&L account – 1 40000)

10. Journalise

a) 200 8% Debentures of Rs 100 each issued at par , redeemable at par

b) 200 9% Debenture of Rs 100 each issued at Rs110 and redeemable at Rs 100

c) 200 9% Debentures of Rs 100 each issued at 95 and redeemable at Rs 105

d) 200 9% Debentures of Rs 100 each issued at 105 and redeemable at Rs 110

e) 100 8% Debentures of Rs 100 each issued at 90 and redeemable at Rs 100

f) 200 9% Debentures of Rs 100 each issued at 90 and redeemable at Rs 105