

सेयरको लेखाविधि

Accounting for Shares

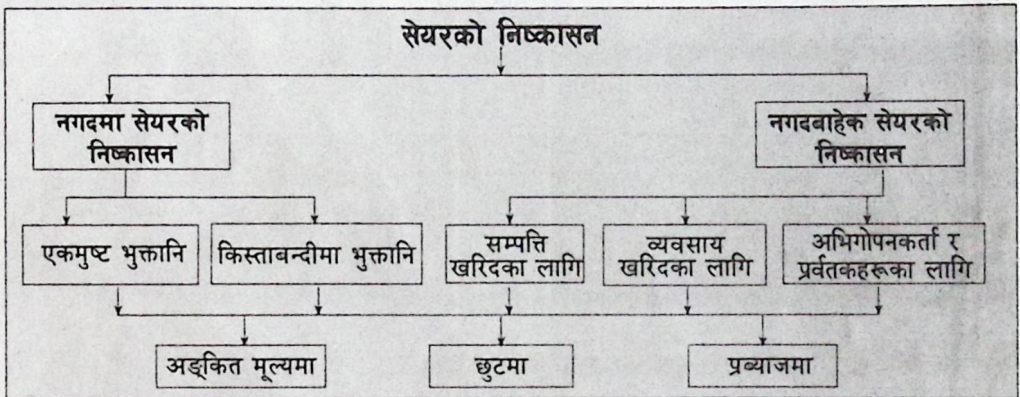
Accounting for Shares.

सेयर निष्कासन गर्दाको लेखाविधि (Accounting treatment for issue of shares)

सार्वजनिक कम्पनी (Public Company) ले जब गठन हुने इजाजत पाउँछ त्यसपछि सर्वसाधारणहरूलाई विवरण पत्रको आधारमा सेयर जारी गर्छ। सेयर आह्वान गर्ने कागजातलाई विवरणपत्र (Prospectus) भनिन्छ। विवरणपत्र सर्वसाधारणहरूलाई सेयरमा लगानी गर्न गरिएको एउटा आग्रह पत्र हो। यसलाई आदेशको रूपमा लिईदैन। विवरणपत्रले कम्पनीको बारेमा लगानीकर्ताहरूलाई कम्पनीको बारेमा विभिन्न विवरणहरू उपलब्ध गराउँछ। यसैको आधारमा सर्वसाधारणहरूले सेयरमा लगानी गर्छन्। सेयरमा लगानी गर्दा लगानीकर्ताहरूले सेयर निवेदनको साथमा पहिलो किस्ताको रकमको बैङ्क भौचर पनि पेस गर्छन्। सर्वसाधारणबाट प्राप्त भएको आवेदनको आधारमा कम्पनीका प्रबन्धकहरूले कुन कुन आवेदनलाई स्वीकार्ने र कुन कुन आवेदनहरूलाई अस्वीकार गर्ने निर्णय एउटा निश्चित समयभित्र गर्छन्। यदि सेयरलाई कम्पनीले स्वीकार गरेमा सेयरको बाँडफाँड गर्छन् र कम्पनी तथा सेयरधनीबिचमा एउटा करार हुन्छ र सेयर बाँडफाँड गरिसकेपछि सेयरधनीलाई यसको जानकारी गराइन्छ। लेखाविधिको आधारमा सेयर बाँडफाँड गर्दा निम्न कुराहरूमा ध्यान पुऱ्याउनुपर्छ-

- क) प्रत्येक विवरणपत्रमा जारी गरिएको सेयरको सङ्ख्या स्पष्ट रूपमा लेखिएको हुन्छ। यदि जारी गरिएको भन्दा बढी सेयरको आवेदन परेमा बढी रकम तत्काल फिर्ता गरिन्छ। अथवा जारी गरिएको सेयर बराबरको रकम मात्र स्वीकार गरिन्छ।
- ख) विवरणपत्रमा न्यूनतम आवेदनको सङ्ख्या खुलाइएको हुनुपर्दछ। यदि न्यूनतम आवेदनको सङ्ख्याभन्दा कमको आवेदन परेमा कम्पनीले अस्वीकृत गरिनुपर्दछ र अस्वीकृत गरिएको सेयरको रकम सम्बन्धित व्यक्तिलाई व्याजसहित फिर्ता गर्नुपर्दछ। न्यूनतम आवेदनको सङ्ख्या निर्धारण गर्दा निम्नलिखित खर्चहरूका लागि पुग्ने रकमबराबर निर्धारण गर्नुपर्दछ।
- निश्चित सम्पत्ति खरिद गर्न भनी निर्धारण गरिएको रकम बराबर,
 - व्यवसाय सुरु गर्नुपूर्वका खर्चहरूलाई पुग्ने रकम,
 - कुनै निश्चित उद्देश्यका लागि जारी गरिएको भए उक्त कार्यका लागि पुग्ने रकमबराबर,
 - यदि न्यूनतम रकम बराबरको आवेदन प्राप्त नभएमा कम्पनीले आवेदनको रूपमा प्राप्त भएको रकम फिर्ता गर्नेछ।

- ग) प्रत्येक सेयरको आवेदनमा कम्पनीले निर्धारण गरेको रकमसहितको आवेदन स्वीकार गरिनेछ र आवेदनको समयमा सेयरको अङ्कित मूल्यको ५० प्रतिशतले आउने रकमभन्दा कम स्वीकारिने छैन । अथवा सेयरको आवेदन गर्दाको किस्ताको रकम सेयरको अङ्कित मूल्यको ५० प्रतिशतभन्दा कम हुने छैन ।
- घ) सेयरको आवेदनको रकम कम्पनीले तोकेको बैङ्कबाट मात्र प्राप्त गर्नेछ र दर्ता भएको कार्यालयबाट सञ्चालन गर्ने पत्र प्राप्त गरेपछि मात्र उक्त बैङ्कमा रहेको सेयरको रकम सञ्चालन गर्न पाउनेछ ।
- ङ) प्रत्येक सेयर प्रदान गरिएका सेयरधनीहरूलाई सेयर बाँडफाँड गरिएको चिठीद्वारा जानकारी गराइन्छ र सेयर नपरेका आवेदकहरूलाई चिठीमार्फत जानकारी गराइ आवेदकको रकम पनि फिर्ता गरिन्छ ।
- च) प्रबन्धकलाई सेयरको आवेदनभन्दा कम वा पूरे सेयर अस्वीकृत गर्ने अधिकार प्रदान गरिएको हुन्छ । सेयरको आवेदन स्वीकार गरिसकेपछि दोस्रो किस्ता माग गरिन्छ । यसलाई सेयरको बाँडफाँड गर्दाको किस्ता भनिन्छ र सेयरको प्रमाणपत्र बाँडफाँड किस्ताको रकम प्राप्त गरेपछि मात्र कम्पनीले वितरण गर्छ ।
- छ) सेयरको बाँडफाँड गर्दाको समयको किस्ताको रकमपछि कम्पनीले आवश्यकताअनुसार त्यसपछिका किस्ताहरूको रकम पनि माग गर्छ । एउटा किस्तादेखि अर्को किस्ताको बिचमा कम्तीमा एक महिनाको फरक हुनुपर्दछ ।
- सेयर निष्कासन गर्ने विधि (Issue of shares): कम्पनीले सेयर जारी गर्दाका मूल्यहरू यस प्रकार छन् :



नगदमा सेयर जारी (Issue of shares for cash)

एउटा संयुक्त पुँजी कम्पनीले सेयर जारी गर्दा एकमुष्ट अङ्कित मूल्य एकै पटक उठाउन सक्छ वा विभिन्न किस्ताहरूमा सेयरको अङ्कित मूल्य उठाउन सक्छ । साथै कम्पनीले सेयर अङ्कित मूल्यमा वा छुटमा वा प्रव्याजमा निष्कासन गर्न सक्दछ ।

एक मुष्ट रकममा सेयर निष्कासन (Issued of shares on lump- sum method)

एकमुष्ट रकममा सेयर निष्कासन भन्नाले सेयरको अङ्कित मूल्य एकै पटकमा सेयरधनीलाई माग गर्ने भन्ने बुझिन्छ । यो तरिकाबाट सेयरको रकम माग गर्दा कम्पनीले किस्ताबन्दीको विधि अपनाउँदैन । सेयरको अङ्कित मूल्य एकै पटकमा असुलउपर गर्छ । सेयर एक मुष्ट विधिबाट निष्कासन गर्दा कम्पनीले अङ्कित मूल्यमा वा छुटमा वा प्रव्याजमा निष्कासन गर्न सक्दछ ।

१. अङ्कित मूल्यमा सेयरको निष्कासन (Issued of share at par)

सेयरमा लगानीकर्ताहरूले सेयरको अङ्कित मूल्यबराबर कम्पनीलाई बुभाउनुपर्ने गरी निष्कासन गरिएको सेयरलाई अङ्कित मूल्यमा सेयरको निष्कासन भनिन्छ । उदाहरणका लागि कम्पनीले रु.१०/- का दरका सेयरहरू निष्कासन गरेको छ भने सेयरमा लगानीकर्ताहरूले प्रत्येक सेयरबराबर रु.१०/- मात्र कम्पनीलाई बुभाउनुपर्छ ।

Illustration - 1 M and M company issued 20000 shares of Rs.100 each at par for public subscription all the shares are applied for and allotment made full.

Required: Journal entries

Solution:

Journal Entry				
S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c (20000×100) To Share capital A/c (Being amount of share capital received on 20000 shares @Rs.100 each)	Dr.	20,00,000	20,00,000

२. प्रव्याजमा सेयरको निष्कासन (Issued of shares at premium)

नाम चलेका कम्पनीहरूले सेयर निष्कासन गर्दा अङ्कित मूल्यभन्दा बढीमा सर्वसाधारणहरूलाई सेयरको आह्वान गर्दछन् । अर्को शब्दमा भन्नुपर्दा कम्पनीले सेयर आह्वान गर्दा सर्वसाधारणहरूले सेयरको अङ्कित मूल्यमा लेखिएको रकमभन्दा बढी रकम कम्पनीलाई बुझाउँछन् । यो अवस्था त्यस्ता कम्पनीहरूलाई मात्र प्राप्त हुन्छ, जसले लाभांशको रकम बढी वितरण गरेको हुन्छ । सेयरको मूल्यभन्दा बढी प्राप्त गरेको रकमलाई प्रव्याज भनिन्छ । उदाहरणका लागि अङ्कित मूल्य रू.१००/- निर्धारण गरिएको सेयरलाई यदि रू.१५०/- मा निष्कासन गरियो भने यसलाई प्रव्याजमा सेयरको निष्कासन भनिन्छ । प्रव्याजको रकमलाई कम्पनीले निम्नलिखित परियोजनका लागि मात्र खर्च गर्न पाउँछ ।

- क) कम्पनीका सदस्यहरूलाई बोनस सेयर जारी गर्न,
- ख) स्थापनापूर्वको खर्च घटाउन,
- ग) सेयर तथा ऋणपत्र निष्कासन गर्दाको छुट घटाउन,
- घ) पूर्वाधिकार सेयरको पुँजी रकम फिर्ता गर्दाको प्रव्याज भुक्तानी गर्न ।

Journal Entry

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c To Share capital A/c To Share premium A/c (Being Amount of share capital received on share @ Rs... with premium Rs.)	Dr	xxx	xxx xxx

Illustration-2 N and S Company issued 10,000 shares of Rs.100 each at Rs.120 per share. Such shares are fully applied and allotted all money were received in full.

Required: Journal entries

Solution:

Journal Entry

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c (10000 × 120) To Share capital A/c (10000 × 100) To Share premium A/c (10000 × 20) (Being Share capital money received on 10,000 share @ Rs.100 each with Rs.20 premium)	Dr	12,00,000	10,00,000 2,00,000

३. छुटमा सेयरको निष्कासन (Issued of shares with discount)

सामान्यतया कम्पनीले सेयर निष्कासन गर्दा छुटमा सेयर निष्कासन गर्दैन । यदि कम्पनीले सेयर जारी गर्दा अङ्कित मूल्यभन्दा कममा जारी गर्दछ भने यसलाई सेयरको छुटमा निष्कासन भनिन्छ । यदि कम्पनीले सेयर छुटमा जारी गर्छ भने सेयरमा लगानीकर्ताहरूले अङ्कित मूल्यभन्दा कम रकम कम्पनीलाई बुझाउँछन् ।

Journal Entry

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c Share discount A/c To share capital A/c (Being amount received on.... share @ Rs.... each with..... discount).	Dr Dr	xxx xxx	xxx

FM. 9478

Illustration - 3 R and R Company issued 30,000 shares of Rs.100 each with 10% discount; all shares are applied and allotted fully.

Required: Journal entries

Solution:

Journal Entry

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c (30000 × 90)	Dr	27,00,000	
	Share discount A/c (30000 × 10)	Dr	3,00,000	
	To Share capital A/c (30000 × 100)			30,00,000
	(Being amount of share capital received on 30,000 shares of Rs.100 each with 10% discount)			

किस्ता बन्दी रकममा सेयरको निष्कासन (Issued of shares on installment method)

कम्पनीले सेयरको अङ्कित मूल्यलाई विभिन्न किस्ताहरूमा विभाजन गरी सेयरधनीहरूबाट उठाउँछ भने यो अवस्थालाई किस्ताबन्दीमा सेयरको निष्कासन भनिन्छ । यस विधिमा कम्पनीले सेयरको अङ्कित मूल्य एक मूठ विधिमा जस्तै सबै रकम एकै पटकमा नउठाईकन विभिन्न किस्ताहरूमा जस्तै : आवेदनको समयमा, सेयरको बाँडफाँडको समयमा र मागहरूमा उठाउने गरिन्छ । किस्ताबन्दीमा सेयरको अङ्कित मूल्य उठाउँदा निम्नलिखित किस्ताहरूमा उठाइन्छ-

- क) आवेदनको समयमा,
- ख) सेयरको बाँडफाँडमा
- ग) बाँडफाँडको रकमको प्राप्ति,
- घ) विभिन्न मागहरू,
- ङ) मागहरूको रकमको प्राप्ति ।

अङ्कित मूल्यमा सेयरको निष्कासन (Issued at par)

सामान्यतया सेयर जारी गर्दा अङ्कित मूल्यमा जारी गरिन्छ । यदि कम्पनीले सेयर जारी गर्दा साङ्कित मूल्य वा अनुहार मूल्यमा सेयरको निष्कासन गर्छ भने यसलाई अङ्कित मूल्यमा सेयरको निष्कासन भनिन्छ ।

1) On receipts of share application money

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c	Dr	xxx	
	To Share application A/c			xxx
	(Being share application money received)			
	Share application A/c	Dr.	xxx	
	To Share capital A/c			xxx
	(Being share application money transferred to share capital account)			

2) On allotment of share

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share allotment A/c	Dr.	xxx	
	To Share capital A/c			xxx
	(Being share allotment money due)			
	Bank A/c	Dr.	xxx	
	To Share allotment A/c			xxx
	(Being share allotment money received)			

3) On calls

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share first and final call A/c	Dr.	xxx	
	To Share capital A/c			xxx
	(Being Share first and final call money due)			
	Bank A/c	Dr.	xxx	
	To Share first and final call A/c			xxx
	(Being share first and final call money received)			

Illustration - 4 A Company limited issued 2000 shares of Rs.100 each at pay. The payment as follows:

On Application	Rs.30
On Allotment	Rs.50
On First and final call	Rs.20

All the shares are applied and allotted all money were duly received.

Required: Journal entries

Solution: **Journal Entries**

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (2000 × 30) To Share application A/c (Being share application money received)	Dr.	60,000	60,000
b.	Share Application A/c To Share capital A/c (Being share application money transferred)	Dr.	60,000	60,000
c.	Share allotment A/c (2000 × 50) To Share capital A/c (2000 × 5) (Being share allotment money due with premium)	Dr.	1,00,000	1,00,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	1,00,000	1,00,000
e.	Share first and final call A/c (2000 × 20) To Share capital A/c (Being share first and final call money due)	Dr.	40,000	40,000
f.	Bank A/c To share first and final call A/c (Being share first and final call money received)	Dr.	40,000	40,000

प्रव्याजमा सेयरको निष्कासन (Issued of shares at premium)

केही नाम चलेका कम्पनीहरूले सेयर निष्कासन गर्दा अङ्कित मूल्यभन्दा बढीमा सेयर निष्कासन गर्दछन् भने यसलाई प्रव्याजमा सेयरको निष्कासन भनिन्छ । प्रव्याज कम्पनीका लागि पुँजीगत आम्दानी हो । यो भौचरको क्रेडिटतर्फ लेखिन्छ । यसलाई वासलातको दायित्वमा देखाइन्छ । सामान्यतया प्रव्याजको रकम आवेदनको समयमा वा सेयरको बाँडफाँडको समयको किस्तामा असुलउपर गरिन्छ ।

a) If the amount of premium is included in application then the entries will be as follows:

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c To Share application A/c (Being share application money received)	Dr.	xxx	xxx
	Share application A/c To Share capital A/c To Share premium A/c (Being share application money transferred)	Dr.	xxx	xxx xxx

b) If the amount of premium included at the time of allotment then the entries will be as follows:

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share allotment A/c To Share capital A/c To Share premium A/c (Being share allotment money due with premium)	Dr.	xxx	xxx xxx
	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	xxx	xxx

Illustration - 5 X Company limited issued 5000 shares of Rs.100 each with Rs.20 premium.

Payment as follows:

On Application	Rs.40 (Including premium Rs.10)
On Allotment	Rs.50 (Including premium Rs.10)
On First and final call	Rs.30

All the shares are applied and allotted all money were duly received.

Required: Journal entries

Solution:

Journal entries		LF	Debit (Rs.)	Credit (Rs.)
S. No.	Particulars			
a.	Bank A/c (5000 × 40) To Share application A/c (Being share application money received)	Dr.	200,000	200,000
b.	Share application A/c To Share capital A/c (5000 × 30) To Share premium A/c (5000 × 10) (Being share application money transferred)	Dr.	2,50,000	2,00,000 50,000
c.	Share allotment A/c (5000 × 50) To Share capital A/c (5000 × 40) To Share premium A/c (5000 × 10) (Being share allotment money due with premium)	Dr.	2,50,000	2,00,000 50,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	2,50,000	2,50,000
e.	Share first and final call A/c To Share capital A/c (Being share first and final call money due)	Dr.	1,50,000	1,50,000
f.	Bank A/c To Share first and final call A/c (Being share first and final call money received)	Dr.	1,50,000	1,50,000

छुट मूल्यमा सेयरको निष्कासन (Issued of shares at discount)

सामान्यतया सेयर निष्कासन गर्दा छुटमा निष्कासन गरिँदैन । नेपालको कम्पनी कानून २०६३ ले सेयर निष्कासन गर्दा छुटमा निष्कासन गर्न नपाउने व्यवस्था गरिएको छ । सेयर निष्कासन गर्दाको छुट कम्पनीका लागि नोक्सान हो । त्यसकारण यसलाई भौचरको डेबिटतर्फ प्रविष्ट गरिन्छ । यो पुँजीगत नोक्सान हो । यसलाई वासलातमा सम्पत्तितर्फको अवास्तविक सम्पत्तिको समूहमा राखिन्छ ।

a) At the time of application

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c To Share application A/c (Being share application money received)	Dr.	xxx	xxx
	Share application A/c To Share capital A/c (Being Share application money transferred)	Dr.	xxx	xxx

b) At the time of allotment

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share allotment A/c To Share capital A/c (Being share allotment money due with discount)	Dr.	xxx	xxx
	Bank A/c To Share allotment A/c (Being Share allotment money received)	Dr.	xxx	xxx

Illustration - 6 A company was registered with capital Rs.20,00,000 dividend in to shares of 100 each. Out of which 5,000 shares were issued with 10% discount. The payment as follows:

On application	Rs.20 (Including discount Rs.5)
On allotment	Rs.30 (Including discount Rs.5)
On first and final call	Rs.40

All the shares are applied and allotted and all money were duly received.

Required: Journal entries

Solution:

Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
1.	Bank A/c (5000 × 20) To Share application A/c (Being share application money received)	Dr.	1,00,000	1,00,000
2.	Share application A/c Share discount A/c (5000 × 5) To Share capital A/c (5000 × 10) (Being share application money transferred)	Dr.	1,00,000 25,000	1,25,000
3.	Share allotment A/c (5000 × 30) Share discount A/c (5000 × 5) To Share capital A/c (Being share allotment money due with discount)	Dr.	1,50,000 25,000	1,75,000
4.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	1,50,000	1,50,000
5.	Share first and final call A/c To Share capital A/c (Being share first and final call money due)	Dr.	2,00,000	2,00,000
6.	Bank A/c To Share first and final call A/c (Being share first and final call money received)	Dr.	2,00,000	2,00,000

बक्यौता माग (Call in arrears)

कहिलेकाहीं सेयरधनीहरूले कम्पनीले मागेको किस्ता रकम निश्चित समयमा बुभाउन असमर्थ हुन्छन् । यसरी कम्पनीले मागेको रकम निश्चित समयमा बुभाउन नसकिएको रकमलाई बक्यौता माग भनिन्छ । यो भौचरको डेबिटर्तर्फ बैङ्कसँगै प्रविष्टी गरिन्छ र वासलातमा माग पुँजीमा घटाइ चुक्ता पुँजी निकालिन्छ ।

क) सेयरको बाँडफाँडको समयमा बक्यौता माग भएमा (When calls in arrears occurred at the time of allotment)

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share allotment A/c To Share capital A/c (Being share allotment money due)	Dr.	xxx	xxx
	Bank A/c Calls in arrears A/c To Share allotment A/c (Being Share allotment money received except calls in arrears)	Dr. Dr.	xxx xxx	xxx

ख) सेयरको प्रथम तथा अन्तिम किस्ताको समयमा बक्यौता माग भएमा (When calls in arrears occurred at the time of first and final call)

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share first and final call A/c To Share capital A/c (Being share first and final call money due)	Dr.	xxx	xxx
	Bank A/c Calls in arrears A/c To Share first and final call A/c (Being Share first and final call money received except calls in arrears)	Dr. Dr.	xxx xxx	xxx

Illustration - 7 M Company Ltd. issued 2000, 10% preference share of Rs.50 each with 20% premium. Payment as follows:

On application	Rs.10
On allotment	Rs.30 (Including premium)
On first and final call	Balance.

All the shares are applied and allotted and all money were duly received except a shareholder holding 500 shares were failed to pay allotment and calls money on due date.

Required: Journal entries

Solution:

		Journal entries		
S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (2000 × 10) To Preference share application A/c (For Preference share application money received)	Dr.	20,000	20,000
b.	Preference share application A/c To 10% Preference share capital A/c (For Preference share application money transferred)	Dr.	20,000	20,000
c.	Preference share allotment A/c (2000 × 30) To 10% Preference share capital A/c To Preference share premium A/c (For preference share allotment money due with premium)	Dr.	60,000	40,000 20,000
d.	Bank A/c (1500 × 30) Call in arrears A/c (500 × 30) To Preference share allotment A/c (For Preference share allotment money received except call in arrears)	Dr. Dr.	45,000 15,000	60,000
e.	Preference share first and final call A/c To Preference share capital A/c (For preference share first and final call money due)	Dr.	40,000	40,000
f.	Bank A/c (1,500 × 20) Call in arrears A/c (500 × 20) To Preference share first and final call A/c (For preference share first and final call money received except call in arrears)	Dr. Dr.	30,000 10,000	40,000

Illustration – 8 N Company Ltd. issued 10000 shares of Rs.10 each with 10% discount on January 1, 2016 payment as follows:

On application	Rs.2
On allotment	Rs.5 (Including discount)
On first and final call	Balance

Shares are fully applied and allotted amount received as follows:

10000	Rs.2 on January 1, 2016
9000	Rs.7 on March 1, 2016
8000	Rs.9 on June, 1, 2016

Required: Journal entries

Solution:

		Journal entries		
Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Bank A/c To Share application A/c (Being share application money received on 10000 shares of Rs.2 each)	Dr.	20,000	20,000
	Share application A/c To Share capital A/c (Being share application money transfer)	Dr.	20,000	20,000
	Share allotment A/c Share discount A/c (10000 × 1) To Share capital A/c (Being share allotment money due on 10000 shares of Rs.5 each with premium)	Dr. Dr.	50,000 10,000	60,000
	Bank A/c Call in arrears A/c (1000 × 5) To Share allotment A/c (Being share allotment money receive except call in arrears)	Dr. Dr.	45,000 5,000	50,000
	Share first and final call A/c (10000 × 2) To Share capital A/c (Being share first and final call money due)	Dr.	20,000	20,000
	Bank A/c Call in arrear A/c (2000 × 2) To Share first and final call A/c (Being share first and final call money received except call in arrears)	Dr. Dr.	16,000 4,000	20,000

अग्रिम भुक्तानी माग (Call in advance)

कहिलेकाँही सेयरधनीहरूले कम्पनीले माग गर्नुभन्दा पहिला नै कुनै किस्ताको रकम यदि कम्पनीको खातामा जम्मा गर्दछन् भने यसलाई अग्रिम भुक्तानी माग भनिन्छ । कम्पनीले यस्ता अग्रिम भुक्तानी गर्ने लगानीकर्ताहरूलाई आकर्षण गर्नका लागि अग्रिम भुक्तानी रकममा केही प्रतिशत व्याजको पनि व्यवस्था गरेको हुन्छ । यस्ता रकमलाई भौचरमा प्राप्त गर्ने समयमा क्रेडिटतर्फ प्रविष्टी गरिन्छ भने समायोजन गर्ने समयमा डेबिटतर्फ प्रविष्टी गरिन्छ ।

क) सेयर बाँडफाँको समयमा अग्रिम भुक्तानी माग भएमा (When calls in advance received at the time of allotment)

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share allotment A/c To Share capital A/c (Being share allotment money due)	Dr.	xxx	xxx
	Bank A/c To Share allotment A/c To call in advance A/c (Being Share allotment money received with call in advance)	Dr.	xxx xxx	xxx

क) अग्रिम भुक्तानी मागलाई सेयरको प्रथम तथा अन्तिम किस्तामा समायोजन गर्दा (When adjustment of call in advance received in allotment)

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share first and final A/c To Share capital A/c (Being share first and final call money due)	Dr.	xxx	xxx
	Bank A/c Call in advance A/c To Share first and final call A/c (Being Share first and final call money received after adjustment of call in advance)	Dr. Dr.	xxx xxx	xxx

Illustration - 9 X Company Ltd. makes an issue 10000 equity share of Rs.100 each at Rs.110 on 1st March 2016 payable as follows:

On application	Rs.20
On allotment including premium	Rs.30
On first and final call	Rs.60

All the shares are applied and allotted and all money were duly received. Mr. Dahal a shareholder holding 500 shares paid first and final call money at the time of allotment.

Required: Journal entries

Solution:

Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (10000 × 20) To Share application A/c (Being Share application money received)	Dr.	2,00,000	2,00,000
b.	Share application A/c To Share capital A/c (Being Share application money transferred)	Dr.	2,00,000	2,00,000
c.	Share allotment A/c (10000 × 30) To Share capital A/c (10000 × 20) To Share premium A/c (10000 × 10) (Being Share allotment money due with premium)	Dr.	3,00,000	2,00,000 1,00,000
d.	Bank A/c To Share allotment A/c To Call in advance A/c (500 × 60) (Being Share allotment money received with call in advance)	Dr.	3,30,000	3,00,000 30,000
e.	Share first and final call A/c (10000 × 60) To Share capital A/c (Being Share first and final call money due)	Dr.	6,00,000	6,00,000
f.	Bank A/c Call in advance A/c To Share first and final call A/c (Being share first and final call money received after adjustment of call in advance)	Dr. Dr.	5,70,000 30,000	6,00,000

न्यून आवेदन (Under Subscription)

विभिन्न कमजोरीका कारणले कम्पनीले कहिलेकाँही जारी गरिएको सेयरभन्दा कम रकमको आवेदन प्राप्त गर्दछ । यस्तो अवस्थालाई न्यून आवेदन भनिन्छ । यदि कम्पनीले निश्चित गरेको रकमभन्दा पनि कम सेयरको मात्र आवेदन प्राप्त भयो वा ५० प्रतिशतभन्दा कमको आवेदन प्राप्त भयो भने कम्पनीले उक्त सेयरलाई अस्वीकृत गर्नेछ ।

Illustration - 10 Z Company Ltd. issued 20000 shares of Rs.100 each with 10% discount; payable as follows:

On application	Rs.20
On allotment	Rs.40
Balance on first and final call	

Applications were received on 15000 shares. The company allotted such shares all money were duly received except one shareholder holding 1000 shares failed to pay allotment and calls money.

Required: Journal entries

Solution:

Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (15000 × 20) To Share application A/c (Being Share application money received)	Dr.	3,00,000	3,00,000
b.	Share application A/c To Share capital A/c (Being Share application money transferred)	Dr.	3,00,000	3,00,000
c.	Share allotment A/c (15000 × 40) Share discount A/c (15000 × 10) To Share capital A/c (15,000 × 50) (Being Share allotment money due with discount)	Dr. Dr.	6,00,000 1,50,000	7,50,000
d.	Bank A/c (14000 × 40) Call in arrears A/c (1000 × 40) To Share allotment A/c (Being Share allotment received except call in arrears)	Dr. Dr.	5,60,000 40,000	6,00,000
e.	Share first and final call A/c (15000 × 30) To Share capital A/c (Being Share first and final call money due)	Dr.	4,50,000	4,50,000
f.	Bank A/c (14000 × 30) Call in arrears A/c (1000 × 30) To Share first and final call A/c (Being Share first and final call money received except call in arrears)	Dr. Dr.	4,20,000 30,000	4,50,000

अधिक आवेदन (Over subscription)

कहिलेकाँही कम्पनीले जारी गरेको सेयरको सङ्ख्याभन्दा बढी रकमको सेयरको आवेदन प्राप्त गर्दछ । यो अवस्थालाई अधिक आवेदन भनिन्छ । उदाहरणका लागि यदि कम्पनीले १० हजार सेयर रू.१००/- का दरले जारी गरेकोमा १५ हजार सेयरको आवेदन प्राप्त भयो भने ५ हजार सेयरबराबर अधिक आवेदन प्राप्त भएको हुन्छ ।

अधिक आवेदनको बाँडफाँड (Allotment of over- subscription)

कम्पनीले अधिक आवेदनको रकमलाई विभिन्न विधिद्वारा बाँडफाँड गर्ने गर्दछ । सामान्यतया अधिक सेयरको बाँडफाँड गर्दा कम्पनीले अपनाउने विधिहरूमा; अधिक सेयरको पूर्ण अस्वीकार्य, समानुपातिक दरको वितरण प्रणाली र मिश्रित प्रणाली छन् ।

क) बढी आवेदन पूरै अस्वीकार गर्ने (Fully reject of excess number of shares): कम्पनीले निष्कासन गरेको सेयरभन्दा बढी सेयरको आवेदन प्राप्त भएमा बढी भएको आवेदनलाई पूरै अस्वीकृत गर्ने अधिकार प्रबन्धकमा निहित हुन्छ । त्यसकारण प्रबन्धकले जारी गरिएको सेयरभन्दा बढी प्राप्त भएको आवेदन पूरै खारेज गर्ने अवस्थालाई आवेदनको पूरै अस्वीकार गर्ने भनिन्छ ।

Illustration - 11 Ganapati Company registered with capital of Rs.10,00,000 on divided into share of Rs.100 each. In the beginning of the period the company decided to issue 20000 shares with 20% premium, the amount payable as follows:

On application	Rs.40
On allotment	Rs.50 (including premium)
On first and final call	Rs.30

Applications were received on 30,000 shares. The board of directors of the company decided to reject the excess number of shares fully. A shareholder holding 500 shares paid first and final call money at the time of allotment.

Required: Journal entries

Solution:

Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (30000 × 40) To Share application A/c (Being Share application money received)	Dr.	12,00,000	12,00,000
b.	Share application A/c To Share capital A/c (20000 × 40) To Bank A/c (10,000 × 40) (Being Share application money transferred and balance refunded)	Dr.	12,00,000	8,00,000 4,00,000
c.	Share allotment A/c (20000 × 50) To share capital A/c (20000 × 30) To share premium A/c (20000 × 20) (Being Share allotment money due with premium)	Dr.	10,00,000	6,00,000 4,00,000
d.	Bank A/c To Share allotment A/c To Call in advance A/c (500 × 30) (Being Share allotment money received with call in advance)	Dr.	10,15,000	10,00,000 15,000
e.	Share first and final call A/c (20000 × 30) To Share capital A/c (Being Share first and final call money due)	Dr.	6,00,000	6,00,000
f.	Bank A/c (14500 × 30) Call in advance A/c (500 × 30) To Share first and final call A/c (Being Share first a final call money received after adjustment of call in advance)	Dr. Dr.	5,85,000 15,000	6,00,000

ख) समानुपाति बाँडफाँड विधि (Pro.rata allotment): यो विधिमा कम्पनीले सेयरको बाँडफाँड गर्दा सेयरधनीहरूबाट प्राप्त भएको आवेदन र कम्पनीले जारी गरेको सेयरबीचमा एउटा अनुपात निर्धारण गर्छ । उक्त अनुपातको आधारमा कम्पनीले सबै आवेदकहरूलाई सेयरको वितरण गर्छ । यो विधिमा सबै आवेदकहरूले निश्चित अनुपातमा सेयर प्राप्त गर्दछन् ।

Illustration - 12 A Company limited registered with share capital of Rs.5000,000 on divided into 50000 shares of Rs.100 each. The company issued 20000 shares with 20% premium, the amount payable as follows:

On application	Rs 30
On allotment	Rs.50
Balance on first and final calls	

Applications were received on 30,000 shares. The director decided to allot such shares under pro.rata allotment method. The excess share application money utilized towards allotment and calls.

Required: Journal entries

Solution:

		Journal entries		
S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (30000 × 30) To Share application A/c (Being Share application money received)	Dr.	9,00,000	9,00,000
b.	Share application A/c To Share capital A/c (20000 × 30) To Share allotment A/c (20000 × 15) (Being Share application money transferred)	Dr.	9,00,000	6,00,000 3,00,000
c.	Share allotment A/c (20000 × 50) To share capital A/c (20000 × 30) To share premium A/c (20000 × 20) (Being Share allotment money due with premium)	Dr.	10,00,000	6,00,000 4,00,000
d.	Bank A/c To Share allotment A/c (10,00,000 – 3,00,000) (Being Share allotment money received after adjustment of share application money)	Dr.	7,00,000	7,00,000
e.	Share first and final call A/c (20000 × 40) To Share capital A/c (Being Share first and final call money due)	Dr.	8,00,000	8,00,000
f.	Bank A/c To Share first and final call A/c (Being Share first a final call money received)	Dr.	8,00,000	8,00,000

Working Note:

<u>Applied</u>	<u>Allotted</u>
30000	20000

Revise application rate for pro.rata group

$$= \frac{\text{No. of shares applied} \times \text{Application rate}}{\text{No. of shares allotted}} = \frac{30000 \times 30}{20000} = \text{Rs.45}$$

Distribution of excess rate Rs.45

Application Rs.30

Allotment Rs.15

ग) मिश्रित विधि (Mixed method): यस विधिमा कम्पनीले सेयरको बाँडफाँड गर्दा केही आवेदकहरूलाई पूर्ण रूपमा सेयरको वितरण गर्छ, केही आवेदकहरूलाई समानुपातिक दरमा सेयरको वितरण गर्छ र केही आवेदकहरूको सेयर पूर्ण रूपमा अस्वीकृत गर्छ भने यो विधिबाट सेयरको बाँडफाँड गर्ने प्रक्रियालाई मिश्रित विधि भनिन्छ । उदाहरणका लागि यदि कम्पनीले १० हजार सेयर जारी गरेको छ र सर्वसाधारणबाट २२ हजार सेयरको आवेदन प्राप्त भयो भने यस्तो अवस्थामा कम्पनीले मिश्रित विधि अपनाउँदा निम्नलिखित अवस्थाको सिर्जना हुन सक्छ ।

५ हजार आवेदकहरूलाई सतप्रतिशत सेयरको वितरण

१० हजार सेयरलाई समानुपातिक दरमा सेयरको वितरण

७ हजार सेयर पूर्ण रूपमा अस्वीकृत ।

Illustration - 13 A Company Limited issued 20000 shares of Rs.100 each with 20% premium, payment as follows:

On application Rs.40

On allotment Rs.50

Balance on first and final calls.

Applications were received on 45000 shares. The company allotted such shares as follows:

To applicants for 4000 Full

To applicants for 38000 Pro.rata

To applicants for 3000 Rejected

The prospectus of the company also stand that the surplus, application money, if any, remaining can be utilized towards subsequent allotment and calls.

Solution:

Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c (45000 × 40) To Share application A/c (Being share application money received)	Dr.	18,00,000	18,00,000
b.	Share application A/c To Share capital A/c (20000 × 40) To Share allotment A/c (16000 × 50) To Share first and final call A/c (16000 × 5) To Bank A/c (3000 × 40) (Being Share application money transferred and balance refunded)	Dr.	18,00,000	8,00,000 8,00,000 80,000 1,20,000
c.	Share allotment A/c (20000 × 50) To share capital A/c (20000 × 30) To share premium A/c (20000 × 20) (Being share allotment money due with premium)	Dr.	10,00,000	6,00,000 4,00,000
d.	Bank A/c To Share allotment A/c (10,00,000 – 8,00,000) (For Share allotment money received after adjustment of share application money)	Dr.	2,00,000	2,00,000
e.	Share first and final call A/c (20000 × 30) To Share capital A/c (For Share first and final call money due)	Dr.	6,00,000	6,00,000
f.	Bank A/c To Share first and final call A/c (6,00,000 – 80,000) (For Share first a final call money received after adjustment of share application money)	Dr.	5,20,000	5,20,000

Working Note:

Group	Applied	Allotted	Reject
i.	4000	4000	-
ii.	38000	16000	-
iii.	3000	-	3000
Total	45000	20000	2000

Revise application rate for pro.rata group

$$= \frac{\text{No. of shares applied} \times \text{Application rate}}{\text{No. of shares allotted}} = \frac{38000 \times 40}{16000} = \text{Rs.95}$$

Distribution of excess rate Rs.95

Application Rs.40

Allotment Rs.50

Calls Rs.5

सेयरको जफत (Forfeiture of Shares)

यदि सेयरधनीले सेयरको बाँडफाँडको रकम र कुनै मागको रकम निश्चित समयमा कम्पनीलाई नबुझाएमा यसलाई सेयरको बक्यौता रकम भनिन्छ । कम्पनीले उक्त सेयरधनीलाई आवश्यक मात्रामा जानकारी गराउँदा पनि पुनः अटेर गरी बक्यौता रकम कम्पनीलाई नबुझाएमा कम्पनीले प्रबन्धपत्रमा व्यवस्था भएअनुसार सेयरको रकम जफत गर्छ र ती सेयरधनीहरूलाई वितरण गरिएको सेयरको प्रमाणपत्र खारेज गरिन्छ । यिनीहरूलाई सेयरको विवरणबाट हटाइन्छ । यो अवस्थालाई सेयरको जफत भनिन्छ ।

सेयर जफतको लेखा प्रविष्टि (Entries of forfeiture)

१. अङ्कित मूल्यमा निष्कासन गरिएको सेयर (When shares have been issued at par)

जब कम्पनीले अङ्कित मूल्यमा जारी गरिएको सेयरको जफत गर्छ उक्त समयमा सर्वप्रथम कम्पनीले माग गरेको रकम निर्धारण गर्छ । त्यसमध्येमा उक्त सेयरधनीहरूले हालसम्म तिरेको रकम र नतिरेको रकम छुट्टयाइ लेखा प्रविष्टि गरिन्छ । सेयर जफत गर्दा भौचरको डेबिटमा सेयर पुँजी (Share capital) हुन्छ भने क्रेडिटमा सेयर जफत गरिएको रकम र बक्यौता रकम प्रविष्टि गरिन्छ ।

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (No. of shares forfeited × called up money per share) Dr.		xxx	
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
	(Being forfeiture of shares of Rs. for the non payment of			

Illustration - 14 A Company forfeited 500 shares which were issued @ Rs.100 each fully called up at par for non payment of first and final call Rs.30 per share. Pass the journal for forfeiture.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (500 × 100) Dr.		50,000	
	To Calls in arrears A/c (500 × 30)			15,000
	To Shares forfeiture A/c (500 × 70)			35,000
	(Being 500 shares are forfeited for nonpayment of first & final call Rs.30 each)			

Illustration - 15 A Company forfeited 600 shares of Rs.100 each (Rs.80 called up) on which the shareholder has failed to pay allotment money of Rs.25 per share, first call Rs. 20 and final call Rs.20 per share is yet to call. Pass the journal entry for forfeiture of shares.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (600 × 80) Dr.		48,000	
	To Calls in arrear A/c (600 × 45)			27,000
	To Shares forfeiture A/c (600 × 35)			21,000
	(Being 600 shares are forfeited on which 80 Rs. called up for non payment of allotment and calls)			

Illustration - 16 A Company issued equity shares of Rs.20 each at par. Application and allotment money Rs.5 and Rs.8 per share are respectively are received in respect of all shares, but the first call and the second call Rs.4 and Rs.3 per share respectively are not received in respect of 1000 shares which are therefore, forfeited.

Required: Journal entries for forfeiture

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital (1000 × 20) Dr.		20,000	
	To Calls in arrears A/c (1000 × 7)			7,000
	To Share forfeiture A/c (1000 × 13)			13,000
	(Being share forfeiture for non payment of first and final call money)			

२. प्रव्याजमा निष्कासन गरिएको शेयर (When shares have been issued at premium)

क) प्रव्याजको रकम शेयरधनीबाट असुल गरिसकेको (When shareholder pays the amount of premium): जफत गरिएको शेयरधनीले यदि प्रव्याजको रकम कम्पनीलाई बुझासकेको छ भने भौचरमा शेयरको प्रव्याज प्रविष्टि गरिंदैन । यस्तो अवस्थाको भौचर निम्नबमोजिम हुन्छ :

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (No. of shares forfeited × called up money per share) Dr.		xxx	
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
	(Being forfeiture of shares for non payment of money)			

Illustration - 17 A Company forfeited 700 shares which were issued @ Rs.100 each at 20% premium for non payment of first and final call Rs.40 per share. Pass the journal for forfeiture.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (700 × 100) Dr.		70,000	
	To Calls in arrear A/c (700 × 40)			28,000
	To Share forfeiture A/c (700 × 60)			42,000
	(Being 700 shares are forfeited for non payment of first & final call Rs.40 each)			

Illustration - 18 A Company forfeited 700 shares which were issued @ Rs.100 each at 20% premium (Rs.80 called up) for non payment of first call Rs.25 per share. Pass the journal for forfeiture. Amount of premium includes in allotment.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (700 × 60) Dr.		42,000	
	To Calls in arrear A/c (700 × 25)			17,500
	To Share forfeiture A/c (700 × 35)			24,500
	(Being 700 shares are forfeited for non payment of first call Rs.25 each)			

Illustration - 19 A Company Ltd. forfeited 1000 equity shares of Rs.100 each issued at 10% premium. These shareholders paid application money Rs.30 per share and allotment Rs.40 per share including premium and did not pays first and final call money Rs.40 per shares.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (1000 × 100)		1,00,000	
	To Call in arrears A/c (1000 × 40)			40,000
	To Share forfeiture A/c (1000 × 60)			60,000
	(Being share forfeiture for nonpayment of first and final call money)			

ख) प्रव्याजको रकम सेयरधनीबाट असुल नगरिसकेको (When shareholder fails to pay the amount of premium): यदि जफत गरिएको सेयरधनीले प्रव्याजको रकम कम्पनीलाई बुझाएको छैन भने भौचरमा उल्लेख गर्नुपर्छ । सामान्यतया प्रव्याजको रकम सेयरको बाँडफाँड गर्दाको किस्तामा समावेश गरिएको हुन्छ । यदि सेयरधनीहरूले सेयर बाँडफाँड गर्दाको रकम भुक्तानी गरेको छैन भने प्रव्याजको रकम पनि असुल उपर भएको हुँदैन । यस्तो अवस्थामा उक्त प्रव्याजको रकमलाई सेयर जफत गर्दाको भौचरमा डेविटमा प्रविष्टि गरिन्छ । जसलाई यसप्रकार प्रस्तुत गर्न सकिन्छ :

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c Dr.		xxx	
	Share premium A/c Dr.		xxx	
	To Calls in arrear A/c			xxx
	To Share forfeiture A/c			xxx
	(Being forfeiture of shares for non payment of money)			

Illustration - 20 X Company Ltd. issued 20000 shares of Rs.10 each at 20% premium payable as follows:

On application	Rs.2
On allotment	Rs.4
On first call	Rs.2
On Final call	Rs.4

Mr. Mahesh who was holding 500 shares did not pay his allotment first call and final call his shares were forfeited.

Required: Journalize transaction relating to forfeiture of shares.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (500 × 10) Dr.		5,000	
	Share premium A/c (500 × 2) Dr.		1,000	
	To Call in arrear A/c (500 × 10)			5,000
	To Share forfeiture A/c (500 × 2)			1,000
	(Being share forfeiture for non payment of allotment and calls money)			

Illustration - 21 A Company forfeited 800 shares which were issued @ Rs.100 each at 15% premium for non payment of allotment and calls Rs.80 per share. The amount of premium includes in allotment. Pass the journal entries.

Solution: Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (800 × 100) Dr.		80,000	
	Share premium A/c (800 × 15) Dr.		12,000	
	To Calls in arrear A/c (800 × 80)			64,000
	To Share forfeiture A/c (800 × 35)			28,000
	(Being 800 shares are forfeited for non payment of allotment and calls Rs.80)			

Illustration - 22 A Company forfeited 800 shares which were issued of Rs.100 each at 15% premium (Rs.90 called up) on which the shareholder has failed to pay allotment money of Rs.45 per share (including premium) and first call Rs.10 per share and final call Rs.25 is not called. Pass the journal entry for forfeiture of shares.

Solution:

Journal entries				
Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (800 × 75) Dr.		60,000	
	Share premium A/c (800 × 15) Dr.		12,000	
	To Calls in arrear A/c (800 × 55)			44,000
	To Share forfeiture A/c (800 × 35)			28,000
	(Being 800 shares are forfeited on which Rs.90 called up for non payment of allotment and calls)			

३. छुटमा निष्कासन गरिएको सेयरको जफत (Forfeiture of shares issued at discount):

कम्पनीले छुटमा निष्कासन गरिएको सेयरलाई जफत गर्दाखेरीमा छुटको रकमलाई भौचरको क्रेडिटतर्फ प्रविष्टि गर्नुपर्छ। सेयर छुटको रकमलाई क्रेडिटमा प्रविष्टि गर्नुको अर्थ सेयरको छुट रकम बढेर हुन्छ। छुटमा निष्कासन गरिएको सेयरको जफत गर्दाको भौचर यस प्रकार हुन्छ-

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (No. of shares forfeited × called up money per share) Dr.		xxx	
	To Discount on issue of shares A/c (No. of shares forfeited × discount per share)			xxx
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
	(Being forfeiture of shares for non payment of money)			

Illustration - 23 A Company forfeited 1,200 shares which were issued @ Rs.100 each at 15% discount fully called up for non payment of first and final call Rs.35 each. Pass the journal entry for forfeiture of shares.

Solution:

Journal entries				
Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (1,200 × 100) Dr.		1,20,000	
	To Discount on issue of shares A/c (1,200 × 15)			18,000
	To Calls in arrear A/c (1,200 × 35)			42,000
	To Share forfeiture A/c (1,200 × 50)			60,000
	(Being 1,200 shares are forfeited for non payment of first and final call Rs.35)			

Illustration - 24 A Company forfeited 1,200 shares of Rs.100 each issued at a discount of 10% for non payment of first and final call Rs.20. The second and final call Rs.30 has not been called.

Solution:

Journal entries				
Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	Share capital A/c (1,200 × 70) Dr.		84,000	
	To Discount on issue of shares A/c (1,200 × 10)			12,000
	To Calls in arrears A/c (1,200 × 20)			24,000
	To Share forfeiture A/c (1,200 × 40)			48,000
	(Being 1,200 shares were forfeited for the non payment of first call)			

जफत गरिएको सेयरको पुनः निष्कासन (Re-issue of forfeited shares)

कम्पनीले जफत गरेको सेयरलाई उपयुक्त समयमा पुनः निष्कासन गर्छ। पुनः निष्कासन गर्दा कम्पनीले सेयरलाई अङ्कित मूल्यमा वा छुटमा वा प्रव्याजमा निष्कासन गर्न सक्छ। सेयर पुनः निष्कासन गर्दाको छुटलाई सेयर जफत खाताले प्रतिनिधित्व गर्छ र यो भौचरको डेबिटतर्फ हुन्छ। पुनः निष्कासन गर्दाको छुटको रकम जफत गरिएको रकमभन्दा बढी हुनुहुँदैन।

पुनः निष्कासन गर्दा निम्नलिखित कुराहरूमा ध्यान दिनुपर्दछ-

- पुनः निष्कासन गर्दाको छुटको रकम सेयरको जफतबाट प्राप्त भएको रकमभन्दा बढी हुनुहुँदैन,
- यदि पुनः निष्कासन गर्दाको छुटको रकम जफत गर्दाको रकमभन्दा कम भएमा उक्त रकम कम्पनीका लागि नाफा हुन्छ र यसलाई पुँजीगत सञ्चिति खातामा सारिन्छ।

- ग) पुनः निष्कासन गर्नुभन्दा पहिला सेयर जफत गर्दाको रकमलाई वासलातको दायित्वमा सेयर पुँजी शीर्षकमा समावेश गरिन्छ ।
- घ) यदि पूरै जफत गरिएको सेयर पुनः निष्कासन नगरिएमा निष्कासन गरिएको सेयरको भागमा पर्ने रकम बराबरको जफत गर्दाको नाफालाई पुँजीगत सञ्चितीमा सार्ने ।
- ङ) सेयर पुनः निष्कासन गर्दाको नोक्सानलाई सेयर जफत खातामा सारिन्छ ।
- च) यदि सेयरको पुनः निष्कासन गर्दा अङ्कित मूल्यभन्दा बढीमा निष्कासन गरियो भने उक्त बढी रकमलाई सेयरको प्रव्याज खातामा सार्ने ।
- छ) यदि सेयरलाई पुनः निष्कासन गर्दा अङ्कित मूल्यभन्दा बढीमा निष्कासन गरियो भने बढीमा निष्कासन गरिएको रकमलाई प्रव्याज खातामा छुट्टै नराखीकन सेयर जफत खातामा प्रविष्टि गर्न पनि सकिन्छ ।
- ज) यदि सेयर पहिला नै छुट्टैमा निष्कासन गरिएको र जफत गरेर पुनः निष्कासन गर्दा पनि पहिलाको भन्दा अझ बढी छुट्टैमा निष्कासन गरियो भने, पहिलाको छुट्टैलाई सेयर छुट खातामा राख्ने र अतिरिक्त छुट्टैलाई छुट्टै सेयर जफत भनेर प्रविष्टि गर्ने ।
- झ) यदि सेयर प्रव्याज रकम पहिले नै उठाइ सकिएको छ भने जफत गरेर पुनः निष्कासन गर्दा सेयर प्रव्याजको रकम भौचरमा देखाउनु पर्दैन, तर सेयर पुनः निष्कासन गर्दा अङ्कित मूल्यभन्दा बढीमा निष्कासन गरेको छ भने सेयर प्रव्याजको रकम क्रेडिटतर्फ छुट्टै खातामा प्रविष्टि गर्ने ।
- ञ) यदि सेयर प्रव्याजको रकम पहिले नै असुलउपर गरिएको छैन भने उक्त प्रव्याजको रकमलाई सेयर जफत गर्दा र पुनः निष्कासन गर्दा भौचरमा देखाउनु पर्दछ ।

Journal entries for Re-issue

Conditions	Entries	
1. Issued at par, forfeiture and reissued at par.	Bank A/c To Share capital A/c	Dr.
2. Issued at par, forfeiture and reissued at premium	Bank A/c To Share capital A/c To Share premium A/c	Dr.
3. Issued at par, forfeiture and reissued at discount.	Bank A/c Share forfeiture A/c To Share capital A/c	Dr. Dr.
4. Issued at discount, forfeiture and reissued at par.	Bank A/c To Share capital A/c	Dr.
5. Issued at discount, forfeiture and reissued at premium	Bank A/c To Share capital A/c To Share premium A/c	Dr.
6. Issued at discount, forfeiture and reissued at extra discount	Bank A/c Share discount A/c Share forfeiture A/c To Share capital A/c	Dr. Dr. Dr.
7. Issued at premium:		
a) The amount of premium had been collected:		
i) Re-issued at par	Bank A/c To Share capital A/c	Dr.
ii) Re-issue at premium	Bank A/c To Share capital A/c To Share premium A/c	Dr.
iii) Re-issued at discount	Bank A/c Share forfeiture A/c To Share capital A/c	Dr. Dr.
b) The amount at premium had not been collected		
i) Re-issued at par	Bank A/c Share forfeiture A/c To Share capital A/c To Share premium A/c	Dr. Dr.
ii) Reissued at discount	Bank A/c Share forfeiture A/c To Share capital A/c To Share premium A/c	Dr. Dr.
iii) Reissued at premium as equal to original premium	Bank A/c To Share capital A/c To Share premium A/c	Dr.

सेयर जफत गर्दाको नाफाको रकमलाई पुँजीगत सञ्चिती खातामा सारिन्छ र यो पुँजीगत सञ्चितीलाई वासलातको दायित्वतर्फ सेयर पुँजी शीर्षकमा समावेश गरिन्छ ।

Accounting treatments for re-issue of forfeited shares

1) Re-issue of forfeited shares at par which were originally issued also at par:

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(i)	When shares are forfeited:			
	Share capital A/c (No. of shares forfeited × called up money per share) Dr.		xxx	
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
(ii)	When forfeited shares are re-issued:			
	Bank A/c Dr.		xxx	
	To Share capital A/c			xxx
(iii)	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c Dr.		xxx	
	To Capital reserve A/c			xxx

Illustration – 25 A Company forfeited 300 shares of Rs.100 each fully called up on which the shareholder has failed to pay final call of Rs.30 per share. These shares were re-issued for Rs.100 each fully paid.

Required: Entries for: (a) Forfeiture (b) Re-issue (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(a)	When shares are forfeited:			
	Share capital A/c (300 × 100) Dr.		30,000	
	To Calls in arrears A/c (300 × 30)			9,000
	To Share forfeiture A/c (300 × 70)			21,000
	(Being 300 shares were forfeited for the non payment of allotment and calls)			
(b)	When forfeited shares are re-issued:			
	Bank A/c (300 × 100) Dr.		30,000	
	To Share capital A/c (300 × 100)			30,000
	(Being 300 forfeited shares were re-issued @ Rs.100 each)			
(c)	When profit on re-issue of forfeited shares transferred to capital reserve A/c:			
	Share forfeiture A/c Dr.		21,000	
	To Capital reserve A/c			21,000
	(Being profit on re-issue of forfeited shares transferred to capital reserve A/c)			

2) Re-issue of shares at discount, which were originally issued at par:

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(i)	When shares are forfeited:			
	Share capital A/c (No. of shares forfeited × called up money per share) Dr.		xxx	
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
(ii)	When forfeited shares are re-issued:			
	Bank A/c Dr.		xxx	
	Share forfeiture A/c (Discount allowed at the time of re-issue/Extra benefit given) Dr.		xxx	
	To Share capital A/c			xxx
(iii)	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c Dr.		xxx	
	To Capital reserve A/c			xxx

Illustration – 26 A Company forfeited 500 shares of Rs.100 each fully called up on which a shareholder has failed to pay allotment of Rs.30 per share and Rs.20 per share on first and final call. These shares were re-issued for Rs.85 each fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(a)	Share capital A/c (500 × 100) Dr.		50,000	
	To Calls in arrears A/c (500 × 50)			25,000
	To Share forfeiture A/c (500 × 50)			25,000
	(Being 500 shares were forfeited for the non payment of allotment and call)			

(b)	Bank A/c (500 × 85)	Dr.	42,500	
	Share forfeiture A/c (500 × 15) (Extra benefit given)	Dr.	7,500	
	To Share capital A/c (500 × 100)			50,000
	(Being 500 forfeited shares were re-issued at @ Rs.85 each fully paid)			
(c)	Share forfeiture A/c (35 × 500)	Dr.	17,500	
	To Capital reserve A/c			17,500
	(Being profit on re-issue of forfeited shares transferred to Capital reserve A/c)			

Illustration - 27 A Company forfeited 500 shares of Rs.100 each fully called up on which a shareholder has failed to pay allotment of Rs.30 per share and Rs.20 per share on first and final call. Out of forfeited shares, only 300 shares were re-issued for Rs.85 each fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(a)	Share capital A/c (500 × 100)			
	To Calls in arrears A/c (500 × 50)	Dr.	50,000	
	To Share forfeiture A/c (500 × 50)			25,000
	(Being 500 shares were forfeited for the non payment of allotment and call)			25,000
(b)	Bank A/c (300 × 85)	Dr.	25,500	
	Share forfeiture A/c (300 × 15) (Extra benefit given)	Dr.	4,500	
	To Share capital A/c (300 × 100)			30,000
	(Being 300 forfeited shares were re-issued at @ Rs.85 each fully paid)			
(c)	Share forfeiture A/c (35 × 300)	Dr.	10,500	
	To Capital reserve A/c			10,500
	(Being profit on re-issue of forfeited shares transferred to Capital reserve A/c)			

3) If the forfeited shares are re-issued at premium, which were originally issued at par:

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(i)	When shares are forfeited:			
	Share capital A/c (No. of shares forfeited × called up money per share)	Dr.	xxx	
	To Calls in arrear A/c (No. of shares forfeited × arrear per share)			xxx
	To Share forfeiture A/c (No. of shares forfeited × paid up money per share)			xxx
(ii)	When forfeited shares are re-issued:			
	Bank A/c	Dr.	xxx	
	To Share capital A/c			xxx
	To Share premium			xxx
(iii)	When profit on re-issue of forfeited shares transferred to capital reserve A/c:			
	Share forfeiture A/c	Dr.	xxx	
	To Capital reserve A/c			xxx

Illustration - 28 A Company forfeited 1,000 shares which were issued at Rs.100 each at par for non-payment of final call of Rs.30 per share. These shares were re-issued at Rs.110 per share fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(a)	When shares are forfeited:			
	Share capital A/c (1000 × 100)	Dr.	1,00,000	
	To Calls in arrears A/c (1000 × 30)			30,000
	To Share forfeiture A/c (1000 × 70)			70,000
	(Being 1,000 shares were forfeited for the non payment of final call)			
(b)	When forfeited shares are re-issued:			
	Bank A/c (1000 × 110)	Dr.	1,10,000	
	To Share capital A/c (1000 × 100)			1,00,000
	To Share premium A/c (1000 × 10)			10,000
	(Being forfeited shares are re-issued @ Rs.110 each)			
(c)	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c	Dr.	70,000	
	To Capital reserve A/c			70,000
	(Being profit on re-issue of forfeiture shares transferred to capital reserve account)			

Illustration - 29 A Company forfeited 1,000 shares which were issued at Rs.100 each at par for non-payment of final call of Rs.30 each. Out of these, only 400 shares were re-issued at Rs.110 per share fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
(a)	When shares are forfeited: Share capital A/c (1000 × 100) Dr. 1,00,000 To Calls in arrears A/c (1000 × 30) 30,000 To Share forfeiture A/c (1000 × 70) 70,000 (Being 1000 shares were forfeited for the non payment of final call)			
(b)	When forfeited shares are re-issued: Bank A/c (400 × 110) Dr. 44,000 To Share capital A/c (400 × 100) 40,000 To Share premium A/c (400 × 10) 4,000 (Being 400 forfeited shares are re-issued @ Rs.110 each)			
(c)	When profit on re-issue of forfeited shares transferred to Capital reserve A/c: Share forfeiture A/c (400 × 70) Dr. 28,000 To Capital reserve A/c 28,000 (Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

Illustration - 30 X Company Ltd. forfeited 200 shares of Rs.10 issued at par held by Mr. R for non-payment of first call Rs.2 and final call Rs.3 per share. These shares were re-issued to Mr. G at Rs.10 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	When shares are forfeited: Share capital A/c (200 × 10) Dr. 2,000 To Calls in arrears A/c (200 × 5) 1,000 To Share forfeiture A/c (200 × 5) 1,000 (Being 200 shares were forfeited for the non payment of calls money)			
b.	When forfeited shares are re-issued: Bank A/c (200 × 10) Dr. 2,000 To Share capital A/c (200 × 10) 2,000 (Being 200 forfeited shares are re-issued @ Rs.10 each)			
c.	When profit on re-issue of forfeited shares transferred to Capital reserve A/c: Share forfeiture A/c Dr. 1,000 To Capital reserve A/c 1,000 (Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

Illustration - 31 Y Company Ltd. forfeited 500 shares of Rs.100 issued at par for nonpayment of allotment and calls money Rs.60 per share. These shares were reissued at Rs.90 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	When shares are forfeited: Share capital A/c (500 × 100) Dr. 50,000 To Calls in arrears A/c (500 × 60) 30,000 To Share forfeiture A/c (500 × 40) 20,000 (Being 500 shares were forfeited for the nonpayment of allotment and calls money)			
b.	When forfeited shares are re-issued: Bank A/c (500 × 90) Dr. 45,000 Share forfeiture A/c (500 × 10) Dr. 5,000 To Share capital A/c (500 × 100) 50,000 (Being 500 forfeited shares are re-issued @ Rs.90 each)			
c.	When profit on re-issue of forfeited shares transferred to Capital reserve A/c: Share forfeiture A/c Dr. 15,000 To Capital reserve A/c 15,000 (Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

Illustration - 32 A Company Ltd. forfeited 2000 shares of Rs.100 issued at 10% discount for nonpayment of first and final call Rs.20 per shares. These shares were reissued at Rs.70 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	When shares are forfeited:			
	Share capital A/c (2000 × 100) Dr.		2,00,000	
	To Share discount A/c (2000 × 10)			20,000
	To Calls in arrears A/c (2000 × 20)			40,000
	To Share forfeiture A/c (2000 × 70)			1,40,000
	(Being 2000 shares were forfeited for the nonpayment of calls money)			
b.	When forfeited shares are re-issued:			
	Bank A/c (2000 × 70) Dr.		1,40,000	
	Share discount A/c (2000 × 10) Dr.		20,000	
	Share forfeiture A/c (2000 × 20) Dr.		40,000	
	To Share capital A/c (2000 × 100)			2,00,000
	(Being 2000 forfeited shares are re-issued @ Rs.70 each)			
c.	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c Dr.		1,00,000	
	To Capital reserve A/c			1,00,000
	(Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

Illustration - 33 B Company Ltd. forfeited 300 shares of Rs.50 issued at 10% premium for nonpayment of first and final call Rs.10 per shares. These shares were reissued at Rs.40 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	When shares are forfeited:			
	Share capital A/c (300 × 50) Dr.		15,000	
	To Calls in arrears A/c (300 × 10)			3,000
	To Share forfeiture A/c (300 × 40)			12,000
	(Being 300 shares were forfeited for the nonpayment of calls money)			
b.	When forfeited shares are re-issued:			
	Bank A/c (300 × 40) Dr.		12,000	
	Share forfeiture A/c (300 × 10) Dr.		3,000	
	To Share capital A/c (300 × 50)			15,000
	(Being 300 forfeited shares are re-issued @ Rs.40 each)			
c.	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c Dr.		9,000	
	To Capital reserve A/c			9,000
	(Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

Illustration - 34 S Company Ltd. forfeited 400 shares of Rs.10 issued at 20% premium for nonpayment of allotment and calls Rs.7 per shares. These shares were reissued at Rs.9 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	When shares are forfeited:			
	Share capital A/c (400 × 10) Dr.		4,000	
	Share premium A/c (400 × 2) Dr.		800	
	To Calls in arrears A/c (400 × 7)			2,800
	To Share forfeiture A/c (400 × 5)			2,000
	(Being 400 shares were forfeited for the nonpayment of allotment and calls)			
b.	When forfeited shares are re-issued:			
	Bank A/c (400 × 9) Dr.		3,600	
	Share forfeiture A/c (400 × 3) Dr.		1,200	
	To Share capital A/c (400 × 10)			4,000
	To Share premium A/c (400 × 2)			800
	(Being 400 forfeited shares are re-issued @ Rs.9 each)			
c.	When profit on re-issue of forfeited shares transferred to Capital reserve A/c:			
	Share forfeiture A/c Dr.		9,000	
	To Capital reserve A/c			9,000
	(Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)			

जफत गरिएको सेयर पूर्ण रूपमा निष्कासन नगरिएको (When all forfeited shares are not reissued)

यदि जफत गरिएको सबै सेयर पुनः जारी नगरी केही अंश मात्र पुनः निष्कासन गरिएको छ भने उक्त पुनः निष्कासन गरिएको सेयरको भागमा पर्ने जति नाफालाई मात्रै पुँजीगत सञ्चिती खातामा सारिन्छ । पुनः निष्कासन नगरिएको सेयरको भागमा परेको जफत गर्दाको रकमलाई सेयर जफत खातामा राखिन्छ र यसलाई वासलातको दायित्वतर्फको सेयर पुँजी शीर्षकमा समावेश गरिन्छ ।

Illustration - 35 M Company Ltd. forfeited 600 shares of Rs.100 each issued at 10% discount for non-payment of allotment and calls money Rs.60 per share. Out of these 400 shares were re-issued at Rs.85 per share as fully paid.

Required: Journal for: (a) Forfeiture (b) Re-issue and (c) Transfer

Solution:

Date		Particulars		LF	Debit (Rs.)	Credit (Rs.)
a.		When shares are forfeited:				
		Share capital A/c (600 × 100)	Dr.		60,000	
		To Share discount A/c (600 × 10)				6,000
		To Calls in arrears A/c (600 × 60)				36,000
		To Share forfeiture A/c (600 × 30)				18,000
		(Being 600 shares were forfeited for the nonpayment of allotment and calls)				
b.		When forfeited shares are re-issued:				
		Bank A/c (400 × 85)	Dr.		34,000	
		Share discount A/c (400 × 10)	Dr.		4,000	
		Share forfeiture A/c (400 × 5)	Dr.		2,000	
		To Share capital A/c (400 × 100)				40,000
		(Being 400 forfeited shares are re-issued @ Rs.85 each)				
c.		When profit on re-issue of forfeited shares transferred to Capital reserve A/c:				
		Share forfeiture A/c	Dr.		10,000	
		To Capital reserve A/c				10,000
		(Being profit on re-issue of forfeiture shares transferred to capital reserve A/c)				

अधिक आवेदन तथा समानुपातिक बाँडफाँडका सेयरको जफत

(Forfeiture of shares when there is an over-subscription & pro.rata allotment)

नाम चलेका कम्पनीहरूमा जारी गरिएको पुँजीभन्दा बढीमा सेयरको आवेदन पर्न सक्छ भन्ने विषयमा पहिला नै विस्तृत रूपमा व्याख्या गरिसकिएको छ । बढी आवेदन प्राप्त भएको खण्डमा कम्पनीले केही आवेदनहरू पूर्ण रूपमा अस्वीकृत गरिदिन्छ भने केही आवेदनहरूलाई समानुपातिक दरमा सेयरको वितरण गर्छ । समानुपातिक दरमा वितरण गरिएका सेयरहरूले निश्चित समयमा कुनै किस्ता जस्तै : सेयरको बाँडफाँड गर्दाको किस्ता वा कुनै मागहरूको रकम बुझाउन नसकिएमा उक्त सेयरहरूको रकम जफत गर्नुपर्ने हुन्छ । अधिक आवेदन तथा समानुपाति बाँडफाँडका सेयरको रकम जफत गर्दा निम्नलिखित प्रक्रिया पुरा गर्नुपर्छ :

- समानुपातिक दरका सेयरको बाँडफाँड गरिएको सेयरको सङ्ख्या निर्धारण गर्ने,
- बाँडफाँड गरिएको सेयरलाई आवेदनमा उल्लेख भएको दरले गुणन गर्ने,
- समानुपातिक दरमा वितरण गरिएको सेयरको जम्मा रकम निर्धारण गर्ने र उक्त रकमलाई बाँडफाँड गरिएको सेयरको सङ्ख्याले भाग गर्ने र आवेदनमा बढी हुन आएको रकमलाई त्यसपछिका किस्ताहरू बाँडफाँड र मागहरूमा समायोजन गर्ने,
- सेयरको बाँडफाँडको रकम निर्धारण गर्ने र त्यसमा आवेदनमा बढी भएको रकमलाई घटाएर बक्यौता रकमको निर्धारण गर्ने र यो बक्यौता रकमलाई भौचरको डेबिटतर्फ प्रविष्टि गर्ने ।

Illustration - 36 Khwopa Ltd. had allotted 5000 shares to the applicants for 7000 shares on a pro.rata basis. The amount payable was Rs.2 on application, Rs.5 on allotment (including premium of Rs.2 each), Rs.3 on first call and Rs.2 on final call. Narayan failed to pay the first and final call on his 300 shares. All shares are forfeited and out of them 200 shares were re-issued @ Rs.9 per share. Give the accounting entries and also state the amount to be credited to capital reserve.

Required: Journal entries

2000

Solution:

Journal entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share application A/c (Being share application money received on 7000 shares of Rs.2)	Dr.	14,000	14,000
b.	Share application A/c To Share capital A/c (5000 × 2) To Share allotment A/c (5000 × 0.8) (Being shares application money transferred)	Dr.	14,000	10,000 4,000
c.	Share allotment A/c To Share capital A/c To Share premium A/c (Being share allotment money due on 5000 share of Rs.5 with premium Rs.2)	Dr.	25,000	15,000 10,000
	Bank A/c To Share allotment A/c (25,000 – 4,000) (Being share allotment money received after adjustment of share application money)	Dr.	21,000	21,000
	Share first call A/c To Share capital A/c (Being share first call money due on 5000 share of Rs.3)	Dr.	15,000	15,000
	Bank A/c Calls in arrears A/c (300 × 3) To Share first call A/c (Being share first call money received except 300 shares)	Dr. Dr.	14,100 900	15,000
	Share final call A/c To Share capital A/c (Being share final call money due on 5000 share of Rs.2)	Dr.	10,000	10,000
	Bank A/c Calls in arrears A/c (300 × 2) To Share final call A/c (Being share final call money received except 300 shares)	Dr. Dr.	9,400 600	10,000
	Forfeiture: Share capital A/c (300 × 10) To Calls in arrears A/c (300 × 5) To Share forfeiture A/c (300 × 5) (Being share forfeiture for non payment of first and final call money)	Dr.	3,000	1,500 1,500
	Re-issue: Bank A/c (200 × 9) Share forfeiture A/c (200 × 1) To Share capital A/c (200 × 10) (Being forfeited shares re-issued at Rs.9 per share)	Dr. Dr.	1,800 200	2,000
	Transfer: Share forfeiture A/c To Capital reserve A/c (Being gain on share forfeiture transfer to capital reserve)	Dr.	800	800

Working Note:

Applied Allotted
7000 5000

Revise application rate for pro.rata group

$$= \frac{\text{No. of shares applied} \times \text{Application rate}}{\text{No. of shares allotted}} = \frac{7000 \times 2}{5000} = \text{Rs.2.8}$$

Distribution of excess rate Rs.2.8

Application Rs.2

Allotment Rs.0.8

सेयरको अभिगोपन (Share Underwriting)

अभिगोपन भन्नाले कम्पनीले जारी गरेको सेयर तथा ऋणपत्र बिक्री गर्ने पूर्ण रूपमा जिम्मेवारी लिने कार्यलाई अभिगोपन भनिन्छ । धेरै नाम नचलेका कम्पनीहरूले सर्वसाधारणलाई सेयर निष्कासन गर्दा सेयर बिक्री नहुने सम्भावना हुने भएकाले त्यस्ता कम्पनीहरूका लागि अभिगोपन कार्य धेरै उपयोगी हुन्छ । यदि सम्पूर्ण रूपमा सेयरहरूको बिक्री नभएमा यी अभिगोपनकर्ताहरूले बिक्री नभएका सेयरहरू उनीहरूले नै खरिद गर्दछन् । अभिगोपन कार्य गरेबापत अभिगोपनकर्ताहरूले निश्चित दरमा कमिसन लिन्छन् । उक्त कमिसन निर्धारण गर्दा बिक्री भएको सेयरलाई निश्चित दरले गुणन गरी बिक्री मूल्यबाट निर्धारण गरिन्छ ।

अभिगोपनकर्तालाई सेयर निष्कासन (Issue of shares to underwriters)

अभिगोपन कार्य गरेबापत अभिगोपनकर्तालाई कमिसन प्रदान गरिन्छ । कमिसन नगदका साथै सेयरबाट पनि दिन सकिन्छ । यदि अभिगोपनकर्तालाई सेयर जारी गरेर कमिसन प्रदान गरिएको अवस्थामा निम्नलिखित भौचर तयार पारिन्छ ।

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Underwriting commission A/c To underwriter A/c (For Underwriting commission @.....% allowed to the underwriter)	Dr.	xxx	xxx
b.	Underwriter A/c To Equity share capital A/c (For Issue of Shares Rs..... each as fully paid to the underwriter)	Dr.	xxx	xxx

Illustration - 37 A Company offered 100000 shares of Rs.10 each for public subscription. Mr. X the whole shares at 2% commission, public subscribed only 80000 shares which are paid in full. Mr. X takes up the remaining 20000 shares and settles their account.

Required: Journal entries

Solution:

Journal Entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share capital A/c (For 80,000 shares are subscribed and paid in full)	Dr.	8,00,000	8,00,000
b.	X's A/c To Share capital A/c (For Unsubscribed 20,000 shares @10 each taken over by Mr. X)	Dr.	2,00,000	2,00,000
c.	Bank A/c Underwriting commission A/c To X's A/c (For amount of shares received charging @ 2% commission on issue price of shares)	Dr. Dr.	1,96,000 4,000	2,00,000

दलाली (Brokerage)

कुनै व्यक्ति वा संस्थाले अरू कम्पनीहरूको सेयर तथा ऋणपत्र बेचे र त्यसको बदलामा कमिसन लिने गरी जुन काम गरिन्छ त्यसलाई दलाली भनिन्छ । दलालहरूले सेयर तथा ऋणपत्र बेचेबापत कमिसन लिन्छन् । उक्त कमिसनको दर दुई पक्षबीचको समझदारीबाट निर्धारण गरिन्छ । दलाली दस्तुर एक प्रकारको पुँजीगत नोक्सानी हो, त्यसकारण यसलाई वासलातको सम्पत्तितर्फ प्रविष्टि गरिन्छ ।

संस्थापक/प्रबन्धकहरूलाई सेयर निष्कासन (Issue of shares to promoters)

संस्थापक/प्रबन्धक भनेको कुनै एक व्यक्ति वा व्यक्तिहरूको समूह हो, जसले कम्पनीलाई जन्म दिन्छ त्यसकारण प्रबन्धकहरूलाई केही पारिश्रमिक दिनुपर्ने दायित्व हुन्छ । उक्त पारिश्रमिक नगदको रूपमा वा सेयर जारी गरेर दिन सकिन्छ । यदि सेयर जारी गरेर प्रबन्धकहरूलाई पारिश्रमिक दिइयो भने निम्नप्रकारको भौचर तयार पारिन्छ-

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
b.	Goodwill A/c To Share capital A/c (Being issue of shares of Rs..... each to promoter for their remuneration)	Dr.	xxx	xxx

Illustration - 38 Bhaktapur Finance Ltd. has issued 3000 equity shares of Rs.100 each to the promoters for their service.

Required: Journal entries

Solution:

Journal Entries

Date	Particulars	LF	Debit (Rs.)	Credit (Rs.)
b.	Goodwill A/c To Share capital A/c (Being issue of 3000 shares of Rs.100 each to promoter for their remuneration)	Dr.	3,00,000	3,00,000

नगदबाहेक अन्यका लागि सेयरको निष्कासन (Issue of shares in consideration for other than cash)

कम्पनीको स्थापना हुँदा अहिले सञ्चालनमा रहेका साभेदारी व्यवसाय वा कम्पनीको खरिद गरी वा पूर्ण रूपमा नयाँ कम्पनीको रूपमा स्थापना हुन सक्छ । कम्पनी सञ्चालनको क्रममा यसले बारम्बार विभिन्न सम्पत्तिहरू खरिद गर्दै जान्छ । ती सम्पत्तिहरू विभिन्न व्यवसायिक सङ्गठनहरूबाट पनि खरिद गर्दछ । सार्वजनिक कम्पनीहरूले सम्पत्ति वा व्यवसाय खरिद गरी भुक्तानी गर्दा नगदमा तथा सेयरबाट गर्न सक्छ । अथवा कम्पनीले घरजग्गा, फर्निचर, मेसिनरीहरूसँग सेयरको साटफेर गर्न सक्छ ।

जब कम्पनीले सम्पत्तिहरू खरिद गर्न सेयर जारी गर्छ भने यसलाई सम्पत्ति खरिद गर्नका लागि जारी गरेको सेयर भनिन्छ । यदि कम्पनीले अरू कम्पनीको पूरा सम्पत्ति तथा दायित्व खरिद गर्नका लागि सेयर जारी गरेको छ भने यसलाई व्यवसाय खरिद गर्नका लागि सेयर निष्कासन गरिएको भनिन्छ ।

व्यवसाय खरिद तथा सम्पत्ति खरिदसँग सम्बन्धित सेयरको निष्कासन (In connection with issue of shares for assets purchase or business purchase)

१. खरिदमूल्यको निर्धारण (Determination of purchase price/ purchase consideration)

- क) एकमुष्ट भुक्तानी विधि (Lump-sum method): एकमुष्ट भुक्तानी विधिबाट खरिद मूल्य निर्धारण गर्दा सामान्यतया खरिदमूल्य प्रश्नमा नै खरिदमूल्य निर्धारण गरी दिइएको हुन्छ ।
- ख) खुद भुक्तानी विधि (Net payment method): यस विधिबाट खरिदमूल्य निर्धारण गर्दा निष्कासन गरिएको सेयरलाई सेयरको मूल्यले गुणन गरिन्छ । सेयरको मूल्य कहिले अङ्कित मूल्य हुन्छ भने कहिले छुटमा तथा प्रव्याजमा हुने गर्छ ।
- i) Purchase consideration = No. of shares issue to vendor company × Par value
- ii) Purchase consideration = No. of shares issue to vendor company × (Par value + Premium)
- iii) Purchase consideration = No. of shares issued to vendor company × (Par value - Discount)
- ग) खुद सम्पत्ति विधि (Net assets method): यस विधिबाट खरिदमूल्य निर्धारण गर्दा निम्नलिखित समीकरण निर्माण गरिन्छ-

$$\text{Purchase consideration} = \text{Assets taken over} - \text{Liability taken over} + \text{Goodwill}$$

२. सहमतिको आधारमा निर्धारण गरिएको खरिदमूल्यमा सेयरको सङ्ख्या निर्धारण गर्ने (Determination of number of shares to be issued to pay the agreed purchase consideration)

खरिद मूल्य प्रश्नमा नै दिइएको अवस्थामा, सेयरको सङ्ख्या निर्धारण गर्नुपर्ने हुन्छ । जुन यस प्रकार निर्धारण गरिन्छ-

$$\text{Number of shares} = \frac{\text{(Purchase consideration)}}{\text{(Par value of shares + premium - discount)}}$$

३. सम्पत्ति तथा दायित्वको पहिचान गरी भौचर उठाउने (Identifying assets and liability taken by purchasing company)

भौचर बनाउनुभन्दा पहिले सम्पत्ति र दायित्व पहिचान गर्नुपर्छ । सम्पत्तिहरूलाई भौचरको डेबिटतर्फ प्रविष्टि गरिन्छ भने दायित्व तथा खरिदमूल्यलाई क्रेडिटतर्फ प्रविष्टि गरिन्छ । यदि डेबिटतर्फ रकम अपूग भएमा ख्याति (Goodwill) ले प्रतिनिधित्व गर्छ भने क्रेडिटतर्फ अपूग भएमा पुँजीगत सञ्चिती (Capital reserve) खातामा अपुग रकमको प्रविष्टि गर्ने । यसको भौचर तल दिइएको अनुसार तयार पारिन्छ :

सम्पत्ति तथा व्यवसाय खरिद गर्दाको अवस्थाहरू (Condition of business purchase)

- क) सम्पत्ति मात्र खरिद गर्दाको अवस्थामा (When assets purchased only)

In the book of purchasing Company
Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
	For Assets taken over (If credit side > Debit side):			
	Sundry Assets A/c	Dr.	xxx	
	Goodwill A/c	Dr.	xxx	
	To Vendor A/c			xxx
	[Being assets taken over]			
	For Assets taken over (If credit side < Debit side):			
	Sundry Assets A/c	Dr.	xxx	
	To Vendor A/c			xxx
	To Capital reserve A/c			xxx
	[Being assets taken over]			
	For Assets taken over (If credit side = Debit side):			
	Sundry Assets A/c	Dr.	xxx	
	To Vendor A/c			xxx
	[Being assets taken over]			
	For Paid to vendor:			
	Vendor A/c	Dr.	xxx	
	Share discount A/c (If any)	Dr.	xxx	
	To Share capital A/c			xxx
	To Share premium A/c (If any)			xxx
	To Bank A/c			xxx
	[For Paid to vendor by issuing shares and balance in cash if any]			

ख) व्यवसाय वा सम्पत्ति तथा दायित्व खरिद गर्दाको अवस्थामा (When Business purchased or assets and liabilities taken over)

In the book of purchasing Company
Journal entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
1.	For assets and liability taken over:			
	Sundry assets A/c	Dr.	xxx	
	Goodwill A/c	Dr.	xxx	
	To Sundry liability A/c			xxx
	To Vendor A/c			xxx
	[For Business taken over]			
	<u>OR</u>			
	Sundry assets A/c	Dr.	xxx	
	To Sundry liability A/c			xxx
	To Vendor A/c			xxx
	To Capital reserve A/c			xxx
	[For Business taken over]			
2.	For Paid to vendor:			
	Vendor A/c	Dr.	xxx	
	Share discount A/c	Dr.	xxx	
	To Share capital A/c			xxx
	To Share premium A/c			xxx
	To Bank A/c			xxx
	[For Paid to vendor by issuing shares and balance in cash if any]			
3.	For Issue of shares on cash:			
	Bank A/c	Dr.	xxx	
	Share discount A/c	Dr.	xxx	
	To Share capital A/c			xxx
	To Share premium A/c			xxx
	[For Issue of shares on cash]			

Illustration - 39 A Company Limited issued 5000 equity shares of Rs.100 each to purchase the business of Z Company Ltd. The assets and liabilities are as follows:

Fixed assets	Rs.4,00,000
Current assets	Rs.3,00,000
Current liabilities	Rs.1,50,000

The Company also issued 3000 shares of Rs.100 each with 10% discount.

Required: Journal entries

Solution:

Journal Entries

S. No.	Particulars	LF	Debit (Rs.)	Credit (Rs.)
1.	For assets and liability taken over:			
	Fixed Assets A/c	Dr.	4,00,000	
	Current Assets A/c	Dr.	3,00,000	
	To Capital reserve A/c			50,000
	To Current liability A/c			1,50,000
	To Vendor A/c (Z Company Ltd.)			5,00,000
	[For Assets and liability taken over]			
2.	For payment made to Z Company Ltd.:			
	Vendor A/c (Z Company Ltd.)	Dr.	5,00,000	
	To Share capital A/c			5,00,000
	[For Issued of shares to Z Company Ltd. for payment made to Z Company Ltd..]			
3.	For issue of shares on cash:			
	Bank A/c (3000 × 90)	Dr.	2,70,000	
	Share discount A/c (3000 × 10)	Dr.	30,000	
	To Share capital A/c (3000 × 100)			3,00,000
	[For Issue of shares on cash with 10% discount]			

Illustration – 40 Zonal Company has been registered with the capital of Rs.40,00,000 divided into 40,000 shares of Rs.100 each. The company issued 10000 shares at a premium of 10% to purchase the following assets and liabilities of a District company:

Land and building	4,00,000	Plant and machinery	3,00,000
Sundry creditors	2,50,000	Stock in trade	2,50,000
Sundry debtors	4,00,000	Furniture and fixtures	3,00,000

The company also issued 10000 shares for cash at 5% discount.

Required: a) Entry for purchase of assets and liabilities and issue of share for cash
b) Opening balance sheet of the company after issue of above shares

Solution:

(a) Journal Entries

Date	Particulars	LF	Debit	Credit
(a ₁)	When assets and liabilities are taken over:			
	Land and building A/c	Dr.	4,00,000	
	Plant and machinery A/c	Dr.	3,00,000	
	Stock in trade A/c	Dr.	2,50,000	
	Sundry debtors A/c	Dr.	4,00,000	
	Furniture and fixture A/c	Dr.	3,00,000	
	To Sundry creditors A/c			2,50,000
	To District company A/c (Purchase consideration)			11,00,000
	To Capital reserve A/c			3,00,000
	(Being assets and liabilities purchased from the District company)			
(a ₂)	When purchase consideration is paid:			
	District company A/c	Dr.	11,00,000	
	To Share capital A/c (10000 × 100)			10,00,000
	To Share premium A/c (10000 × 10)			1,00,000
	(Being issue of 10000 shares to District company for the payment of assets purchased)			
(a ₃)	Share issued for Cash as lumpsum payment:			
	Bank A/c (10000 × 95)	Dr.	9,50,000	
	Discount on issue of share A/c (10000 × 5)	Dr.	50,000	
	To Share capital A/c (10000 × 100)			10,00,000
	(Being 10000 shares issued of Rs.100 each at Rs.95)			

(b) Opening Balance Sheet

Capital and liabilities	Amount	Assets	Amount
Authorized Capital:		Land and building.....	4,00,000
40000 Equity shares @ Rs.100 each.....	40,00,000	Plant and machinery.....	3,00,000
Issued capital:		Furniture and fixture.....	3,00,000
20000 shares @ Rs.100 each.....	20,00,000	Sundry debtors.....	4,00,000
Share premium (10000 @ Rs.10).....	1,00,000	Stock in trade.....	2,50,000
Capital reserve.....	3,00,000	Bank (10000 × 95) (issue of share at cash).....	9,50,000
Sundry creditors.....	2,50,000	Discount on issue of share (10000 × 5).....	50,000
	26,50,000		26,50,000

Issue of share for cash

Illustration - 41

A Company Ltd. invited application for 10,000 shares of Rs. 100 each. The calls are made as follows:

- On ApplicationRs.30
- On AllotmentRs.40
- On First and final call.....Rs.30

Applications were received for 14000 shares. No allotment was made to 1000 applications. Rest were allotted on the pro.rata basis. All money was duly received except a holder holding 100 shares, failed to pay on first and final call money.

Required: Entries for: i) Application ii) Allotment iii) First and final call

Solution:

Journal Entries

Date	Particulars	LF	Debit	Credit
a.	Bank A/c To Share application A/c (Being share application money received on 14000 shares of Rs.13)	Dr.	4,20,000	4,20,000
b.	Share application A/c To Share capital A/c (10000 × 30) To Share allotment A/c (10000 × 9) To Bank A/c (1000 × 30) (Being share application money transfer and balance refunded)	Dr.	4,20,000	3,00,000 90,000 30,000
c.	Share allotment A/c To Share capital A/c (Being share allotment money due on 10000 shares of Rs.40)	Dr.	4,00,000	4,00,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received after adjustment of excess share application money)	Dr.	3,10,000	3,10,000
e.	Share first and final call A/c To Share capital A/c (Being share first and final call money due on 10000 shares @ Rs.30)	Dr.	3,00,000	3,00,000
f.	Bank A/c (9900 × 30) Call in arrears A/c (100 × 30) To Share first and final call A/c (Being share first and final call money received except 100 shares)	Dr. Dr.	2,97,000 3,000	3,00,000

Working Note:

Group	Applied	Allotted	Reject
i.	1000	-	1,000
ii.	13000	10000	=
Total	14000	10000	1,000

Revise application rate for pro.rata group

$$= \frac{\text{No. of shares applied} \times \text{Application rate}}{\text{No. of shares allotted}} = \frac{13000 \times 30}{10000} = \text{Rs.39}$$

Distribution of excess rate Rs.39

Application Rs.30

Allotment Rs.9

Illustration - 42

A Limited company issued 10,000 shares of Rs.100 each payable as follows:

- On application Rs.30 per share
- On allotment Rs.50 per share
- On first and final call..... Rs.20 per share

Applications were received for 16000 shares. No allotments were made to 2000 shares and the remaining shares were allotted as under:

- 6000 Applicants Full
- 3000 Applicants 4000

All excess amount paid on applications are to be adjusted against due on allotment and subsequent calls. Shares were fully called and paid up except one shareholder to whom 500 shares were allotted failed to pay the first and final call money and hence his shares were forfeited.

Required: Journal entries for: i) Share allotment ii) First and final call
iii) Share forfeiture

Solution: Journal Entries

Date	Particulars	LF	Debit	Credit
a	Share allotment A/c To Share capital A/c (Being share allotment money due on 10000 shares of Rs.50)	Dr.	5,00,000	5,00,000
b.	Bank A/c To Share allotment A/c (5,00,000 – 4000 × 30) (Being share allotment money received after adjustment of excess share application money)	Dr.	3,80,000	3,80,000
c.	Share first and final call A/c To Share capital A/c (Being share first and final call money due on 10000 shares of Rs.20)	Dr.	2,00,000	2,00,000
d.	Bank A/c Calls in arrears A/c (500 × 20) To Share first and final call A/c (Being share first and final call money received except 500 shares)	Dr. Dr.	1,90,000 10,000	2,00,000
e.	Forfeiture: Share capital A/c (500 × 100) To Calls in arrears A/c (500 × 20) To Share forfeiture (500 × 80) (Being forfeiture of shares for non payment of first and final call money)	Dr.	50,000	10,000 40,000

Working Note:

Group	Applied	Allotted	Reject
i.	2000	–	2000
ii.	6000	6000	–
iii.	8000	4000	–
Total	16000	10000	2000

Revise application rate for pro.rata group

$$= \frac{\text{No. of shares applied} \times \text{Application rate}}{\text{No. of shares allotted}} = \frac{8000 \times 30}{4000} = \text{Rs.60}$$

Distribution of excess rate Rs.60

Application Rs.30

Allotment Rs.30

Illustration – 43

A Limited company offered 5000 shares of Rs.100 each for public subscription, payable Rs.30 on application, Rs.20 on allotment and Rs.50 on first and final call. Applications were received for 6000 shares and allotted them in the following manner:

Group	Share applied	Shares allotted
A	4000	4000
B	2000	1000

The board resolved that the excess amount received on application is to be utilized on allotments and call money. All the money were duly received.

Required:]ournal entries for: application, allotment and first and final call

Illustration - 45

A Limited Company issues 5000 shares of Rs.100 each payable as follows:

- On applicationRs.20
- On allotmentRs.30
- On first callRs.20
- On Final callRs.30

Application were received for all shares and allotted accordingly. A shareholders' to whom 50 shares were allotted, paid the entire sum on allotment call. Directors accepted the payment.

Required: Journal entries for: i) Allotment call ii) First call

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs)	Credit (Rs)
a.	Share allotment A/c (5000 × 30) To Share capital A/c (Being share allotment money due on 5000 share @ Rs.30 each)	Dr.	1,50,000	1,50,000
b.	Bank A/c To Share allotment A/c To Calls in advance A/c (50 × (20 + 30)) (Being share allotment money received)	Dr.	1,52,500	1,50,000 2,500
c.	Share first and Final call A/c (5000 × 20) To Share capital A/c (Being share first and final call money due on 5000 @ Rs.20 per share)	Dr.	1,00,000	1,00,000
d.	Bank A/c Calls in advance A/c (50 × 20) To Share first call A/c (Being share first call money received)	Dr. Dr.	99,000 1,000	1,00,000

Illustration - 46

The following information relating to share are given:

- i. Issued 10000 shares of Rs.100 each.
- ii. Applications were received for all the shares @Rs.50 each.
- iii. All allotment calls was made and money were duly received except a holder holding 100 shares failed to pay at the rate of Rs.50 per share.

Required: Journal entries for application and allotment

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share application A/c (10000 × 50) (Being share application money received on 10000 shares @ Rs.50 per share.)	Dr.	5,00,000	5,00,000
b.	Share application A/c To Share capital A/c (Being share application money transferred to share capital)	Dr.	5,00,000	5,00,000
c.	Share allotment A/c To Share capital A/c (Being share allotment money due on 10000 shares @ Rs.50 per share)	Dr.	5,00,000	5,00,000
d.	Bank A/c Calls in arrear A/c (100 × 50) To Share allotment A/c (Being share allotment money received)	Dr. Dr.	4,95,000 5,000	5,00,000

Illustration - 47

A company issued 5,000 shares or Rs. 100 each, payable as under:

- Rs.30 On application
- Rs.50 On allotment
- Rs.20 On first and final call

Applications were received for 10,000 shares. The allotments were made as follows:

To the applicants of 2000 shares 2000 shares

To the applicants of 6000 shares 30000 shares

To the applicants of 2000 shares Nil shares

Resolve that the excess amount received on applications would be adjusted against the due amount on allotment. All the called money were duly received.

Required: Entries for:

- i) Application
- ii) Allotment
- iii) First and final call

Solution:

		Journal Entries		
Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share application A/c (10000 × 30) (Being share application money received on 10000 shares @ Rs.30 per share.)	Dr.	3,00,000	3,00,000
b.	Share application A/c To Share capital A/c To Share allotment A/c To Bank A/c (Being share application money transferred to share capital.)	Dr.	3,00,000	1,50,000 90,000 60,000
c.	Share allotment A/c To Share capital A/c (Being share allotment money due on 5000 shares @ Rs.50 per share)	Dr.	2,50,000	2,50,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received.)	Dr.	1,60,000	1,60,000
e.	Share first and final call A/c To Share capital A/c (Being share allotment money due on 5000 shares @ Rs.20 per share)	Dr.	1,00,000	1,00,000
f.	Bank A/c To Share first and final call A/c (Being share allotment money received.)	Dr.	1,00,000	1,00,000

Working Note:

Group	Applied	Allotted
A	2000	2000
B	6000	3000
C	2000	Nil
Total	10000	5000

Illustration - 48

A Company issued 10000 shares of Rs.100 each, payable as follows:

On application Rs.30 per share

On allotment Rs.40 per share

First and final call Rs.30 per share

Applications were received for 16,000 shares. No allotment was made to 1,000 shares. Rest were allotted on pro.rate basis. All money were duly received except a holder holding 100 shares, failed to pay on first and final call money.

Required: Journal entries for:

- a) Application
- b) Allotment
- c) First and final call

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share application A/c (16000 × Rs.30) (Being share application money received on 16000 share @ Rs.30 each)	Dr.	4,80,000	4,80,000
b.	Share application A/c To, Share capital A/c (10000 × 30) To Share allotment A/c (5000 × 30) To Bank A/c (1000 × 30) (Being share application money transferred)	Dr.	4,80,000	3,00,000 1,50,000 30,000
c.	Share allotment A/c (10000 × 40) To Share capital A/c (Being share allotment money due on 10000 shares @ Rs.40)	Dr.	4,00,000	4,00,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	2,50,000	2,50,000
e.	Share first and final call A/c To Capital A/c (Being share first and final call money due)	Dr.	3,00,000	3,00,000
f.	Bank A/c Calls in arrears A/c (100 × Rs.30) To Share first and final call A/c (Being share first and final call money received)	Dr. Dr.	2,97,000 3,000	3,00,000

Working Note:

Group	Applied	Allotted
A	1000	Nil
B	15000	10000
Total	16000	10000

Illustration - 49

A Limited Company issued 25000 shares of Rs.100 each at 10 percent discount payable as follows:

On Application Rs.25 per share

On Allotment with discount 35 per share

On First and final call..... 30 per share

Applications were received for all the shares and calls money were duly received

Required: i) Entry for allotment

ii) Entry for first and final call

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Share allotment A/c (25000 × 35) Discount A/c (25000 × 10) To Share capital A/c (Being share allotment money due on 25000 share @ Rs.35 each)	Dr. Dr.	875,000 2,50,000	11,25,000
b.	Bank A/c To Share Allotment A/c (Being share allotment money received)	Dr.	8,75,000	8,75,000
c.	Share first and final call A/c (25000 × 30) To Share capital A/c (Being share first and final call money due on 25000 @ Rs.30 per share)	Dr.	7,50,000	7,50,000
d.	Bank A/c To Share and final call A/c (Being share first and final call money received)	Dr.	7,50,000	7,50,000

Illustration - 50

A Company Ltd. issued 20000 shares of Rs.100 each at a premium of 10%, payable as follows:

On ApplicationRs.20

On Allotment, inclusive premiumRs.40

On First and final callsRs.50

Applications were received for all the shares, accordingly all installment were received.

Required: i) Entries for application

ii) Entries for allotment

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Bank A/c To Share application A/c (20000 × Rs..20) (Being Share application money received on 20000 share @Rs.20 each)	Dr.	4,00,000	4,00,000
b.	Share application A/c To Share capital A/c (Being share application money transfer to share capital)	Dr.	4,00,000	4,00,000
c.	Share allotment A/c (20,000 × Rs.40) To Share capital A/c To Share Premium A/c (200000 × Rs.10) (Being share allotment money due on 20000 @Rs.40 each)	Dr.	8,00,000	6,00,000 2,00,000
d.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	8,00,000	8,00,000

Forfeiture and Reissue of Shares

Illustration - 51

The following information relating to shares are given:

i) 300 shares of Rs.100 each forfeited for non-payment of Rs.30 per share on first call and Rs.20 per share on final call

ii) The above shares were re-issued @Rs.80 per share as fully paid up.

Required: Entries for: i) Forfeiture

ii) Re-issue

iii) Transfer

Solution:

Journal Entries

Date	Particulars	L/F	Debit 'Rs'	Credit 'Rs'
i.	For Forfeiture: Share capital A/c (300 × 100) To Calls in arrear A/c (300 × 50) To Share forfeiture A/c (300 × 50) (Being forfeiture of 300 share for nonpayment of first and final call money)	Dr.	30,000	15,000 15,000
ii.	Re-issued: Bank A/c (300 × Rs.80) Share forfeiture A/c (300 × Rs.20) To Share capital A/c (300 × Rs.100) (Being forfeited shares re-issued at discount)	Dr. Dr.	24,000 6,000	30,000
iii.	Transfer: Share forfeiture A/c To Capital Reserve A/c (Being share forfeiture money transferred to capital reserve)	Dr.	9,000	9,000

Illustration - 52

A Company forfeited 200 shares of Rs.100 each for non-payment of final call Rs.30 per share. These shares were re-issued at Rs.80 per share.

Required: Journal entries for: Forfeiture, re-issue and transfer

Solution:

Journal Entries

Date	Particulars	L/F	Debit 'Rs'	Credit 'Rs'
i.	For Forfeiture:			
	Share capital A/c (200 × 100)	Dr	20,000	
	To Calls in arrear A/c (200 × 30)			6,000
	To Share forfeiture A/c (200 × 70)			14,000
	(Being forfeiture of 300 share for nonpayment of final call money)			
ii.	Re-issued:			
	Bank A/c (200 × Rs.80)	Dr.	16,000	
	Share forfeiture A/c (200 × Rs.20)	Dr.	4,000	
	To Share capital A/c (200 × Rs.100)			20,000
	(Being forfeited shares re-issued at discount)			
iii.	Transfer:			
	Share forfeiture A/c	Dr.	10,000	
	To Capital Reserve A/c			10,000
	(Being share forfeiture money transferred to capital reserve)			

Illustration - 53

M Company Limited issued 10000 shares of Rs. 10 each payable as follow:

On ApplicationRs.5

On AllotmentRs.3

On First and final call.....Rs.2

All the shares were subscribed and allotted. All the money were duly received except one shareholder who was holding 200 shares failed to pay the first and final call money. Hence his share were forfeited and subsequently re-issued at Rs.8 per share as fully paid up.

- Required:** a) Allotment b) First and final call
 c) Forfeiture d) Re-issued e) Transfer

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credits (Rs.)
a. i)	Share allotment A/c (10000 × 3)	Dr.	30,000	
	To Share capital A/c			30,000
	(Being share allotment money due on 10000 share @ Rs.3 each)			
ii)	Bank A/c		30,000	
	To Share allotment A/c			30,000
	(Being share allotment money received)			
b. i)	Share first and final call A/c (10,000 × 2)	Dr.	20,000	
	To Share capital A/c			20,000
	(Being share first and final call money due on 10000 shares @ Rs.2 each)			
b) ii)	Bank A/c	Dr.	19,600	
	Calls in arrear A/c (200 × 2)	Dr.	400	
	To Share first and final call			20,000
	(Being share first and final call money received)			
c)	Share capital A/c (200 × 10)	Dr.	2,000	
	To Share forfeiture A/c (200 × 8)			1,600
	To Calls in arrear A/c (200 × 2)			400
	(Being forfeiture of 200 shares for nonpayment of first and final call money)			
d)	Bank A/c (200 × 8)	Dr.	1,600	
	Share forfeiture A/c (200 × 2)	Dr.	400	
	To Share capital A/c (200 × 10)			2,000
	(Being re-issued 200 shares @ Rs.8 as fully paid)			
e)	Share Forfeiture A/c (200 × 6)	Dr.	1,200	
	To Capital reserve A/c			1,200
	(Being share forfeiture money transferred to capital reserved A/c)			

Illustration - 54

A company forfeited 100 shares of Rs.100 each for non-payment of allotment money @ Rs. 50 and first and final call @ Rs.30 per share. These shares were reissued @ Rs.90 per share as fully paid.

Required: Journal for forfeiture re-issued and transfer

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credits (Rs.)
a.	Share capital A/c (100 × 100) To Calls in arrears A/c (100 × 80) To Share forfeiture A/c (100 × 20) (Being forfeiture of 100 shares for the nonpayment of allotment and calls)	Dr.	10,000	8,000 2,000
b.	Bank A/c (100 × Rs.90) Share forfeiture A/c (100 × Rs.10) To Share capital A/c (100 × Rs.100) (Being re-issued 100 shares of Rs.100 @ Rs.90 per shares as fully paid)	Dr. Dr.	9,000 1,000	10,000
c.	Share forfeiture A/c (100 × 10) To Capital reserve A/c (Being share forfeiture amount transferred to capital reserve A/c)	Dr.	1,000	1,000

Illustration - 55

A Company issued 10000 shares of Rs.100 each at a premium of Rs.10 payable as under:

On ApplicationRs.50

On Allotment including premiumRs.40

On First and final call.....Rs.20

Applications were received for 15,000 shares and allotment were made as under:

3000 applicants.....Nil

12000 applicants.....10000

Money overpaid on applications were utilized towards sum due on allotment. A shareholder holding 100 shares failed to pay first and final call money and these were forfeited.

Required: Journal entries for: i) Allotment ii) First and Final call iii) Forfeiture of share

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credits (Rs.)
a.	Share allotment A/c (10000 × 40) To Share capital A/c (Being share allotment money due on 10000 shares of Rs.40 each)	Dr.	4,00,000	4,00,000
b.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	3,00,000	3,00,000
c.	Share first and final call A/c (10000 × 20) To Share capital A/c (Being share first and final call money due on 10000 share of Rs.20 each)	Dr.	2,00,000	2,00,000
d.	Bank A/c Calls in arrear A/c (100 × 20) To, Share first & final call A/c (Being share first and final call money received)	Dr. Dr.	1,98,000 2,000	2,00,000
e.	Share capital A/c (100 × 100) To Call in arrear A/c (100 × 20) To Share forfeiture A/c (100 × 80) (Being forfeiture of 100 shares for the nonpayment of first and final call)	Dr.	10,000	2,000 8,000

Working Note:

<u>Group</u>	<u>Applied</u>	<u>Allotted</u>
A	3000	Nil
B	12000	10000
Total	15000	10000

Illustration - 56

A Ltd. Company issues 10000 shares of Rs.100 each at a discount of Rs.5 per share at allotment call payable as follows:

- On ApplicationRs.30
- On ApplicationRs.35
- On First and final call.....Rs.30

Applications were received for 9000 shares and allotments were also completed. All the due money was collected with the exception of on 400 shares due on first and final call. Subsequently these 400 shares were forfeited.

Required: Journal entries for: i) Allotment ii) First and final call iii) Forfeiture of share

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a)	Share allotment A/c	Dr.	2,70,000	
	Discount A/c	Dr.	45,000	
	To Share capital A/c			3,15,000
	(Being share allotment money due on 9000 shares @ Rs.35 per share.)			
b)	Bank A/c	Dr.	2,70,000	
	To Share allotment A/c			2,70,000
	(Being share allotment money received)			
c)	Share first and final call A/c...Dr.		2,70,000	
	To Share capital A/c			2,70,000
	(Being share allotment money due on 9000 shares @ Rs.30 each.)			
d)	Bank A/c	Dr.	2,58,000	
	Calls in arrears A/c (400 × 30)	Dr.	12,000	
	To Share first and final call A/c			2,70,000
	(Being share allotment money received.)			
e)	Share capital A/c (400 × 100)	Dr.	40,000	
	To Discount A/c (400 × 5)			2,000
	To Calls in arrears A/c			12,000
	To Share forfeiture A/c			26,000
	(Being forfeiture of 400 shares for non-payment of first and final call.)			

Illustration - 57

A Company issues 20000 shares of Rs.100 each at Rs.90 per share payable as under:

- On ApplicationRs.20
- On Allotment including discountRs.30
- On First and final call.....Rs.40

Applications were received for 30,000 shares and allotments were made as under:

- Applicants12000
- Applicants16000
- Applicants2000

Money overpaid on applications were utilized towards sum due on allotment. Applicants of 100 shares failed to pay the first and final call money and these shares were forfeited.

Required: i) Entries for allotment ii) Entries for first & final call iii) Entry for forfeiture

Solution:

		Journal Entries		
Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Share allotment A/c	Dr.	6,00,000	
	Discount A/c (20000 × 10)	Dr.	2,00,000	
	To Share capital A/c			8,00,000
	(Being share allotment money due on 20000 shares @ Rs.30 per share)			
b.	Bank A/c	Dr.	4,40,000	
	To Share allotment A/c (600000 – 160000)			4,40,000
	(Being share allotment money received)			
c.	Share first and final call A/c	Dr.	8,00,000	
	To Share capital A/c			8,00,000
	(Being share allotment money due on 20000 shares @ Rs.40 each.)			
d.	Bank A/c	Dr.	7,96,000	
	Calls in arrears A/c (100 × 40)	Dr.	4,000	
	To Share first and final call A/c			8,00,000
	(Being share allotment money received.)			
e.	Share capital A/c (100 × 100)	Dr.	10,000	
	To Discount A/c (100 × 10)			1,000
	To Calls in arrears A/c			4,000
	To Share forfeiture A/c			5,000
	(Being forfeiture of 100 shares for non-payment of first and final call)			

Working Note:

Group	Applied	Allotted
A	12000	12000
B	16000	8000
C	2000	Nil
Total	30000	20000

Illustration - 58

C company Ltd. forfeited 50 shares of Rs.100 each from nonpayment of final call money of Rs.20 per share. These shares were re-issued at Rs.80 per share as fully paid.

Required: i) Forfeiture ii) Re-issue iii) Transfer
iv) Issue of Share in Consideration for other than Cash

Solution:

		Journal Entries		
Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Share capital A/c (50 × 100)	Dr.	5,000	1,000
	To Calls in arrears A/c (50 × 20)			4,000
	To Share forfeiture A/c (50 × 80)			
	(Being forfeiture of 50 shares for the non-payment of final call)			
b.	Bank A/c (50 × 80)	Dr.	4,000	5,000
	Share forfeiture A/c (50 × 20)	Dr.	2,000	
	To Share allotment A/c			
	(Being reissue of 50 shares at Rs.80 per share as fully paid.)			
c.	Share forfeiture A/c (50 × 60)	Dr.	3,000	3,000
	To Capital reserve A/c			
	(Being transferred share forfeiture amount to capital reserve.)			

Illustration - 59

A Company forfeited 200 shares of Rs.10 each for non-payment of final call money Rs.3 per share. These shares were re-issued @ Rs.6 per share as fully paid up.

Required: Journal entries for: i) Forfeited
ii) Re-issued
iii) Transfer

Solution:

Journal Entries

Date	Particulars	L/F	Debit 'Rs'	Credit 'Rs'
i.	Share capital A/c (200 × 10) To Calls in arrear A/c (200 × 3) To Share forfeiture A/c (200 × 7) (Being forfeiture of 200 share for nonpayment of final call)	Dr	2,000	6,00 1,400
ii.	Bank A/c (200 × Rs.6) Share forfeiture A/c (200 × 4) To Share capital A/c (200 × 10) (Being re-issued 200 shares @ Rs.6% full paid)	Dr. Dr.	1,200 800	2,000
iii.	Share forfeiture A/c (200 × 3) To Capital Reserve A/c (Being share forfeiture money transferred to capital reserve)	Dr.	600	600

Illustration - 60

A Limited Company issued 5,000 shares of Rs.100 each at 10 percent premium payable as follows:

- On applicationRs.30 per share
- On allotment40 per share (with premium)
- On first and final call.....40 per share

Applications received for 6000 shares. These shares were allotted on prorata basis to the applicants for 5500 shares and applications for 500 shares were rejected. Money over paid on applications were utilized towards sum due on allotment. A shareholders holding 60 shares failed to pay first and final call money. Hence, his shares were forfeited.

- Required:** i) Entry for allotment ii) Entry for first and final call
 iii) Entry for forfeiture

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Share allotment A/c (5000 × 40) To Share capital A/c To Share premium A/c (5000 × 10) (Being share allotment money due on 5000 share @ Rs.40 per share)	Dr	2,00,000	150,000 50,000
b.	Bank A/c To Share Allotment A/c (Being share allotment money received)	Dr	1,85,000	1,85,000
c.	Share first and final A/c (5000 × 40) To Share capital A/c (Being share first and final call money due on 5000 shares @Rs.40 per share)	Dr.	2,00,000	2,00,000
d.	Bank A/c Calls in arrear A/c (60 × 40) To Share first and final calls A/c (Being share first and final call money received)	Dr. Dr.	1,97,600 2,400	2,00,000
e.	Share capital A/c (60 × 100) To Share forfeiture A/c To Calls in arrear A/c (Being forfeiture of 60 share for the on payment of Rs.40 in first and final call)	Dr.	60,000	3,600 2,400

Working Note:

Group	Applied	Allotted
A	5500	5000
B	500	-
Total	6000	5000

Illustration - 61

B Company Ltd. issued 10,000 shares of Rs.50 each at a premium of 10%, payable as follows:

- On ApplicationRs.15
- On Allotment, inclusive premiumRs.25
- On First and final installmentRs.15

Applications were received for 15000 shares. Among then, applicants for 4000 shares were allotted fully, for 9000 applicants 6000 shares on prorata basis and rest applicants for 2000 shares were refunded. Excess money paid on applications were utilized towards the allotment due money, 100 shares which were allotted to a shareholder from prorata basis, were forfeited as he failed to pay first and final call money.

Required: Journal entries for:

- i) Allotment call
- ii) First and final call
- iii) Forfeiture

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Share allotment A/c (10000 × 25) To Share capital A/c To Share premium A/c (10000 × 5) (Being Share allotment money due on 10000 share@ Rs.25 each)	Dr.	2,50,000	2,00,000 50,000
b.	Bank A/c To Share allotment A/c (Being share allotment money received)	Dr.	2,05,000	2,05,000
c.	Share first and final call A/c (10000 × 15) To Share capital A/c (Being share first and final call money due on 10000 share@ Rs.15)	Dr.	15,000	15,000
d.	Bank A/c Calls in arrears A/c (100 × 15) To Share first and final call A/c (Being share first and final call money received)	Dr. Dr.	13,500 1,500	15,000
e.	Share capital A/c (100 × 50) To Share forfeiture A/c To Calls arrears A/c (100 × 15) (Being forfeiture of 100 share for nonpayment of Rs.15)	Dr.	5,000	3,500 1,500

Working Note:

Group	Applied	Allotted
A	4000	4000
B	9000	6000
C	2000	Reject
Total	15000	10000

Issue of Shares for other than cash

Illustration - 62

A Company limited accepted the following assets and liabilities at an agreed value of Rs.5,50,000.

Building	Rs.2,50,000	Debtors	Rs.2,00,000
Machinery	Rs.2,00,000	Creditors	Rs.1,50,000
Outstanding expenses	Rs.50,000		

Company paid the amount of purchase price by issuing shares of Rs.100 each at a premium of 10%

Required: Journal entries for the purchase of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Building A/c	Dr.	2,50,000	
	Machinery A/c	Dr.	2,00,000	
	Debtors A/c	Dr.	2,00,000	
	Goodwill A/c	Dr.	1,00,000	
	To Creditors A/c			1,50,000
	To Outstanding expenses A/c			50,000
	To Vendor A/c			5,50,000
	(Being business purchases of vendor)			
b.	Vendor A/c	Dr.	5,50,000	
	To Share capital A/c (5000 × 100)			5,00,000
	To Share premium A/c (5000 × 10)			50,000
	(Being paid to vendor by issuing 5000 shares of Rs.100 each with 10% premium)			

Working Note:

$$\text{Number of shares issued to vendor} = \frac{\text{Purchase consideration}}{\text{Pars value of shares} + \text{Premium}} = \frac{5,50,000}{100 + 10\% \text{ of } 100} = 5000 \text{ shares}$$

Illustration - 63

A Company issued 6000 shares of Rs.100 each to purchase the following assets and liabilities.

Building	Rs.4,00,000	Furniture	Rs.1,00,000
Debtors	Rs.1,00,000	Creditors	Rs.80,000
Outstanding expenses	Rs.20,000		

Required: Journal entries for the purchase of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Building A/c	Dr.	4,00,000	
	Furniture A/c	Dr.	1,00,000	
	Debtors A/c	Dr.	1,00,000	
	Goodwill A/c	Dr.	1,00,000	
	To Creditors A/c			80,000
	To Outstanding expenses A/c			20,000
	To Vendor A/c			6,00,000
	(Being business purchases of vendor)			
b.	Vendor A/c	Dr.	6,00,000	
	To Share capital A/c (6000 × 100)			6,00,000
	(Being paid to vendor by issuing 6000 shares of Rs.100 each)			

Working Note:

$$\text{Purchase price/Purchase consideration} = \text{Number of share issue to vendor} \times \text{Par value} = 6000 \times 100 = \text{Rs.6,00,000}$$

Illustration - 64

S. Company Ltd. acquired the following assets and liabilities at an agrees price of Rs.5,50,000.

Machinery	Rs.3,00,000	Debtors	Rs.1,00,000
Creditors	Rs.50,000	Inventory	Rs.1,50,000

The company paid the agreed price by issuing shares of Rs.100 each at a premium of 10%.

Required: Entries for purchase of business

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credits (Rs.)
a.	Machinery A/c	Dr.	3,00,000	
	Debtors A/c	Dr.	1,00,000	
	Inventory A/c	Dr.	1,50,000	
	Goodwill A/c	Dr.	50,000	
	To Creditors A/c			50,000
	To Vendor Company A/c			5,50,000
	(Being taken over the assets and liabilities of vendor company)			
b.	Vendor Company A/c	Dr.	5,50,000	
	To Share capital A/c (5000 × 100)			5,00,000
	To Share premium A/c (5000 × 10)			50,000
	(Being issued 5000 shares for the purchase consideration)			

Working Note: Number of share = $\frac{550000}{110} = 5000$

Illustration - 65

A Company issued 10000 shares of Rs.100 each at a premium of 20% to purchase the following assets and liabilities:

Land and building	Rs.4,00,000	Furniture	Rs.1,00,000
Stock	Rs.50,000	Debtors	Rs.2,50,000
Debtors	Rs.2,00,000	Debentures	Rs.1,00,000

Required: Journal entries for purchase of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Land and building A/c	Dr.	4,00,000	
	Furniture A/c	Dr.	1,00,000	
	Stock A/c	Dr.	50,000	
	Debtors A/c	Dr.	2,50,000	
	Goodwill A/c	Dr.	7,00,000	
	To Creditors A/c			2,00,000
	To Debentures A/c			1,00,000
	To Vendor Co's A/c			12,00,000
	(Being assets and liabilities of vendor company has been taken over)			
b.	Vendor Company A/c	Dr.	12,00,000	
	To Share capital A/c (10000 × 100)			10,00,000
	To Share premium A/c (10000 × 20)			2,00,000
	(Being paid the purchase consideration by issuing 10000 shares of Rs.100 @ 20% premium.)			

Illustration - 66

B Company Ltd. took over the assets of Rs.15,00,000 and liabilities of 220000 of A Company Ltd. at an agreed price of Rs.13,20,00. The purchaser discharged the purchase price by issuing shares of Rs.100 each at 10% premium.

Required: i) Entries for purchases of assets and liabilities
ii) Balance sheet

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Assets A/c	Dr.	15,00,000	
	Goodwill A/c	Dr.	40,000	
	To Liabilities A/c			2,20,000
	To A Company's A/c			13,20,000
	(Being taken over assets and liabilities from A company.)			
b.)	A Company's A/c	Dr.	13,20,000	
	To Share capital A/c (12000 × 100)			12,00,000
	To Share premium A/c (12,000 × 10)			1,20,000
	(Being issue of 12000 equity shares of Rs.100 each at premium of 10%)			

Working Note: Calculation of number of share number of share $\frac{13,20,000}{110} = 12,000$

Solution:

Opening Balance sheet of B Company Ltd.

As on.....

Capital and liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share capital (12000 × 100).....	12,00,000	Assets.....	15,00,000
Share premium (12000 × 10).....	1,20,000	Goodwill.....	40,000
Liabilities.....	2,20,000		
	15,40,000		15,40,000

Illustration - 67

A Company Ltd. issued 10000 shares of Rs.100 each at discount @ 10% to purchase the following assets and liabilities.

Land and building.....Rs.8,00,000

Machinery.....Rs.1,00,000

Bills payable.....Rs.50,000

Required: Journal entries for purchases of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Land and building A/c	Dr.	8,00,000	
	Machinery A/c	Dr.	1,00,000	
	Goodwill A/c	Dr.	50,000	
	To Bills payable A/c			50,000
	To Vendor company's A/c			9,00,000
	(Being taken over assets and liabilities from vendor company.)			
b.	Vendor Company's A/c	Dr.	9,00,000	
	Discount A/c (10000 × 10)	Dr.	1,00,000	
	To Share capital A/c (10000 × 100)			10,00,000
	(Being issue of 10000 equity shares of Rs.100 each at discount of 10%)			

Illustration - 68

A Company took over the following assets and liabilities at an agreed price of Rs.4,95,000:

Land and building Rs.7,00,000 Furniture Rs.40,000

Debtors Rs.60,000 Creditors Rs.3,00,000

Bills payable Rs.5,000

The company paid the purchase consideration amount by issuing shares of Rs. 100 each at 10% premium.

Required: Journal entries for the purchases of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Land and Building A/c	Dr.	7,00,000	
	Furniture A/c	Dr.	40,000	
	Debtors A/c	Dr.	60,000	
	To Creditors A/c			3,00,000
	To Bills payable A/c			5,000
	To Vendor company's A/c			4,95,000
	(Being taken over assets and liabilities from vendor company.)			
b.	Vendor company's A/c	Dr.	4,95,000	
	To Share capital A/c (4500 × 100)			4,50,000
	To Share Premium A/c (4500 × 10)			45,000
	(Being issue of 4500 equity shares of Rs.100 each at premium of 10%)			

Working Note: Calculation of number of share = $\frac{4,95,000}{110} = 4500$ shares

Illustration - 69

A Company issued 5000 shares of Rs.100 each to purchased the following assets and liabilities:

Machinery.....	Rs.2,00,000
Furniture.....	Rs.2,50,000
Creditors.....	Rs.50,000

Required: Journal entries for purchase of assets and liabilities

Solution: Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Machinery A/c	Dr.	2,00,000	
	Furniture A/c	Dr.	2,50,000	
	Goodwill A/c	Dr.	1,00,000	
	To Creditors A/c			50,000
	To Vendor's A/c (5000 × 100)			5,00,000
	(Being taken over assets and liabilities)			
b.	Vendor's A/c	Dr.	5,00,000	
	To Share capital A/c			5,00,000
	(Being issued 5000 shares @ Rs.100 each for purchase consideration)			

Illustration - 70

X Company Ltd. acquired the following assets and liabilities at an agreed price of Rs.11,00,000:

Machinery	Rs.10,00,000	Debtors	Rs.50,000
Furniture	Rs.5,00,000	Outstanding payables	Rs.1,00,000
Bank Loan	Rs.2,00,000	Inventories	Rs.1,00,000
Creditors	Rs.1,50,000		

The company paid the agreed price by issuing shares of Rs.100 each at a premium of 10%.

Required: Journal Entries for purchase of assets and liabilities

Solution: Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Machinery A/c	Dr.	10,00,000	
	Furniture A/c	Dr.	5,00,000	
	Debtors A/c	Dr.	50,000	
	Inventories A/c	Dr.	1,00,000	
	To Bank loan A/c			2,00,000
	To Creditors A/c			1,50,000
	To Outstanding payable A/c			1,00,000
	To Vendor's A/c			11,00,000
	To Capital reserve A/c			1,00,000
	(Being assets and liabilities taken over)			
b.	Vendor's A/c	Dr.	11,00,000	
	To Share capital A/c (10000 × Rs.100)			10,00,000
	To Share premium A/c (10000 × Rs.10)			1,00,000
	(Being purchase consideration paid by issuing 10000 shares @ Rs.100 premium of 10%)			

Working Note: No. of share issued = $\frac{\text{Purchase price}}{\text{Par Value} + \text{Premium}}$

$$= \frac{11,00,000}{100 + 10} = 10000 \text{ shares}$$

Illustration - 71

A Company Ltd. took over the following assets and liabilities of a vendor company at an agreed price of Rs.14,30,000.

Debtors	Rs.3,50,000	Loan	Rs.3,00,000
Creditors	Rs.8,00,000	Furniture	Rs.8,00,000
Equipments	Rs.6,00,000	Inventories	Rs.2,00,000


The company paid the purchase price by issuing equity shares of Rs.100 each at 10% premium.

Required: Entries for purchase of assets and liabilities

Solution:

Journal Entries

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
a.	Debtors A/c	Dr.	3,50,000	
	Equipment A/c	Dr.	6,00,000	
	Furniture A/c	Dr.	8,00,000	
	Inventories A/c	Dr.	2,00,000	
	Goodwill A/c	Dr.	5,80,000	
	To Creditors A/c			8,00,000
	To Loan A/c			3,00,000
	To Vendor's A/c			14,30,000
	(Being business taken over)			
b.	Vendor's A/c	Dr.	14,30,000	13,00,000
	To Share capital A/c (13000 × 100)			1,30,000
	To Share premium A/c (13000 × 10)			
	(Being amount of purchase consideration paid issued by issuing 13,000 equity share @ premium of 10%)			

 **सैद्धान्तिक प्रश्नहरू (Theoretical Questions)**

- साधारण सेयरको बारेमा लेख्नुहोस् । (Define ordinary share.)
- पूर्वाधिकार सेयरको बारेमा उदाहरणसहित लेख्नुहोस् । (Define preference share with example.)
- साधारण सेयर तथा पूर्वाधिकार सेयरको बारेमा कुनै तिनवटा भिन्नता लेख्नुहोस् । (State any three differences between equity share and preference share.)
- जारी पुँजी तथा आवेदित पुँजीको भिन्नता छुट्याउनुहोस् । (Differentiate between issued and subscribed capital.)
- सेयर तथा ऋणपत्रबिचको कुनै दुई भिन्नता लेख्नुहोस् । (Show any two differences between shares and debentures.)
- सेयरको बक्यौता रकम र सेयरको अग्रिम प्राप्ति रकमको अर्थ लेख्नुहोस् । (Write the meaning of calls in arrears and calls in advance.)
- समानुपातिक दरमा सेयरको वितरण भन्नाले के बुझ्नुहुन्छ ? (What is meant by pro-rata allotment of shares?)
- कहिले र कसरी सेयरको जफत गरिन्छ ? (When and how the shares of a company are forfeited?)

प्रयोगात्मक प्रश्नहरू (Numerical Problems)

Issue of shares on cash

Lump sum method:

a) Issued at par

Question No.1 A Company Ltd issued 10000 shares of Rs.100 each at par.

All shares are fully applied and allotted.

Required: Journal entries

b) Issued at discount

Question No.2 A Public Company Ltd issued 20000 shares of Rs.100 each with 10% discount.

All shares are fully applied and allotted.

Required: Journal entries

c) Issued at premium

Question No.3 X Company Ltd issued 40000 shares of Rs.10 each at 20% premium.

All shares are fully applied and allotted.

Required: Journal entries

Installment method:

a) Issued at par

Question No.4 A company Ltd. registered with capital Rs.10,000,000 divided into 100000 shares of Rs.100 each. Out of these 50000 shares were issued at par and amount payable as follows:

On Application	Rs.30
On Allotment	Rs.40
On First and final call	Rs.30

All shares are applied and allotted and all money was duly received.

Required: Journal entries for application, allotment and first & final call

b) Issued at discount

Question No.5 Bulbule Company Ltd. issued 5000 equity shares of Rs.100 each with 10% discount. The amount payable a follows:

On Application	Rs.20
On Allotment	Rs.40 (Including discount Rs.10)
On First and final call	Rs.30

All shares are applied and allotted and all money was duly received.

Required: Journal entries for application, allotment and first and final call

c) Discount on application and allotment

Question No.6 A Company Ltd. issued 2000 equity shares of Rs.100 each with 10% discount, payable as follows:

On Application	Rs.25 (Including discount Rs.5)
On Allotment	Rs.35 (Including discount Rs.5)
On First and final call	Rs.30

All shares were applied and allotted.

Required: Journal entries

Question No.7 Koshi Company Ltd issued 10000 equity shares of Rs.100 each and 5000, 9% preference shares of Rs.100 each. Both categories of shares are issued 10% discount, the amount payable as follows:

	Equity share capital	Preference share capital
On application	Rs.20	Rs.30
On allotment	Rs.50	Rs.40
Balance on first and final call ?	५०	२७०

All shares are dully applied and allotted and call money were received.

Required: Journal entries for application, allotment and first and final call

d) Issued at premium

Question No.8 Total nominal capital of a Company is Rs.50,00,000 dividend into shares of Rs.100 each, out of these 10000 shares were issued with 20% premium, payable as follows:

On Application	Rs.40
On Allotment	Rs.50 (Including premium)
On First and final call	Rs.30

All shares are applied and allotted and all money was duly received.

Required: Journal entries for application, allotment and first and final call

Question No.9 Z Company Ltd. issued 2000 shares of Rs.100 each with 50% premium, payable as follows:

On Application	Rs.30 (Including premium Rs.10)
On Allotment	Rs.70 (Including premium Rs.40)
Balance on first and final call	

All shares are applied and allotted and all money was duly received.

Required: Journal entries for application, allotment and first and final call

Call in arrears

Question No.10 Ilam Herbal Tea Company offered 20000 shares of Rs.100 each with 10% discount, payable as follows:

On Application	Rs.20
On Allotment	Rs.30
Balance on First and final call	४०

All shares are applied and allotted. All money were duly received except a shareholder holding 1000 shares and did not pay first and final call money on time.

Required: Journal entries for application, allotment and first and final call

Question No.11 A Company offered 50000 equity shares of Rs.10 each for public subscription, payable as follows:

On Application	Rs.3
On Allotment	Rs.5 (including premium Rs.2)
On First and final call	Rs.4

All shares are applied and allotted. All money were duly received, a shareholder holding 1000 shares failed to pay allotment and calls money.

Required: Journal entries for application, allotment and first & final call

Question No.12 X Company Ltd. issued 5000 shares of Rs.100, payable as follows:

On Application	Rs.30
On Allotment	Rs.40
On First and final call	Rs.30

All shares are applied and all money were duly received except Miss. Sita holding 200 shares did not pay allotment and calls money.

Required: Journal entries for application, allotment and first and final call

Call in advance

Question No.13 Everest public ltd Company issued 20000 equity shares of Rs.100 each with 20% premium, payable as follows:

On Application	Rs.40
On Allotment	Rs.50
On first and final call	Rs.30

All shares are applied and allotted. Mr. Bipin a shareholder holding 500 shares paid first and final call money along with allotment.

Required: Journal entries for application, allotment and first and final call

Question No.14 On 01/01/2016 X Ltd. issue 10000 shares of Rs.10 each payable as follows:

On Application	Rs.2
On Allotment	Rs.3
On first and final call	Rs.5 (3 months after allotment)

All shares are applied and allotted. A share holder who holding 1000 shares paid first and final call money on allotment.

Required: Journal entries for application, allotment and first and final call

Call in Arrears and advance

Question No.15 A Company Ltd. issued 40000 equity shares of Rs.100 each with 20% premium payable as follows:

On Application	Rs.40
On Allotment	Rs.50
Balance on first and final call	<i>26 crore</i>

A shareholder holder holding 1000 shares paid first and final call money along with allotment and another shareholder holding 2000 shares failed to pay first and final call money on due date. *2 crore*

Required: Journal entries for application, allotment and first and final call

Under subscription

Question No.16 Authorized capital of a manufacturing company is Rs.50,00,000, divided into 50000 shares of Rs.100 each. The company issued 20000 shares with 10% discount payable as follows:

Rs.20	On Application
Rs.40	On Allotment
Balance on first and final call	<i>40 } 0</i>

Public applied on 15000 shares it is met the minimum subscription so, the company fully allotted. All money were duly received with an exception of 500 shares failed to pay allotment and calls money on due date.

Required: Journal entries for application, allotment and first and final call

Over subscription:

a) **Fully reject the excess number of shares:**

Question No.17 X Company Ltd. issued 25000 equity shares of Rs.20 each with 10% premium, payable as follows:

On Application	Rs.5
On Allotment	Rs.10
Balance on first and final call	5

Applications were received on 30,000 shares. The company decided to sent a regret letter for excess number of 5000 shares and amount fully refunded. A shareholder holding 1000 shares paid calls money along with allotment.

Required: Journal entries for application, allotment and first and final call

b) Pro-rata allotment method:

Question No.18 A Company Ltd. issued 10000 shares of Rs.100 each with 10% premium, payable as follows:

On Application	Rs.30
On Allotment	Rs.50
Balance on first and final call	

Applications were received on 15,000 shares. The company decided to allotted such shares on pro-rata method and excess application money can utilized towards allotment and subsequent calls.

Required: Journal entries for application, allotment and first and final call

Question No.19 Three star company ltd issued 100000 shares of Rs.10 each with 20% premium, amount payable as follows:

On Application	Rs.3
On Allotment	Rs.5
On First and final call	Rs.4

Applications were received on 350000 shares and the Directors of the company decided to allot such shares under pro.rata method. The excess share applications money can be utilized towards allotment and calls.

Required: Journal entries for application, allotment and first and final call

c) Mixed method:

Question No.20 Oasis Company Ltd. registered capital is Rs.1,00,00,000 divided into 100000 shares of Rs.100 each. However, the company decided to issue 10000 such shares with 20% premium payable as follows:

On Application	Rs.30 ✓
On Allotment	Rs.50 ✓
Balance on first and final call.	40 ✓

Applications were received on 30000 shares. The Company decided to allot as follows:

Applied	Allotted
2000	100%
20000	Pro.rata
8000	Reject

Excess share application money can be utilized towards allotment and calls.

Required: Journal entries for application, allotment and first and final call

Question No.21 T and D Company was registered with capital Rs.50,00,000 divided in shares of Rs.10 each. The company decided to issue 50% of such shares at par, payable as follows:

On Application	Rs.3
On Allotment	Rs.5
On First and final call	Rs.2

Applications were received 850000 shares. The company allotted such shares as follows:

- » To the applicants for 50000 shares allotted full,
- » To the applicants for 650000 shares are allotted 200000 shares and
- » Balance applicants are rejected and money refunded.

A shareholder holding 5000 shares under fully allotted groups failed to pay first and final call money in due date. The issuing expense of shares is Rs.10,000.

Required: Journal entries for application, allotment and first and final call

Question No.22 A Company limited issued 4000 share of Rs.100 each with 10% premium, payable as follows:

On Application	Rs.30
On Allotment	Rs.40
Balance on first and final call	70

Application were received on 3000 shares, these share were allotted

Required: Journal entries for application, allotment and first and final call

Question No.23 Gold Company limited issued 3000 share of Rs.100 each with 10% discount, payable as follows:

On Application	Rs.30
On Allotment	Rs.40
First and final call	Rs.20

All shares were applied and allotted.

Required: Journal entries for application, allotment and first and final call

Question No.24 Shri Ram Sugar Company limited issued 5000 equity shares of Rs.100 each with 20% premium, payable as follows:

On Application	Rs.30
On Allotment	Rs.50
First and final call	Rs.40

All shares were applied and allotted. A shareholder holding 200 shares paid first and final call money along with allotment and another shareholder holding 100 shares failed to pay first and final call money in due date.

Required: Journal entries for application, allotment and share first and final call

Question No.25 MN Company Ltd. issued 7000 shares of Rs.100 each at par, payable as follows:

On Application	Rs.30
On Allotment	Rs.40
First and final call	Rs.30

Applications were received on 15000 shares. These shares were allotted as follows:

To the applicants of 3000 share	Full
To the applicant of 10000 shares	Pro.rata basis
To the remaining share	Reject

A shareholder holding 500 shares under pro.rata group failed to pay first and final call money in due date

Required: Journal entries for: Application, Allotment and Share first and final call

Question No.26 Stander Company Ltd. issued 7000 shares of Rs.100 each with 10% premium, the payable as follows:

On Application	Rs.40
On Allotment	Rs.50
First and final call	Rs.20

Applications were received on 15000 shares. The board of director decided to allot these shares as follows:

<u>Applied</u>	<u>Allotted</u>
2000	100%
8000	Pro.rata
5000	Reject

A shareholder holding 200 shares under pro.rata group failed to pay allotment and first and final call money in due date.

Required: Journal entries for: Application, Allotment and share first and final call

Question No.27 A Company limited issued 20000 share of Rs.100 each with 30% premium, payable as follows:

On Application	Rs.40
On Allotment	Rs.50
First and final call	Rs.40

Application were received on 50000 shares, these share were allotted by the company as a follows:

<u>Group</u>	<u>Applied</u>	<u>Allotted</u>
A.	5000	100%
B.	16000	8000
C.	21000	Pro.rata
D.	8000	Reject

A shareholder holding 1000 shares of group-B failed to pay allotment and call money and another shareholder holding 500 shares of group-C failed to pay first and final call money in due date.

Required: Journal entries for: Application, Allotment and Share first and final call

Forfeiture and re-issued of shares

a) Forfeiture of shares

Question No.28 X Company Ltd. forfeited 500 shares of Rs.100 each issued at par for non payment of first and final call money Rs.30 per share.

Required: Journal entries for forfeiture of shares

[Ans.: Calls in arrear Rs.15,000 and Share forfeiture Rs.35,000]

Question No.29 Z Company Ltd. forfeited 700 shares of Rs.100 each issued at 10% discount for non payment of allotment and call money Rs.50 per share.

Required: Journal entries for forfeiture of shares

[Ans.: Calls in arrear Rs.35,000 and Share forfeiture Rs.28,000]

Question No.30 M. Company ltd. forfeited 500 shares of Rs.100 each issued at 10% discount for non payment of first and final call Rs.30 per share in due date.

Required: Journal entries for forfeiture of shares

[Ans.: Calls in arrear Rs.15,000 and Share forfeiture Rs.30,000]

Question No.31 Karnali Company Ltd. forfeited 700 shares of Rs.100 each issued at 10% premium for non payment of allotment and calls money Rs.50 on due date.

Required: Journal entries for forfeiture of shares

[Ans.: Calls in arrear Rs.35,000 and Share forfeiture Rs.42,000]

Question No.32 Himal Company Ltd. forfeited 900 shares of Rs.10 each issued at par for nonpayment of allotment money Rs.3 per share. The first and final call Rs.2 per share is not called up.

Required: Journal entries for forfeiture of shares

[Ans.: Calls in arrear Rs.2,700 and Share forfeiture Rs.4,500]

b) Re-issued of shares

Question No.33 X Company Ltd. forfeited 5000 shares of Rs.100 each issued at par for non payment of first and final call money Rs.20 per shares. These shares were re-issued by the company at Rs.90 per share as fully called up and paid up.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Rs.5,000]

Question No.34 A Company Ltd. forfeited 300 shares of Rs.100 each issued at 10% discount for non payment of allotment and call money Rs.40 per shares on due date. These shares were re-issued at Rs.70 per shares as fully called up and paid up.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Rs.6,000]

Question No.35 Motorala Company forfeited 500 shares of Rs.100 each issued at 10% discount for non payment of allotment and calls money on due date. These shares were re-issued at Rs.120 per share.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Nil]

Question No.36 Baba Company Ltd. forfeited 1000 equity shares of Rs.100 each issued at 10% premium for non payment of first and final call Rs.40 per shares. These shares were re-issued at Rs.90 per share as fully called up and paid up.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Rs.10,000]

Question No.37 A Company Ltd. forfeited 500 shares of Rs.100 each issued at 10% premium for non payment of allotment and calls money Rs.50 per shares. Out of these 200 shares were re-issued at Rs.95 per shares.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Rs.3,000]

Question No.38 XP Company forfeited 3000 shares of Rs.100 each, issued at par, for non payment of allotment money Rs.20 per shares. Call Rs.30 per share has not been called yet. These shares were re-issued at Rs.65 per share and Rs.70 per share is called up and paid up.

Required: Journal entries for re-issued of shares

[Ans.: Share forfeiture Rs.15,000]

Forfeiture re-issued and Transfer

i) Issued at Par:

Question No.39 A Company Ltd. issued 2000 shares of Rs.100 each issued at par payable as follows:

On Application	Rs.20
On Allotment	Rs.35
On First call	Rs.25
On Final call	Rs.20

A shareholder holding 500 shares failed to pay first and final call in due date so, the company decided to forfeiture and re-issued at Rs.90 per share as fully call up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve.

[Ans.: Transfer to capital reserve Rs.22,500]

Question No.40 R Company Ltd. forfeiture 500 shares of Rs.100 each issued at par for nonpayment of allotment and first call Rs.50 per shares final call Rs.10 per shares not yet called. These shares are forfeited and reissued to Ram at Rs.80 per share as Rs.90 called up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve.

[Ans.: Transfer to capital reserve Rs.15,000]

ii) Issued at discount:

Question No.41 Z Company Ltd. forfeiture 2000 shares of Rs.100 each issued at 10% discount for nonpayment of allotment and first call Rs.40 per share. Final call Rs.10 has not been yet called. These shares were re-issued at Rs.85 per share as fully call up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve.

[Ans.: Transfer to capital reserve Rs.70,000]

Question No.42 A Company Ltd. forfeited 3000 shares of Rs.10 each issued at 10% discount for nonpayment of first and final call money Rs.3 per share. These shares were re-issued at Rs.7 per share as fully called up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve.

[Ans.: Transfer to capital reserve Rs.12,000]

iii) Issued at premium:

Question No.43 A Company Ltd. forfeiture 500 shares of Rs.100 each issued at 10% premium. These shareholders paid share application Rs.30 and did not paid allotment Rs.50 and first and final call Rs.30 per shares. Out of these forfeited shares, the company issued 400 shares only at Rs.90 per share as fully called up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve

[Ans.: Transfer to capital reserve Rs.4,000]

Question No.44 Dynamic Limited forfeited 1500 shares of Rs.10 each issued at 20% premium for nonpayment of first and final call money Rs.3 per shares. These shares were re-issued at Rs.8 per share as fully called up and paid up.

Required: Journal entries for forfeiture, re- issued and transferred to capital reserve.

[Ans.: Transfer to capital reserve Rs.7,500]

iv) Over-subscription and pro-rata allotment:

Question No.45 A Company Ltd. issued 10000 shares of Rs.100 each at a premium of Rs.10 per share payable as follows:

Rs.30	On Application
Rs.50	On Allotment including premium
Rs.20	On first call and
Rs.10	On final call

Applications were received on 25000 shares. The company is decided to reject 3000 share applications and was allotted the rest proportionately. All the calls were made and an applicant holding 1000 shares failed to pay allotment and calls money in due date and these shares were forfeited.

Required: Journal entries for:

- | | |
|-----------------------|----------------------|
| i) Share allotment | ii) Share first call |
| iii) Share final call | iv) Share forfeiture |

[Ans.: Share forfeiture Rs.66,000 and Calls in arrear Rs.44,000]

Question No.46 The Fancy Company Ltd. issued 4000 equity shares of Rs.10 with discount Rs.1 per share payable as follows:

On Application	Rs.2
On Allotment	Rs.4
On First and final call	Rs.3

Applications were received on 10000 shares. These shares were allotted as follows:

<u>Applied</u>	<u>Allotted</u>
1000	100%
6750	pro rata
Remaining	Reject

The excess application money were utilized towards allotment. Mr. 'B' who held 200 shares under pro.rata groups failed to pay allotment and calls money in due date his share were forfeited.

Required: Journal entries for:

- a) Share allotment b) Share first and final call c) Share forfeiture

[Ans.: Share forfeiture Rs.900 and Calls in arrear Rs.900]

Question No.47 Aarati Company Ltd. issued 25000 equality shares of Rs.10 each issued at par the amount payable as follows:

Rs.3	On Applications
Rs.4	On Allotment
Rs.3	On First and final call

Applications were received on 60000 Shares. The company decided to allot these shares as follows:

<u>Groups</u>	<u>Applied</u>	<u>Allotted</u>
a	5000	5000
b	10000	5000
c	40000	Pro.rata
d	5000	Rejects

The excess shares application money were utilize by the director on the allotment and first and final call. A shareholder under group A holding 200 Shares failed to pay first and final call money in due date. These shares were forfeited.

Required: Journal entries for:

- a) Share application b) Share allotment
c) Share first and final call d) Share forfeiture

[Ans.: Share forfeiture Rs.1,400 and Calls in arrear Rs.600]

Question No.48 X Company Ltd. issued 5000 Shares of Rs.100 each with 10% premium. Payable as follows:

On Application	Rs.30
On Allotment	Rs.50 (including premium)
On first and final calls	Rs.30

Applications were received on 13350 Shares. The company allotted these shares as follows:

<u>Group</u>	<u>Applied</u>	<u>Allotted</u>
a.	1000	Full
b.	11350	pro.rata
c.	1000	Reject

The excess shares application money utilizable towards shares allotment and calls. One share holder holding 400 shares under pro.rata groups failed to pay first and final call money on due date. These shares were forfeited.

Required: Journal entries for:

- a) Share application
b) Share allotment
c) Share first and final call
d) Share forfeiture

[Ans.: Share forfeiture Rs.30,450 and Calls in arrear Rs.9,550]

Question No.49 A Company Ltd. forfeited 500 share of Rs.100 each issued at par for non-payment of allotment and call money Rs.60 per share. These shares were re-issued at Rs.90 per share as fully called up and paid up.

Required: Journal entries for: Forfeiture, Re-issued and Transfer.

[Ans.: Transfer to capital reserve Rs.15,000]

Question No.50 XP Company Ltd. forfeited 2500 shares of Rs.100 each issued at 10% premium for non-payment of allotment and calls money Rs.50 per share. Out of these 2000 shares were re-issued at Rs.80 per share as fully called up and paid up.

Required: Journal entries for: Forfeiture, Re-issued and Transfer.

[Ans.: Transfer to capital reserve Rs. 60,000]

Question No.51 Misan and Yashraj brothers company issued 5000 share of Rs.100 each with 10% premium the payment were as follows:

On Application	Rs.40
On Allotment	Rs.50
On First and final call	Rs.20

Applications were received on 8000 shares. The company allotted these share as: to the applicants of 7000 shares on pro.rata base and remaining shares were rejected and sent regret later.

All money were duly received except a share holder holding 500 shares failed to pay allotment and calls money in due date. These shares were forfeited.

Required: Journal entries for: Allotment, First and final calls and Forfeiture of shares

[Ans.: Share forfeiture Rs.28,000; Calls in arrear Rs.27,000]

Question No.52 Zenith Company Ltd. issued 30000 share of Rs.100 each with 10% discount.

Payment as follows:

On Application	Rs 30
On Allotment	Rs.40
On First and final call	Rs.20

Public were applied on 75000 shares the company allotted these shares as follows:

Applied	Allotted
5000	100%
60000	Pro.rata
Remaining	Rejected

A share holders holding 1000 shares under pro.rata groups failed to pay first and final call money on due date these share were forfeited.

Required: Journal entries for: Allotment, First and final calls and Forfeiture of shares

[Ans.: Share forfeiture Rs.72,000; Calls in arrear Rs.18,000]

Question No.53 A Company Ltd. is registered with 100000 shares of Rs.10 each. This year the company issued 50000 shares with 20% premium, the payment of these shares is as follows:

On Application	Rs.5
On Allotment	Rs.4
On First and final call	Rs.3

Applications were received on 98000 shares. The company decided to allot these shares as follows:

- I. To the applicant for 10,000 shares full
- II. To the applicants for 40,000 shares 50%
- III. To the applicant for 30,000 share pro.rata.
- IV. To the applicants at remaining were rejected.

A shareholder holding 2000 shares of group-II failed to pay first and final call money and another share holders of group-III holding 1000 shares failed to first and final call money on due date. Both shares were forfeited.

Required: Journal entries for: Application, Allotment, First and final calls and forfeiture of shares

[Ans.: Share forfeiture Rs.23,000; Calls in arrear Rs.7,000]

Question No.54 Advanced Company Limited issued for public 20000 equity shares of Rs.10 each at a discount of Rs.1 per shares. Payable as: Rs.3 application; Rs.4 on allotment and Rs.2 on first and final call. Applications were received for 45000 shares. Dividing the applications into following ways: Group A applying for total 5000 shares allotted fully, Group B applying for total 32500 shares pro-rata. Group C applying for total 7500 shares are refused.

Directors while making allotment decided to adjust the excess amount received on application against allotment money due, when first and final call were made, shareholders holding 500 shares under Group B failed to pay the call money. The director forfeited these shares. Out of these forfeited shares 300 shares were re-issued at Rs.9 per share as fully called up and paid up.

Required: Journal entries for:

- | | |
|-------------------------------|---------------------|
| a) Share application | b) Share allotment |
| c) Share first and final call | d) Share forfeiture |
| e) Re-issue and Transfer | |

[Ans.: Share forfeiture Rs.2,100]

Question No.55 A Company issued 30000 equity Shares of Rs.10 each with Rs.5 premium payable as follows:

Rs.5	On Application
Rs.8	On Allotment
Rs.2	On First and final call

Applications were received for 60000 shares and allotted as follows:

<u>Group</u>	<u>Applied</u>	<u>Allotted</u>
a.	5000	100%
b.	53000	Pro.rata
c.	Remaining	Reject

The excess share application money the director can be utilized towards allotted and calls. A Shareholder holding 2000 shares under pro.rata group failed to pay first and final call money on due date so, his shares were forfeited and re-issued at Rs.9 per share as fully paid.

Required: Journal entries for:

- | | | |
|----------------|---------------|---------------------------|
| i) Application | ii) Allotment | iii) First and final call |
| iv) Forfeiture | v) Re-issue | vi) Transfer |

[Ans.: Share forfeiture Rs.14,000]

Issued of shares other than cash

a) For assets purchased:

Question No.56 A Company Ltd. acquired the land and building from vendor at Rs.12,00,000. The purchase price is discharged by the company from 10000 equity share of Rs.100 each at 20% premium.

Required: Journal entries

[Ans.: Share capital Rs.10,00,000; Share premium Rs.2,00,000]

Question No.57 X Company Ltd. purchased the fixed assets from vendor co. at Rs.9,90,000. The purchases price is discharged by the company by issuing equity shares of Rs.100 each at 10% premium.

Required: Journal entries

[Ans.: No. of shares 9000]

Question No.58 Misan Company Ltd. acquired the fixed assets at Rs.10,00,000. The purchase price is discharge by issuing 8000 shares of Rs.100 each at 20% premium and balance in cash.

Required: Journal entries [Ans.: Balance paid by cash Rs.40,000]

Question No.59 M Company Ltd. purchased a plant at Rs.17,00,000. The purchase price is discharged by issuing 12000 shares of Rs.100 each at 10% discount and balance in cash.

Required: Journal entries [Ans.: Balance paid by cash Rs.6,20,000]

Question No.60 A Company Limited purchased the following assets from B Company Ltd. the agreed purchase price was Rs.250,000. the assets are:

Plant and machinery	Rs.2,00,000
Land and building	Rs.1,00,000

The purchase price was discharge by issuing shares of Rs.100 each at 25% premium.

Required: Journal entries for:

- a) Assets purchase b) Paid to vendor by issuing shares

[Ans.: No. of share issued to B Company 2000 shares; Capital Reserve Rs.50,000]

Question No.61 Big Company Ltd. purchased the assets of small company limited at an agreed price of Rs.10,00,000. The asset of small company was as follows:

Land and building	Rs.5,00,000
Plant and machinery	Rs.2,00,000
Sundry debtors	Rs.3,00,000
Inventory	Rs.50,000
Prepaid expenses	Rs.20,000

The purchase price is discharge by issuing 5000 equity shares is of Rs.100 each and 5000, 8% preference share of Rs.100 each both shares are issued at par.

Required: Journal entries for:

- a) Assets purchase b) Paid to vendor by issuing shares

[Ans.: Capital Reserve Rs.70,000]

b) Issue of shares for the purchase of business:

Question No.62 NC Company acquired the business of UML Company by issuing 10000 shares of Rs.100 each at 10% premium, the assets and liabilities of UML Company as follows:

Plant and Machinery A	Rs.1,35,000	Vehicles A	Rs.2,50,000
Outstanding expenses L	Rs.25,000	Sundry debtors A	Rs.2,00,000
Sundry creditors d	Rs.75,000	Stock in trade A	Rs.3,50,000

Required: Journal entries for:

- a) Assets purchase b) Paid to vendor by issuing shares

[Ans.: Goodwill Rs.2,65,000]

Question No.63 Bhaktapur Finance Company acquired the business of Dynamic Company Limited. The purchase price was paid by issuing 20000 equity shares of Rs.100 each with 10% discount. The assets and liability of Dynamic Company Ltd. are as follows:

Furniture H	Rs.4,00,000	Plant and machinery H	Rs.4,00,000
Land and building A	Rs.8,00,000	Account payable L	Rs.1,50,000
Debentures L	Rs.2,00,000	Book debts D	Rs.3,00,000
Prepaid expenses H	Rs.1,00,000	Bills payable L	Rs.50,000

The company also issued 5000 shares at 20% premium for public subscription on cash.

Required: Journal entries for: a) Assets purchase

- b) Paid to vendor by issuing shares c) Share issue on cash

[Ans.: Goodwill Rs.5,30,000]

Question No.64 X Company Ltd. was registered with Rs.50,00,000 authorized capital divided into 50000 shares of Rs.100 each. The company acquired the following assets and liabilities of a Company limited:

Building with land	Rs.4,00,000	Plant and machinery	Rs.2,00,000
Sundry debtors	Rs.1,50,000	Loan payable	Rs.50,000
Inventory	Rs.50,000	Sundry payable	Rs.2,50,000

The purchase price was discharge by issuing required number of shares.

Required: Journal entries: If purchase price of the business under following conditions.

- a) Rs.4,50,000 b) Rs.5,00,000 c) Rs.5,50,000

[Ans.: (a) Capital Reserve Rs.50,000; (b) Goodwill/Capital reserve Nil; (c) Goodwill Rs.50,000]

Question No.65 NTC Company Ltd. was registered with Rs.1,00,00,000 authorized capital. The company acquired the business of Ncell at an agreed price of Rs.29,70,000. The assets and liability of Ncell are as follows:

Land and Building	Rs.12,00,000	Plant and equipment	Rs.10,00,000
Loose tools	Rs.6,00,000	Bank loan	Rs.5,00,000
Account receivable	Rs.5,00,000	Sundry creditors	Rs.2,00,000
Stocks	Rs.2,70,000		

- Required:** i) Journal entries for business purchase
 ii) Issue of Shares for making payment under following conditions
 a) Issued at par b) Issued at 10% premium c) Issued at 10% discount

[Ans.: (a) Goodwill Rs.1,00,000, No. of Shares 29700 shares; (b) Goodwill Rs.1,00,000, No. of Shares 27000 shares; (c) Goodwill Rs.1,00,000, No. of Shares 33000 shares]

Question No.66 Sunstar Company Ltd. purchased the business of Moonstar Company. The Assets and liabilities of Moonstar Company are as follows:

Land and Building	Rs.3,00,000	Plant and machinery	Rs.1,00,000
Inventories	Rs.1,50,000	Sundry debtors	Rs.50,000
Bank loan	Rs.2,00,000		

The purchase price is discharged by issuing 5000 shares of Rs.100 each at Rs.115 per shares. The company also issued 3000 shares with 10% discount for cash on lump sum basis.

[Ans.: Goodwill Rs.1,75,000, Purchase consideration Rs.5,75,000]

Question No.67 X Company Ltd. purchased the business of Y Ltd. the assets and liabilities of Y Company Limited are as follows:

Plant and machinery	Rs.1,70,000	Office Furniture	Rs.30,000
Business premises	Rs.3,00,000	Vehicles	Rs.2,50,000
Book debts	Rs.50,000	Bills payable	Rs.1,80,000

The agreed purchase prize was Rs.9,20,000. The purchase price was discharge by issuing 8000 of Rs.100 each with 10% premium and balance in cash the Company also issued 5000 shares of Rs.100 each with 20% premium.

[Ans.: Goodwill Rs.3,00,000, Balance paid in cash Rs.40,000]

Question No.68 Shree Ram Company Ltd. acquired the business of Shree Sita Company. The assets and liability of Shree Sita Company are as follows:

Fixed assets	Rs.10,00,000	Current assets	Rs.2,00,000
Current liabilities	Rs.3,00,000	Loan payable	Rs.2,00,000

The payment was made by issuing required number of equity shares of Rs.50 each with 20% premium and balance in cash Rs.1,00,000. The Company also issued 4000 shares of Rs.100 each with 10% discount to the public subscription.

[Ans.: Purchase consideration Rs.7,00,000]

Issue of shares of promoters

Question No.69 Gautam Company Ltd. issued 10,000 equity shares of Rs.10 each with 10% premium to the promoters for their services.

Required: Journal entries

[Ans.: Goodwill Rs.12,00,000]

Question No.70 A Company Ltd. issued 20000 shares Rs.100 each with 10% premium for public subscription.

These shares are issued on lump sum method.

It is agreed that Brokerage @3% and underwriting commission @3% (based on face value) will paid for this issue. Claims at the broker and underwriter are satisfied by issuing to them addition at equity shares of Rs.100 each at a premises of 10% (without any cash payment)

Required: Journal entries

[Ans.: Underwriting commission Rs.66,000]

Question No.71 A Company Ltd. purchased the following assets and liabilities at vendor Company Ltd., for discharge the purchase consideration the company issue 20000 shares of Rs.100 each at 10% premium.

Fixed assets	Rs.23,00,000	Current assets	Rs.8,00,000
Current liabilities	Rs.3,00,000	Bank loan	Rs.5,00,000

The Company also issue 5000 shares at 5% discount for the public subscription.

Required: Journal entries

[Ans.: Purchase consideration Rs.22,00,000 and Capital reserve Rs.1,00,000]

Question No.72 Shrestha Company purchased the business of Gautam company ltd. at an agreed price of Rs.4,40,000. The assets and l liabilities are as follows:

Land and building	Rs.5,00,000	Plant and machinery	Rs.1,50,000
Closing stock	Rs.1,50,000	Sundry creditors	Rs.2,50,000
Bank overdraft	Rs.1,60,000		

The purchases consideration was discharged by the company by issuing shares of Rs.100 each with 10% premium. The company also issued 3000 shares with 10% discount on cash.

Required: Journal entries

[Ans.: No. of Shares 4000 and Goodwill Rs.50,000]

Question No.73 Lama Company acquired the business of Sharma company at an agreed price of Rs.25,00,000. The assets and liabilities of Sharma companies are as follows:

Books for library	Rs.5,00,000	Books debts	Rs.4,00,000
Land and building	Rs.12,00,000	Plant and machinery	Rs.4,00,000
Investment	Rs.2,50,000	Sundry creditors	Rs.3,50,000
Outstanding expenses	Rs.1,50,000		

The purchase price was discharge by the Lama Company as 10000 equity shares of Rs.100 each, 10000, 7% preferences share of Rs.100 each and balance in cash.

The companies also issue 5000 shares of Rs.100 each at 10% premium on cash.

Required: Journal entries

[Ans.: Goodwill Rs.2,50,000]

Question No.74 Strong company acquired the business of weak company at an agreed price of Rs.17,00,000 the purchase price was discharged by strong company, by issuing 14000 shares of Rs.100 each with 20% premium and balance in cash. The assets and liabilities of weak company as follows:

Land and building	Rs.12,50,000	Plant and machinery	Rs.7,00,000
Furniture and fitting	Rs.5,00,000	Current assets	Rs.2,00,000
Current liabilities	Rs.5,00,000	Bank loan	Rs.3,00,000

The company also issued 10000 shares of Rs.100 each with 10% discount to the public on cash.

Required: Journal entries

[Ans.: Capital reserve Rs.1,50,000 and Balance paid in cash Rs.20,000]

Question No.75 X Company Ltd. acquired the following assets and liabilities of Vendor Company

Plant and machinery	Rs.2,00,000	Land and building	Rs.3,00,000
Closing stock	Rs.50,000	Account payable	Rs.1,00,000

The purchase price was discharged by issuing 5000 shares of Rs.100 each.

Required: Journal entries [Ans.: Goodwill Rs.50,000 and Purchase consideration Rs.5,00,000]

Question No.76 The Kathmandu Company Ltd. acquired the following assets and liability of Biratnagar Company Ltd.

Plant and machinery	Rs.4,00,000	Land and building	Rs.8,80,000
Account receivable	Rs.2,00,000	Outstanding expenses	Rs.50,000
Prepared expenses	Rs.20,000	Sundry credits	Rs.2,50,000

The purchase price is discharged by the company, by issuing 10000 shares of Rs.100 each with 10% premium. The company also issued 5000 shares at 5% discount to the public subscription.

Required: a) Journal Entries for business purchased and share issued on cash

b) Opening balance sheet

[Ans.: Capital reserve Rs.1,00,000; Purchase consideration Rs.11,00,000; Total balance Rs.20,00,000]

Question No.77 The following is the balance sheet of a Company Ltd. as on 31/12/ 2073

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Authorized capital:		Land and building.....	8,00,000
20000 shares@100	20,00,000	Plant and machinery	4,00,000
Issued capital:		Sundry debtors.....	2,00,000
10000 share @100	10,00,000	Cash at bank.....	1,50,000
Profit and loss A/c.....	2,00,000	Inventory.....	1,00,000
Sundry creditors.....	4,00,000		
Outstanding expenses	50,000		
	16,50,000		16,50,000

The company issued 800 shares of Rs.100 each with 10% discount to acquire the following assets and liabilities.

Land and building	Rs.3,00,000	Plant and machinery	Rs.1,00,000
Sundry debtors	Rs.2,50,000	Inventory	Rs.1,30,000
Sundry creditors	Rs.1,80,000	Outstanding expenses	Rs.30,000

The Company also issued 2000 shares on cash to the public with 20% premium.

Required: i) Journal entries for business purchase and share issue on cash.

ii) New balance sheet

[Ans.: Goodwill Rs.1,50,000; Purchase consideration Rs.7,20,000; Total balance Rs.29,00,000]

