

Std 12 Accounts test

Time allowed :45 mins. Full marks :20

Just Ltd. issued a prospectus inviting applications for 20,000 shares of ₹10 each at a premium of ₹2 per share payable as follows:

| | |
|---------------------------|------------------------|
| On Application. | ₹2; |
| On Allotment. | ₹5(including premium); |
| On first call. | ₹3; |
| On Second and Final Call. | ₹2. |

Applications were received for 30,000 shares and pro rata allotment was made on the applications for 24,000 shares. Money overpaid on applications was employed on account of sum due on allotment.

Ramesh, to whom 400 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call his shares were forfeited. Mohan the holder of 600 shares failed to pay the two calls and his shares were forfeited after the second call.

Of the shares forfeited, 800 shares were sold to Krishna credited as fully paid for ₹9 per share, the whole of Ramesh's shares being included. Show the Journal entries and the Balance Sheet of the company.