

31	Machinery A/c Dr.. To Ayer Ltd A/c (Being Machinery purchased from Ayer Ltd for Rs 10,00,000)		10,00,000	10,00,000		
	Ayer Ltd A/c Dr.. To Equity Share Capital A/c To Security Premium Reserve A/c To Bank A/c (Being 4000 shares @ Rs 100 each issued at 25% premium to Ayer Ltd)		10,00,000	4,00,000 1,00,000 5,00,000	4000 4000	100 25

Note :

Sum paid through shares issued	5,00,000
Per Share Value	125.0
No of shares issued	4,000

32	Sundry Assets A/c Dr.. To Geeta & Co A/c (Being assets purchased from Geeta & Co for Rs 5,00,000)		5,00,000	5,00,000	400000	12.5
	Geeta & Co A/c Dr.. To Equity Share Capital A/c To Security Premium Reserve A/c To Bank A/c (Being 32000 shares @ Rs 10 each issued at 25% premium to Geeta & Co)		5,00,000	3,20,000 80,000 1,00,000	32000	10 2.5

Note :

Sum paid through shares issued	4,00,000
Per Share Value	12.5
No of shares issued	32,000

33	Machinery A/c Dr.. To Mona Ltd A/c (Being Machinery purchased from Ayer Ltd for Rs 10,00,000)		17,00,000	17,00,000		

	Mona Ltd A/c Dr..		17,00,000			
	To Equity Share Capital A/c			10,88,000	10880	100
	To Security Premium Reserve A/c			2,72,000		25
	To Bank A/c			3,40,000		
	(Being 10880 shares @ Rs 100 each issued at 25% premium to Mona Ltd)					

Note :

Sum paid through shares issued	13,60,000 (1700000 Less 340000)
Per Share Value	125.0
No of shares issued	10,880

34	Plant A/c Dr..		7,00,000			
	Stock-In-Trade A/c Dr..		9,00,000			
	Land and Building A/c Dr..		12,00,000			
	Goodwill A/c		4,00,000			
	To Sundry Creditors A/c			2,00,000		
	To Vendor A/c			30,00,000		
	(Being Asset and Liabilities purchased from Vendor for Rs 30,00,000)					
	Vendor A/c Dr..		30,00,000		30000	
	To Equity Share Capital A/c			30,00,000		100
	(Being 30,000 shares @ Rs 100 each issued to Sharma & Co)					

Calculation of Net Assets :

Plant	7,00,000			
Stock in Trade	9,00,000			
Land and Buildings	12,00,000			
Total Assets	28,00,000			
Less - Sundry Creditors	2,00,000			
Net Assets	26,00,000			
Less - Purchase consideration (Fully Paid up shares issued)	30,00,000	30,000	100	
Goodwill (As Purchase consideration is higher than Net Assets)	4,00,000			

35	Sundry Assets A/c Dr..		7,00,000			
	To Sundry Liabilities A/c			2,00,000		

	To Sanchar Ltd A/c To Capital Reserve A/c (Being Asset and Liabilities purchased from M/s Sanchar Ltd for Rs 459500)			4,59,500 40,500	500000-459500		
	Sanchar Ltd A/c Dr.. To Equity Share Capital A/c To Securities Premium Reserve A/c To Bills Payable A/c (Being 41000 shares @ Rs 10 each at a premium of 10% issued to Sanchar Ltd and balance paid through Cheque)		4,59,500	4,10,000 41,000 8,500	41,000 41000	10 1	

Working Note :

Calculation of Capital Reserve :

Sundry Assets	7,00,000
Less - Sundry Liabilities	2,00,000
Net Assets Purchased	5,00,000
Less Purchase consideration	4,59,500
Capital Reserve (Since Net Assets > Purchase Consideration)	40,500

Calculation of No of Shares Issued :

Total Amount Payable	4,59,500	
Less - Paid through Bills Payable	8,500	
Balance paid through equity shares	4,51,000	Total payment through equity shares
Per share face Value	10	
Per share Premium (10%)	1	
Total Issue Price per share	11	Issue price per share
No of Shares Issued	41,000	

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	Plant and Machinery A/c Dr.. Stock A/c Dr.. Building A/c Dr.. Cash A/c Dr.. Sundry Debtors A/c Dr.. To Sundry Creditors A/c To M/s Rai Brothers A/c To Capital Reserve A/c		4,00,000 4,00,000 4,00,000 3,00,000 3,00,000 2,00,000 15,00,000 1,00,000	
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	(Being Asset and Liabilities purchased from M/s Rai Brothers for Rs 15,00,000)					
	Rai Brothers A/c Dr..		15,00,000		120000	
	To Equity Share Capital A/c			12,00,000		10
	To Bank A/c			3,00,000		
	(Being 120000 shares @ Rs 10 each issued to M/s Rai Brothers and balance paid through Cheque)					

Working Note:

Calculation of Capital Reserve :

Plant and Machinery	4,00,000
Stock	4,00,000
Building	4,00,000
Cash	3,00,000
Sundry Debtors	3,00,000
Total Assets	18,00,000
Less - Sundry Creditors	2,00,000
Net Assets	16,00,000
Less - Purchase Consideration	15,00,000
Capital Reserve (Net Assets > Purchase Consideration)	1,00,000

37	Building		6,50,000			
	Plant and Machinery		2,50,000			
	Stock		5,00,000			
	Trade Receivables		2,50,000			
	Goodwill A/c		50,000			
	To Trade Payables A/c			2,00,000		
	To Sanchar Ltd A/c			15,00,000		
	(Being Asset and Liabilities purchased from M/s Rai Brothers for Rs 15,00,000)					
	Sanchar Ltd A/c Dr..		15,00,000		11,250	100
	To Equity Share Capital A/c			11,25,000		
	To Securities Premium Reserve A/c			2,25,000		20
	To Bank A/c			1,50,000		

(Being 11250 shares @ Rs 100 at a premium of 20% each issued to Sanchar Ltd and balance paid through Cheque)			
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Working Note:

Calculation of Goodwill :

Building	6,50,000
Plant and Machinery	2,50,000
Stock	5,00,000
Trade Receivables	2,50,000
Total Assets	16,50,000
Less - Trade Payables	2,00,000
Net Assets	14,50,000
Less - Purchase Consideration	15,00,000
Goodwill (Net Assets < Purchase Consideration)	50,000

Calculation of No of shares issued :

Total Purchase consideration	15,00,000
Less - Payable by check (10%)	1,50,000
Balance payable through shares	13,50,000
Face Value Per share	100
Add - Premium (20%)	20
Issue Price per share	120
 No of shares issued	 11,250

38	Incorporation Exp A/c Dr..		5,00,000	5,00,000
	To Promoters A/c			
	(Being Incorporation expenses incurred Rs 5,00,000)			
	Promoters A/c Dr..		5,00,000	5,00,000
	To Equity Share Capital A/c			
	(Being 50000 shares @ Rs 10 each issued to Promotion against incorporation expenses)			
	Underwritinng Commission A/c Dr..		20,000	20,000
	To Underwriters A/c			

50000

10

	(Being Incorporation expenses incurred Rs 5,00,000)					
	Underwriters A/c Dr.. To Equity Share Capital A/c (Being 2000 shares @ Rs 10 each issued to underwriters)		20,000	20,000	2000	10

39(i)	Share Capital A/c Dr.. To Forfeited Shares A/c To Share Allotment A/c (Being 100 shares forfeited due to non payment of allotment money)		500	200 300	100 100 100	5 2 3
39(ii)	Share Capital A/c Dr.. To Forfeited Shares A/c To Share Allotment A/c To Share 1st Call A/c (Being 100 shares forfeited due to non payment of allotment and 1st Call money)		800	200 300 300	100 100 100 100	8 2 3 3
39(iii)	Share Capital A/c Dr.. To Forfeited Shares A/c To Share 1st Call A/c To Share 2nd and Final Call A/c (Being 100 shares forfeited due to non payment of 1st Call and 2nd Call money)		1,000	500 300 200	100 100 100 100	10 5 3 2

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	Category 1	Category 2	Category 3	Total
No of Shares Applied	40000	50,000	2,000	92,000
No of Shares Alloted	40000	20,000	-	60,000
No of Shares Rejected	0	30000	2000	32000
Amount Paid on Application	80000	100000	4000	1,84,000
Amount applied towards application to capital	80000	40000	0	1,20,000
Excess Money	0	60,000	4,000	
		Allotment	Refund	

Amount Payable on Allotment	120000	60000	0	180000
Less - Advance at the time of application	0	60,000	-	60000
Balance Amount Payable	120000	0	0	120000
Less - Actual Amount Paid at the time of allotment	108000			108000
Balance Unpaid on Allotment	12000			12000
Amount Payable on Allotment per share	3			3
No of Shares on which amount unpaid on allotment	4000			4000

Amount Payable on 1st Call	200000	100000	0	300000
Less - Advance at the time of application	0	0	0	0
Balance Amount Payable	200000	100000	0	300000
Less - Actual Amount paid on 1st Call				250000
Balance Unpaid on 1st Call				50000
Amount Payable on 1st Call per share				5
No of Shares on which amount unpaid on allotment				10000

Note that even though the amount is not paid on 1st call on 10000 shares, but as of now the company has forfeited only those 4000 shares on which the allotment money was also not paid (As given in the question)

In the books of Sangita Ltd
Journal

Date	Particulars	L.F.	Dr	Cr		
	Bank A/c Dr.. To Equity Share Application A/c (Being share application money received for 92000 shares @ Rs 2 per share)		1,84,000	1,84,000	92000	2
	Equity Share Application A/c To Equity Share Capital A/c To Equity Share Allotment A/c To Bank A/c (Being share application money received for 92000 shares transferred to Share Capital A/c @ Rs 2 per share)		1,84,000	1,20,000 60,000 4,000 -	92000 60000	2 2

Equity Share Allotment A/c To Equity Share Capital A/c (Being share allotment money for 60000 shares transferred to Share Capital A/c @ Rs 3 per share)		1,80,000	1,80,000 -	60000	3
Bank A/c To Equity Share Allotment A/c (Being share allotment money received for 56000 shares @ Rs 3 per share)		1,68,000	1,68,000	56000	3
Equity Share 1st Call A/c To Equity Share Capital A/c (Being share 1st Call money for 60000 shares transferred to Share Capital A/c @ Rs 5 per share)		3,00,000	3,00,000 -	60000	5
Bank A/c To Equity Share 1st Call A/c (Being share 1st Call money received for 50000 shares @ Rs 5 per share)		2,50,000	2,50,000	50,000	5
Share Capital A/c Dr.. To Forfeited Shares A/c To Share Allotment A/c To Share 1st Call A/c (Being 4000 shares forfeited due to non payment of allotment and 1st Call money)		40,000	8,000 12,000 20,000	4000 4000 4000 4000	10 2 3 5