**COMPANY ACCOUNTS**

**SAMPLE PAPER 1**

1 Explain briefly four characteristics of A Company.

2.What is Oversubscription of Shares?

3.What do you mean by Irredeemable Debentures?

4.What is meant by Minimum subscription?

5.What is Sweat equity?

6.Who can be trustee of “trust deed?”

7 Journalize the following transactions in the books of X Ltd.:-

(i) 200 Shares of Rs.100/- each issued at a discount of 10%

were forfeited for the nonpayment of allotment money of Rs. 50/-

per share. The Ist and final Call on these shares of Rs.20/- per share

were not made. The forfeited shares were reissued for Rs. 14,000 fully

paid up.

8. 100 shares of Rs.10/- each issued at a premium of Rs.5/each.

Payable with allotment were forfeited for nonpayment of allotment money of

Rs.9/-per share including premium. The Ist and final Call on

These shares were not made of Rs.3 per share. The forfeited shares

Were reissued @ Rs.12/-per share fully paid up.

9. 200 Shares of Rs.10/-each issued at par were forfeited for the

non payment of the final call of Rs.2 per share .These share were re-issued @ 8

per share fully paid up.

10.Roxy Limited purchased a machinery for Rs.2,00,000 payable as to

Rs,65,000 in cash and the balance by an issue of 6% debentures of Rs.1,000 each

at a discount of 10 percent.

11 Phonix Limited forfeited 600 shares of Rs.10 each, issued at a discount of 10% for the

non payment of first call of Rs.3 per share; final call of Rs.1 per share has not yet been

made. Of these half shares were [reissued@Rs.8](mailto:reissued@Rs.8) as fully paid. Journalize.

12. Proxy Limited with an authorized capital of Rs.2,00,000 divided into equity

shares of RS.10 EACH, issued the entire shares payable as follows:

Rs.5 on application(including Rs.2 as premium)

Rs.4 on allotment

Rs.3 on call

All share money is received in full with the exception of the allotment money on 200 shares and the call on 500 shares(Including 200shares on which allotment money had not been paid) The above 500 shares are duly forfeited and 400 of these (Including the 200 shares on which allotment money had not been paid) are reissued at Rs.7 per share by the purchaser. Pass necessary journal entry.

**13** Ankit Ltd. Company purchased a machine worth Rs. 1,05,000 from M/s India

Traders. Payment was made by issue of equity share of Rs. 10 fully paid at

issue price of Rs. 10.50 each. Pass journal entries in the books’ of the company.

14 M/s M. Ltd. Purchased Machinery for Rs. 3,30,000 from M/s N.Ltd. Payment was

made by issue of 9% debenture of Rs. 100. Pass journal entries for purchase of

Machinery and issue of debenture when-

a. Debentures are issued at par

b. Debentures are issued at premium of 10%

15. S. India Ltd. issued for public subscription 40,000 equity shares of Rs.10 each at a

premium of Rs.2 per share payable as under:

On application Rs.2 per share

On allotment Rs.5 per share (including premium)

On first call Rs.2 per share

On second call Rs.3 per share

Applications were received for 60,000 shares. Allotment was made pro-rata to the applicants for 48000 shares, the remaining application being refused. Money overpaid on application was applied towards sum due on allotment. A to whom 1,600 shares were allotted failed to pay the allotment and call money to whom 2000 shares were allotted failed to pay the two calls. The shares of A and B were subsequently forfeited after the second call was made. 3000 of the forfeited shares were reissued at Rs.7 per share fully paid. The reissued shares included all shares of B. Pass journal entries in the books of S. India Ltd. to record the above transactions.

16 Vibha ltd. invited application for 10,000,12% preference shares of Rs. 100 each .

The shares were issued at a discount of 10%. The amount was payable as follow:

On application Rs. 20

On allotment Rs. 30

On first & final call balance

Application for 15,000 shares were received. Application for 3,000shares were

rejected & the balance of applicants were allotted on prorata basis. All calls were

made & were duly received except the final call on 100 shares. These shares were

forfeited. The forfeited shares were reissued at Rs. 120 per share fully paid up.

Pass the journal entries in the books of Vibha Ltd.

17. Pass necessary journal entry

i) Issued 1000, 12% Debenture of Rs.100 each at 6% discount repayable at 6%

Premium.

ii) Convert 100, 12% Debenture of Rs.100 each issued at 10% discount into equity

Share of Rs.10 each.

18.. Rs. 10,00,000 debentures issued as collateral security in the favour of bank for

loans advanced by it, by a limited company. How will you record in the books

of a company?

**19 Pass Journal entries for the issue of debentures in the following**

**Cases:-**

**(i)Issued Rs.5,00,000 ,12% debentures at Par, redeemable at par.**

**(ii)Issued Rs.6,00,000,12% debentures at a discount of 5% and**

**redeemable at par.**

**(iii)Issued Rs.8,00,000 12% debentures at a discount of 3% and**

**redeemable at a premium of 5%.**

**20. What do you mean by Debenture Trust Deed? Write any two Provisions**

**For offering the debentures.**