Swotters Academy

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Test / Exam Name: Ch1 - Accountancy For Share Capital **Standard: 12th Commerce** **Subject: Accountancy**

Student Name: ..... **Section:** ..... **Roll No.:** .....

Questions: 28 | **Time: 01:45 hh:mm** | **Marks: 50**

Instructions

1. Make sure to write in the point formation. You handwriting should be neat and clean
2. New section on new page
3. Honesty is the best policy.

SECTION-A

Q1. Nirman Ltd. issued 50,000 equity shares of ₹ 10 each. The amount was payable as follows: **1 Mark**
On application - ₹ 3 per share
On allotment - ₹ 2 per share
On first and final call - The balance
Applications for 45,000 shares were received and shares were allotted to all the applicants. Pooja, to whom 500 shares were allotted, paid her entire share money at the time of allotment, whereas Kundan did not pay the first and final call on his 300 shares. The amount received at the time of making first and final call was:

A ? 2,25,000 **B** ? 2,20,000 **C** ? 2,21,000 **D** ? 2,19,500

Q2. The profit on the re-issue of forfeited shares is transferred to _____. **1 Mark**

A Capital Account **B** Capital Reserve Account **C** Profit and Loss Account **D** General Reserve Account

Q3. That portion of the called-up capital which has been actually received from the shareholders is called: **1 Mark**

A Paid-up capital **B** Called-up capital **C** Reserve capital **D** Subscribed capital

Q4. That part of the authorised capital which is actually issued to the public for subscription is called: **1 Mark**

A Subscribed capital **B** Issued capital **C** Authorised capital **D** Reserve capital

Q5. Akshita Ltd. issued fully paid shares of ₹ 5,00,000 in purchase consideration of net assets of ₹ 4,70,000. The balance of ₹ 30,000 will be _____ to _____ account. **1 Mark**

A Debited, Goodwill **B** Debited, Capital Reserve
C Credited, Capital Reserve **D** Credited, General Reserve

Q6. When a company takes over another one and clearly becomes a new owner, the action is called_____. **1 Mark**

A Merger **B** Acquisition **C** Strategic Alliance **D** None of the above

Q7. The interest on calls-in-advance is paid for the period from the _____. **1 Mark**

A Date of receipt of application money to the date of appropriation **B** Date of receipt of allotment money to the date of appropriation
C Dale of receipt of advance to the date of appropriation **D** Date of appropriation to the date of dividend payment

Q8. **Direction:** In the following question, a statement of Assertion is given followed by a corresponding statement of Reason. Of the statements, mark the correct answer as: **1 Mark**
Assertion (A): Share capital is shown under the head 'Shareholders' Funds' in the balance sheet.
Reason (R): Share capital includes both equity and preference share capital.

A Both Assertion (A) zand Reason(R) are true and Reason (R) is correct explanation of Assertion (A). **B** Both Assertion (A) and Reason(R) are true but Reason (R) is not the correct explanation of Assertion (A).
C Assertion (A) is true but Reason(R) is false. **D** Assertion (A) is false but Reason(R) is true.

Q9. Excess of issue price of a debenture over its face value is called _____. **1 Mark**

Q10. Give the meaning of 'Calls in Arrears'. **1 Mark**

Q11. State the impact of issuing bonus shares on debt-equity ratio of 1 : 2. Give reason in support of your answer. **1 Mark**

Q12. What is meant by 'Capital Reserve'? **1 Mark**

Q13. 'An enterprise may hold securities and loans for dealing or trading purposes in which case they are similar to inventory acquired specifically for resale.' Is the statement correct? Cash flows from such activities will be classified under which type of activity while preparing Cash Flow Statement? **1 Mark**

Q14. What is meant by Securities Premium Reserve? **1 Mark**

Q15. What is meant by Exercise Price? **1 Mark**

Q16. What is meant by Vesting Period? **1 Mark**

SECTION-B

Q17. Distinguish between Oversubscription and Undersubscription of shares issued by a company. How Oversubscription dealt with? **2 Marks**

Q18. Explain in brief the main categories in which the share capital of a company is divided. **2 Marks**

Q19. Can Securities Premium Reserve be utilised for the purchase of fixed assets? Give reasons. **2 Marks**

Q20. State any three purposes other than 'buy back of shares' for which securities premium can be utilised? **2 Marks**

Q21. A company had invited applications for 30,000 Equity Shares of ₹ 10 each at a premium of ₹ 2 each. The total application money received ₹ 2 per share was ₹ 72,000. Name the kind of subscription List the three alternatives for allotting these shares. **2 Marks**

Q22. Distinguish between Calls-in-Arrears and Calls-in-Advance. **2 Marks**

Q23. 'Scooters India Ltd.' is registered with an authorized capital of ₹ 50,00,000, divided into 5,00,000 shares of ₹ 10 each. The company issued 1,00,000 shares for subscriptions to the public at par. The amount was payable as follows: **3 Marks**
On application and allotment – ₹ 3 per share.
On 1st call – ₹ 2 per share.
On 2nd and final call – ₹ 5 per share.
The issue was fully subscribed. All calls were made and were duly received except the 2nd and final call on 1,000 shares held by Rohan. His shares were forfeited and afterwards re-issued at ₹ 8 per share as fully paid up.
Present 'Share Capital' in the Balance Sheet of the company as per Schedule VI Part I of the Companies Act, 1956. Also prepare Notes to accounts for the same.

Q24. To provide employment to the youth and to develop the Naxal affected backward areas of Chattisgarh. X Ltd. decided to set-up a power plant. For raising funds the company decided to issue 7,50,000 equity shares of ₹ 10 each at a premium of 50%. The whole amount was payable on application. Applications for 20,00,000 shares were received. Applications for 50,000 shares were rejected and shares were allotted to the remaining applicants on pro-rata basis. **3 Marks**
Pass necessary journal entries for the above transactions in the books of the company and identify any two values which X Ltd. wants to propagate.

Q25. Z Ltd. purchased machinery from K Ltd. Z Ltd. paid K Ltd as follows: **3 Marks**
1. By issuing 5,000 equity shares of ₹ 10 each at a premium of 30%.
2. By issuing 1000, 8% Debentures of ₹ 100 each at a discount of 10%.
3. Balance by giving a promissory note of ₹ 48,000 payable after two months.

Pass necessary journal entries for the purchase of machinery and payment to K Ltd. in the books of Z Ltd.

SECTION-C

Q26. Explain any four advantages of computerized accounting software. **4 Marks**

Q27. Sandesh Ltd. has an authorised capital of ₹ 30,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 70,000 shares. Applications for 69,000 shares were received. All calls were made and duly received except the first and final call of ₹ 2 per share on 3,000 shares. These shares were forfeited. **4 Marks**
1. Present the 'Share Capital' in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013.
2. Also prepare 'Notes to Accounts' for the same.

Q28. Following is the Receipts and Payments Account' of Manoranjan Club for the year ended 31st March, 2022: **5 Marks**

Receipts and Payments Account of Manoranjan Club for the year ended 31st March, 2022

Receipts		Amount ₹	Payments	Amount ₹
Balance b/d			Staff Salaries	1,71,000
Cash	10,000		Musical Instruments Purchased	80,000
Bank	15,700	25,700	Repair of Musical Instruments	4,000
Subscriptions :			Honorarium to trainers	2,48,000
2020 – 21	7,000		12% Fixed Deposit (On 1.1.2022)	1,00,000
2021 – 22	3,00,000			
2022 – 23	4,000	3,11,000	Balance c/d	
Sale of old furniture (Book value ₹ 25,000)		5,000	Cash	5,000
Sale of old magazines		3,000	Bank	61,700 66,700
Proceeds from music concerts		2,00,000		
Fee from learners		1,25,000		
		6,69,700		6,69,700

Additional Information:
1. The Club has 1500 members each paying an annual subscription of ₹ 200.
2. Prepare Income and Expenditure Account of Manoranjan Club for the year ended 31st March, 2022.