

91. Panasonic Ltd. was formed on 1st April, 2024 with an authorized capital of 20,00,000, divided into 20,000 Equity shares of 100 each. 10,000 shares were issued as fully paid to the vendors of building for payment of the purchase consideration. The remaining 10,000 shares were offered for public subscription at a premium of 5 per share payable as:

On Application	10 per share.
On Allotment	25 per share (including premium),
On first call	40 per share,
On Final call	30 per share.

Application were received for 9,000 shares which were allotted and the allotment money was received in full. At the time of the first call, a shareholder who held 1,000 shares failed to pay the first call money and his shares were forfeited. These shares were reissued @ 60 per share, 70 per share paid-up. Final call has not been made.

You are require to (i) give necessary journal entries to record the above transactions (ii) Show how share capital would appear in the Balance Sheet of the company.

**Solution:**

**Journal**

Date	Particular	L.F.	Dr.	Cr.
1.	Building A/c		1,00,000	
	To vendors A/c			1,00,000

	(Building purchased)			
2.	Vendors A/c		1,00,000	
	To equity share capital A/c			1,00,000
	(1,000 Equity shares issued @ 100 per share)			
3.	Bank A/c		9,000	
	To equity share application A/c			9,000
	(Equity share app. Received)			
4.	Equity share application A/c		9,000	
	To equity share capital A/c			9,000
	(Equity share app transferred to share capital)			
5.	Equity share allotment A/c (900 x 25)		22,500	
	To equity share capital A/c (900 x 20)			18,000
	To securities premium reserve A/c (900 x 5)			4,500
6.	Bank A/c		22,500	
	To equity share allotment A/c			22,500
	(Equity share allotment due)			

7.	Equity share first call A/c (900 x 40) To equity share capital A/c (Equity share first call due)		36,000	36,000
8.	Bank A/c [36,000 – (100 x 40)] To equity share first call A/c (Equity share first call received)		32,000	32,000
9.	Equity share capital A/c (100 x 70) To forfeited shares A/c To equity share first call A/c (100 x 40) (100 shares forfeited)		7,000	3,000 4,000
10.	Bank A/c (100 x 60) Forfeited share A/c To equity share capital A/c (100 x 70) (100 forfeited shares reissued)		6,000 1,000	7,000
11.	Forfeited share A/c To capital reserve A/c		2,000	2,000

	(Capital gain on reissued of forfeited shares transferred to capital reserve)			
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**Software Ltd. Balance Sheet (Extract) as at....**

	Particular	Note no.	₹
I	<b>Equity and Liability</b>		
	<b>1. Shareholder's Funds</b>		
	Share Capital		16,3000
			<u>6500</u>
	<b>2. Reserve &amp; Surplus</b>		
			1,69,500

**Note to Accounts**

Particular	₹
<b>1. Share capital</b>	
<b>Authorized capital</b>	
2,000 shares @ ₹ 100 each	<u>2,00,000</u>
<b>Issued of capital</b>	
2,000 shares @ ₹ 100 each	<u>2,00,000</u>
[1,000 shares issued against building purchased]	
<b>Subscribed capital</b>	

Subscribed & fully paid up		
1,000 Equity shares @ ₹ 100 each		
[1,000 share issued against building purchase]		
		1,00,000
Subscribe & not fully paid-up		
900 equity shares @ 100 each, 70 called up		
2. Reserve & surplus		
Securities premium reserve (900 x 5)	4,500	<u>63,000</u>
Capital reserve	<u>2,000</u>	<u>1,63,000</u>
		<u>6,500</u>

92.VXN Ltd. invited applications for issuing 50,000 equity shares of 10 each at a premium of 8 per share. The amount was payable as follows:

On Application	4 per share (including 2 premium),
On Allotment	6 per share (including 3 premium),
On first call	5 per share (including 1 premium),
On second & Final call	Balance Amount.

The issue was fully subscribed. Goopal, a shareholder holding 200 shares, did not pay the allotment money and Madhav, a holder of 400 shares, paid his entries share money along with the allotment

money. Gopal's shares were immediately forfeited after allotment. Afterwards, the first call was made. Krishna, a holder of 100 shares, failed to pay the first call money and Girdhar, holder of 300 shares, paid the second call money also long with the first call. Krishna's shares were forfeited immediately after the first call. Second and final call was made afterwards and was duly received. All the forfeited shares reissued at 9 per share fully paid-up.

Pass necessary journal entries for the above transactions in the books of the company.

**Solution:**

**Journal**

Date	Particular	L.f.	Dr.	Cr.
1.	Bank A/c (50,000 x 4) To equity share application A/c (Equity share app received)	Dr.	2,00,000	2,00,000
2.	Equity share application A/c To equity share capital A/c To securities premium reserve A/c (Share app. Transferred share capital)	Dr.	2,00,000	1,00,000 1,00,000
3.	Equity share allotment A/c To equity share capital A/c To securities premium reserve A/c (Equity share allotment due)	Dr.	3,00,000	1,50,000 1,50,000
4.	Bank A/c (3,00,000 – 1,200 + 3,200) To equity share allotment A/c To calls in advance A/c (400 x 8) (Equity share allotment received)	Dr.	302000	2,98,800 3,200

5.	<p>Equity share capital A/c (200 x 5) Dr.</p> <p>Securities premium reserve A/c (200x3) Dr.</p> <p>To forfeited share A/c (200x 2)</p> <p>To equity share allotment A/c (200 x6)</p> <p>(Equity share forfeited)</p>		<p>1,000</p> <p>600</p>	<p>400</p> <p>1,200</p>
6.	<p>Equity share first call A/c (49,800 x 5) Dr.</p> <p>To equity share capital A/c (49,800 x 4)</p> <p>To security premium reserve A/c (49,800 x1)</p> <p>(Equity share first call due)</p>		2,49,000	<p>1,99,200</p> <p>49,800</p>
7.	<p>Bank A/c (2,49,000-100 x 5 – 2000 + 900)</p> <p>Call in advance A/c (400 x 5)</p> <p>To equity share first call A/c</p> <p>To call in advance A/c (300 x 3)</p> <p>(Equity share first call received)</p>		<p>2,47,400</p> <p>2,000</p>	<p>2,48,500</p> <p>900</p>
8.	<p>Equity share capital A/c (100 x 9) Dr.</p> <p>Securities premium reserve A/c (100 x1) Dr.</p> <p>To forfeited share A/c (100 x 5)</p> <p>To equity share first call A/c (100 x 5)</p> <p>(100 shares forfeited)</p>		<p>900</p> <p>100</p>	<p>500</p> <p>500</p>
9.	<p>Equity share second &amp; final call A/c Dr.</p> <p>To equity share capital A/c (49,700 x 1)</p> <p>To securities premium reserve A/c (49,700 x 2)</p> <p>(Equity share second &amp; final call due)</p>		1,49,100	<p>49,700</p> <p>99,400</p>

10.	Bank A/c Calls in advance A/c (700 x 3) To equity share second & final call A/c (Equity share second & final call received)	Dr. Dr.	1,47,000 21,000	1,49,100
11.	Bank A/c (300 x 9) Forfeited shares A/c (300 x 1) To equity share capital A/c (300 x 10) (Forfeited shares reissued)	Dr. Dr.	2,700 300	3,000
12.	Forfeited shares A/c To capital reserve A/c (Capital gain on reissued of forfeited shares transferred to capital reserve)		600	600

**93.Sukanya Ltd. invited application for issuing 1,00,000 equity shares of 10 each. The share were issued at a premium of 20 per share. The amount was payable as follows:**

**On Application & Allotment      14 per share (including premium of 10),**

**On first call                              8 per share (including premium of 5),**

**On Final call                              8 per share (including premium of 5)**

**Application for 96,000 shares were received. Rohit, a shareholder holding 7,000 shares, failed to pay both the calls and Namit, a holder of 5,000 shares, did not pay the final call.**



Shares of Ronit and Namit were forfeited. Of the forfeited shares, 8,000 shares including all the shares of Rohit were reissued to Reena at 8 per share fully paid up.

Pass necessary journal entries for the above transactions in the books of sukanya Ltd.

Solution:

Journal

Date	Particular	L.F	Dr.	Cr.
1.	Bank A/c (96,000 x 14) Dr. To equity share app. & allotment A/c (Equity share app. Received on 96,000 shares)		13,44,000	13,44,000
2.	Equity share app. & allotment A/c Dr. To equity share capital A/c (96,000 x 4) To securities premium reserve A/c (96,000 x 10) (Equity share app. Transferred to share capital A/c)		13,44,000	3,84,000 9,60,000
3.	Equity share first call A/c (96,000x 8) Dr. To equity share capital A/c (96,000 x 3) To securities premium reserve A/c (96,000 x 5)		7,68,000	2,88,000 4,48,000

	(Equity share first call due)			
	Bank A/c [7,68,000 – 7,000 x 8] Dr.			
4.	To equity share first call A/c		7,12,000	
	(Equity share first call received)			7,12,000
	Equity share final call A/c (96,000 x 8) Dr.			
5.	To equity share capital A/c (96,000 x 3)		7,68,000	
	To securities premium reserve A/c (96,000 x 5)			2,88,000
	(Equity share first call due)			4,80,000
	Bank A/c [7,68,000 – (12,000 x 8)] Dr.			
6.	To equity share final call A/c		6,72,000	
	(Equity share final call received)			6,72,000
	Equity share capital A/c (12,000 x 10) Dr.			
7.	Securities premium reserve A/c Dr.		1,20,000	
	(7,000 x 10 + 5,000 x 5)		95,000	
	To Forfeited share A/c (7000 x 4 + 5000 x 7)			
	To equity share first call A/c			63,000

	(12,000 shares forfeited )			56,000
				96,000
	Bank A/c (8000 x 8) A/c	Dr.		
8.	Forfeited shares A/c	Dr.	64,000	
	To equity share capital A/c (8000 x 10)		16,000	
	(Forfeited share reissued)			80,000
	Forfeited shares A/c (1)	Dr.		
9.	To capital reserve A/c		19,000	
	(Capital gain on reissued of forfeited shares transferred to capital reserve)			19,000

**Working Note:-**

### Calculation of Capital Reserve

Forfeited amount of reissued share

$$\text{Forfeited amount of Namit reissued 1000 shares} = \frac{35,000}{5,000} \times 1,000$$

$$= 7,000$$

Forfeited amount of rohit reissued 7000 shares

28,000

(7,000 x 4)

Forfeited amount of reissued 8,0000 shares

35,000

₹

$$\text{Capital Reserve} = 35,000 - 16,000 = ₹ 19,000$$

94. Abhipra Ltd. invited applications for issuing 1,00,000 equity shares of 10 each. The share issued at a premium of 20 per share. The amount was payable as follows:

On Application	14 per share (including premium of 10),
On Allotment	8 per share (including premium of 5)
On First & Final call	8 per share (including premium of 5).

Application for 90,000 shares were received. Paresh, a shareholders holding, 5,000 shares, did not pay the allotment money and call. While Dharam, holder of 3,000 shares, did not pay the call. Shares of Paresh and Dharam were forfeited. Of the forfeited share, 5,000 shares including 3,000 shares of paresh and 2,000 shares of Dharam were reissued to parul at 8 per share as fully paid-up.

Pass necessary journal entries for the above transactions in the books of Abhipra Ltd.

Solution: Journal

Date	Particular	L.F	Dr.	Cr.
1.	Bank A/c (90,000 x 14) To equity share application A/c (Equity share app. received on 90,000 shares)		12,60,000	12,60,000
2.	Equity share app. A/c			

	To equity share capital A/c (90000 x 4)		12,60,000	
	To securities premium reserve A/c (90,000 x 10)			3,60,000
	(Equity share app. transferred to share capital)			9,00,000
3.	Equity share Allotment A/c (90000 x 8)		7,20,000	
	To equity share capital A/c (90000 x 3)			2,70,000
	To securities premium reserve A/c (90000 x 5)			4,50,000
	(Equity share allotment due)			
4.	Bank A/c		6,80,000	
	Call in arrear A/c (5000 x 8)		40,000	
	To equity share allotment A/c (90000 x 8)			7,20,000
	(Equity share allotment received)			
5.	Equity share first & final call A/c		7,20,000	
	To equity share capital A/c (9000 x 3)			2,70,000
	To securities premium reserve A/c (90000 x 5)			4,50,000
	(Equity share first & final call due)			
6.	Bank A/c		6,56,000	

	Calls in arrear A/c (8000 x 8)		64,000	
	To equity share first & final call A/c (90000 x8)			7,20,000
	(Equity share first & final call received)			
7.	Equity share capital A/c (8000 x 10)		80,000	
	Securities premium reserve A/c (5000 x 10 + 3000 X 5)		65,000	
	To forfeited share A/c (5000 x 4 + 3000 x 7)			41,000
	To Call in arrear A/c (5000 x 16 + 3000 x 8)			1,04,000
	(8000 shares forfeited)			
8.	Bank A/c (5,000 x 8)		40,000	
	Forfeited shares A/c		10,000	
	To equity share capital A/c (5000 x 10)			50,000
	(5000 forfeited shares reissued)			
9.	forfeited shares A/c		16,000	
	To capital reserve A/c			16,000
	(Capital gain on reissue of forfeited shares transferred to capital reserve)			
	$\left[ \frac{20,000}{5,000} \times 3000 + \frac{21000}{3,000} \times 2,000 \right]$			

	- 10,000			
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### Determination of Amount Realized from Reissue of shares

95. Ratan Ltd. forfeited 1,000 shares of 10 each for non-payment of first and final call of 2 per share. Then share were reissued and gain on reissue transferred to capital reserve was 5,000. Determine the amount realized from reissue of shares.

Solution

Share capital a/c Dr.	7000
To share forfeited a/c	5000
To call in arrear a/c	2000

(being 1000 share forfeited on which 2 was called and not pay 2 per share)

96. 'Swasth Ltd.' forfeited 2,000 shares of 10 each for non-payment of final call of 3 per share. 1,500 of these share were reissued and gain on reissue transferred to capital reserve was 7,500. Determine the amount realized from reissued of shares.

**Forfeiture and Reissue of Shares which were Allotted on pro rata**

Share capital a/c Dr.	12000
To share forfeited a/c	7500
To call in arrear a/c	4500

(1500 x 3)

(being 2000 share forfeited and 1500 share reissue on which 7 was called and not pay 3 per share)

### **Forfeiture and reissue of share which were allotted on pro-rata**

**97.Arvind Ltd. issued 20,000 shares of 10 each at a premium of 2 per share payable as:**

<b>On Application</b>	<b>6</b>
<b>On Allotment</b>	<b>3 (including premium),</b>
<b>On first call</b>	<b>2</b>
<b>On second &amp; Final call</b>	<b>1</b>

**Application were received for 30,000 shares. Application for 6,000 shares were rejected and pro rata allotment was made to the remaining applicants.**

**Abhay, who was allotted 500 shares failed to pay allotment money and on his subsequent failure to pay the first call his shares were forfeited. Of these, 300 shares were reissued as fully paid-up for 6 per share.**

**Journalize the transaction to record the forfeited and reissue of shares.**



Solution:

# Journal Entry

Date	Particular	L.f.	Amount	Amount
1	Share capital A/c (500 x 10) Dr.		5000	
	security premium A/c Dr.		900	
	To call in arrear A/c (100 x 10) To final call A/c (500 x 6) To share forfeiture A/c (Share will be forfeited) (500 x 2 = 1000 first call)			1900 1000 3000
2.			1800	
	Bank A/c (300 x 6) Dr.			900 2700
3.	Forfeiture share A/c Dr.		900	
	To share capital (300 x 9)			900
	Share forfeiture A/c Dr.			
	To capital reserve A/c [Forfeited money			

	$\times \frac{\text{Reissue of share}}{\text{Forfeited share}} ] \text{ Discount}$ $= [3000 \times \frac{300}{500}] - 900 = 900$			
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1. Abhay allotted = 500 share

$$= 30,000 : 20,000 = 3:2$$

$$\text{he applied} = 500 \times \frac{3}{2} = 750 \text{ share}$$

$$\text{Amount received} = 750 \times 6 = 4500$$

Amount should be

$$\text{received} = 500 \times 6 = 3000$$

$$\text{Excess amount received} = 4500 - 3000 = 1500$$

This 1500 adjusted in allotment only

2. Allotment money = 3

$$\text{Premium} = 500 \times 2 = 1000 = (900)$$

$$\text{Allotment} = 500 \times 1 = 500$$

3. Excess Amount adjusted in allotment

$$500 - 1500 = 1000 \text{ [Excess amount]}$$

$$4. \text{ First call} = 500 \times 2 = 1000$$

5. Final call not yet made

6. Call in arrear

$$(\text{Premium}) 900$$

$$\text{First call } 1000 = 1900$$

98. Alfa Ltd. invited applications for issuing 75,000 equity shares of 10 each. The amount was payable as follows:

On Application Allotment	4 per share
On first call	3 per share
On second & Final call	Balance

Applications for 1,00,000 shares were received. Shares allotted to all the application on pro rata basis and excess money received with applications was transferred towards sums due on first call. Vibha who was allotted 750 shares failed to pay the first call. Her shares were immediately forfeited. Afterwards the second call was made. The amount due on second call was also received except on 1,000 shares applied by monika. Her shares were also forfeited. All the forfeited shares were reissued to Mohit for 9,000 as fully paid-up. Pass necessary journal entries in the Books of Alfa Ltd. for the above transactions.

Solution: Journal

Date	Particular	L.F	Dr.	Cr.
1.	Bank A/c (1,00,000 x 4) To equity share app. & allotment A/c (Equity share app. received)		4,00,000	4,00,000
2.	Equity share app. & allotment A/c		4,00,000	

	<p>To equity share capital A/c (75,000 x 4)</p> <p>To equity share first call A/c</p> <p>(Share app transferred to share capital &amp; excess money transferred to share first call)</p>			4,00,000
3.	<p>Equity share first call A/c (75,000 x 3)</p> <p>To equity share capital A/c</p> <p>(Equity share first call due)</p>		2,25,000	2,25,000
4.	<p>Bank A/c (2,25,000 - 1,00,000 - 1250)</p> <p>To equity share first call A/c</p> <p>(Equity share first call received)</p>		1,23,750	1,23,750
5.	<p>Equity share capital A/c (750 x 7)</p> <p>To forfeited share A/c</p> <p>To equity share first call A/c (750 x 3)</p> <p>(750 share forfeited)</p>		5,250	4,000 1,250
6.	<p>Equity share second &amp; final call A/c</p> <p>to equity share capital A/c (74,250 x 3)</p> <p>(Equity share second &amp; final call due)</p>		2,22,750	2,22,750

7.	Bank A/c (2,22,750 - 750 x 3) To equity share second & final call A/c (Equity share second & final call received)		22,05,00	22,05,00
8.	Equity share capital A/c (750 x 10) To forfeited share A/c (750 x 7) To equity share second & final call A/c (750 x 3)		7,500 5,250 2,250	
9.	Bank A/c Forfeited share A/c To equity share capital A/c (1500 x 10) (1500 forfeited shares reissued)		9,000 6,000 15,000	
10.	Forfeited share A/c (5250 + 4000 - 6000] To capital reserve A/c (Capital gain on reissued of forfeited shares transferred to capital reserve)		3,250 3,250	

**Working Note:**

**Calculation of Amount of vibha**

**Application received on application 1000 x 4 = 4,000**

Actual money received on Application  $750 \times 4 = \underline{3,000}$

Money to be used on allotment 1000

Allotment money of vibha  $(750 \times 3) = 2,250$

Amount not paid on allotment 1,250

Forfeited Amount of Vibha = 4,000

99. Himalya Company received Limited issued for public subscription 1,20,000 equity shares of 10 each at a premium for 2 per share payable as under:

On Application	3 per share
On Allotment (including premium)	5 per share,
On first call	2 per share
On second & Final call	2 per share.

Applications were received for 1,60,000 shares. Allotment was made on pro rata basis. Excess money on application were adjusted against the amount due on allotment.

Rohan to whom 4,800 shares were allotted, failed to pay for the two calls. These shares were subsequently forfeited after the second call was made. All the shares forfeited were reissued to Teena as fully paid at 7 per share.

Record journal entries and show the transactions relating to share capital in the company's Balance Sheet.

Solution:

Journal

Date	Particular	L.F	Dr.	Cr.
1.	Bank A/c (1,60,000 x 3) To equity share application A/c (Equity share application received)		4,80,000	4,80,000
2.	Equity share application A/c To equity share capital A/c (1,20,000 x 5) To equity share allotment A/c (Share app. transferred to share capital)		4,80,000	3,60,000 1,20,000
3.	Equity share allotment A/c (1,20,000 x 5) To equity share capital A/c (1,20,000 x 3) To securities premium reserve A/c (Equity share allotment due)		60,00,000	3,60,000 2,40,000
4.	Bank A/c [6,00,000 - 1,20,000] To equity share allotment A/c (Equity share allotment received)		4,80,000	4,80,000
5.	Equity share first call A/c (1,20,000 x 2) To equity share capital A/c		2,40,000	2,40,000

	(Equity share first call due)			
6.	Bank A/c [2,40,000 - 4,800 x 2]		23,04,00	
	To equity share first call A/c			23,04,00
	(Equity share first call received)			
7.	Equity share second & final call A/c		2,40,000	
	To equity share capital A/c			2,40,000
	(Equity share second & final call due)			
8.	Bank A/c [2,40,000 - 4,800 x 2]		23,04,00	
	To equity share second & final call A/c			23,04,00
	(Equity share second & final call received)			
9.	Equity share capital A/c (4800 x 10)		48,000	
	To forfeited share A/c (4800 x 6)			28,800
	To equity share first call A/c (4800 x 2)			9,600
	To equity share second & final call A/c (4800 x 2)			9,600
	(4800 equity share forfeited A/c)			
10.	Bank A/c [4800 x 7]		33,600	



11.	Forfeited shares A/c [4800 x 3]		14,400	
	To equity share capital A/c (4800 x 10)			48,000
	(4800 forfeited equity shares reissued)			
	Forfeited shares A/c		14,400	
	To capital reserve A/c			14,400
	(Capital gain on reissued of forfeited shares transferred to capital reserve)			

Himalya company Ltd..

### Balance Sheet (extract) as at...

Particular	Note No.	
<b>I Equity &amp; liabilities</b>		
Share holders & funds		
Share capital		12,00,000
Reserve & surplus		<u>2,54,400</u>
		14,54,400

### Note to Accounts

Particulars	
1. Share capital	

<b>Authorized capital</b>	
@ ____ each	-
<b>Issued capital</b>	
1,20,000 equity shares @ 10 each	<u>1,20,000</u>
<b>Subscribed capital</b>	
Subscribed and fully paid up	
1,20,000 equity shares @ 10 each	<u>1,20,000</u>
<b>2. Reserve and surplus</b>	
Securities premium reserve (1,20,000 x 2)	2,40,000
Capital reserve	<u>14,400</u>
	<b>2,54,400</b>

**100.SaReGaMa Ltd. invited applications for issuing 80,000 equity of 100 each at a premium of 10. The amount was payable as follows:**

**On Application - 30**

**On Allotment - 30(including a premium of 10)**

**On First call - 30**

**On Final call      -      Balance.**

Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhvani, who was allotted 1,600 shares, failed to pay allotment money and Sargan who applied for 6,000 shares did not pay first call money. These shares were forfeited immediately after first call. 2,000 of these shares (including all shares of Dhvani) were issued to Trading for 95 per share as 80 paid-up. Pass necessary journal entries in books of Saregama Ltd. By opening calls-in-arrear and call-in-advance Accounts, if final call has not been made.

**Solution:**

# Journal

Date	Particular	L.F	Dr.	Cr.
1.	Bank A/c (1,20,000 x 30)  To equity share application A/c (Equity share app. received)		36,00,000	36,00,000
2.	Equity share application A/c		36,00,000	

	To equity share capital A/c (80,000 x 30)			24,00,000
	To equity share allotment A/c (40000 x 30)			12,00,000
	(Share app. transferred to share capital A/c)			
3.	Equity share allotment A/c (80000 x 30)		2,40,000	
	To equity share capital A/c (80000 x 20)			1,60,000
	To securities premium reserve A/c (80000 x 10)			8,00,000
	(Equity share allotment A/c)			
4.	Bank A/c [12,00,000 - 24,000]			
	Calls in arrear A/c		11,76,000	
	To equity share allotment A/c		24,000	
	(Share allotment received)			12,00,000
5.	Equity share first call A/c (8000 x 30)			
	To equity share capital A/c		24,00,000	
	(Equity share first call A/c)			24,00,000

6.	Bank A/c [24,00,000 - (1600 x 30 + 4000 x 30) Call in arrear A/c To equity share first call A/c (Share first call received)		22,32,000 1,68,000	24,00,000
7.	Equity share capital A/c (5600 x 80) Securities premium reserve A/c (1600 x 10) To forfeited share A/c (72000 + 4000 x 50) To calls in arrear A/c (24000 + 168000) (5600 shares forfeited)		4,48,000 16,000	2,72,000 1,92,000
8.	Bank A/c (2000 x 95) To equity share capital A/c (2000 x 80) To securities premium reserve A/c (2,000 forfeited shares reissued)		1,90,000	1,60,000 30,000
9.	Forfeited shares A/c To capital reserve A/c (Capital gain on reissue of forfeited shares transferred to capital reserve)		92,000	92,000

	$[72000 + \frac{2,00,000}{4,000} \times 400 - 0 \quad 92,000$			
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**Working Notes:**

### **Calculation of forfeited Amount of Dhawant**

$$\text{Applied Share of Dhawant} = \frac{1,20,000}{80,000} \times 1600$$

$$= 2400$$

Application amount received on 2400 share (2400 x 30) = 72,000

Actual amount on Application = 1600 x 30 = 48,000

24,000

Allotment amount (1600 x 30) = 48,000

Allotment amount not paid 24,000

Forfeited amount of Dhawani = 72,000