

Issue of Shares

TIME 1 HOUR

TEST

MARKS 20

Q.1 Sun Pharmacy Ltd. invited applications for 40,000 equity shares of Rs. 50 each issued at a premium of Rs. 10 per share. The amount was payable as follows:

On application and allotment Rs. 20 per share. Balance (including premium)- on first and final call.

Applications for 70,000 shares were received. Applications for 20,000 shares were rejected and pro-rata allotment was made to the remaining applicants. First and final call was made and duly received except on 400 shares allotted to Nitesh and his shares were forfeited.

Journalise the above transactions.

(10)

Q.2 Arti Limited invited applications for issuing 80,000 shares of Rs. 10 each at a premium of Rs. 4 per share. The amount was payable as follows

On Application - Rs. 5 per share

On Allotment - Rs. 9 per share

(Including Premium)

Applications were received for 1,40,000 shares.

Allotment was made on the following basis:

I. To applicants for 80,000 shares - 60,000 shares

II. To applicants for 60,000 shares - 20,000 shares

Money overpaid on applications was utilized towards sum due on allotment.

Rajiv, belonging to category (i) had applied for 1,200 Shares failed to pay his dues and his shares were forfeited. **(10)**

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