



Brain International School

Vikas Puri, New Delhi

ASSIGNMENT NO. 4

SUBJECT: ACCOUNTANCY

CLASS-XII

OCTOBER, 2025

CHAPTER 8: ACCOUNTING FOR SHARE CAPITAL

1. E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on a pro-rata basis. The amount payable on application was ₹2. F applied for 420 shares. The number of shares allotted and the amount carried forward for adjustment against allotment money due from F will be:
 - a) 60 shares; ₹120
 - b) 320 shares, ₹200
 - c) 340 shares; ₹160
 - d) 300 shares; ₹240
2. VBT Ltd forfeited 2,000 shares of ₹10 each, fully called up, on which application money of ₹3 has been paid. Out of these 500 shares were reissued and ₹500 has been transferred to capital reserve. Calculate the rate at which these shares were reissued.
 - a) ₹10 Per share
 - b) ₹9 Per share
 - c) ₹8 Per share
 - d) None of these
3. X Ltd. was registered with an authorised Capital of ₹ 2,00,00,000 divided in 12,50,000 Equity Shares of ₹ 10 each and 75,000, 9% Preference Shares of ₹ 100 each. The company issued 4,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 5,00,000 shares. Excess Applications were sent letters of regret. All the dues were received except on 5,000 shares held by Sanju which were forfeited and later 3,000 of them were reissued @₹9 per share as fully paid up. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.
4. Rama Ltd. invited applications for issuing 20,000 shares of ₹ 10 each at a premium of ₹3 per share. The amount was payable as follows:

On application	: ₹ 6 (including ₹ 1 premium)
On allotment	: ₹ 4 (including ₹ 1 premium)

On first and final call : ₹ 3 (including ₹ 1 premium)

Applications for 40,000 shares were received. Applications for 10,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess application money was utilized towards sum due on allotment. Rohit, who had applied for 4,800 shares failed to pay the allotment and call money. His shares were forfeited. Manoj who was allotted 1,200 shares did not paid the call money and his shares were forfeited. Out of the forfeited shares, 2,000 shares were reissued for ₹ 8 per share fully paid up including all the shares of Manoj. Pass the necessary Journal entries in the books of Rama Ltd.

5. Pass entries for forfeiture, re-issue and capital reserve in both the following cases:
- a) X Ltd. forfeited 500 shares of ₹10 each issued at premium of 20% for non-payment of allotment (including premium) and call of ₹9 per share. 300 of these shares were reissued at ₹7 per share as fully paid up.
 - b) X limited forfeited 500 shares of ₹10 each, ₹7 called up for non-payment of first call of ₹3 per share. 300 of these shares were issued at ₹6 per share as ₹7 paid up.
 - c) Aakash Ltd. forfeited 5,000 shares of ₹10 each (issued at ₹2 premium) for non-payment of first call of ₹2 per share. Final call of ₹3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹10 per share as fully paid.

CHAPTER 9: ACCOUNTING FOR ISSUE OF DEBENTURES

- 1. Vaibhav Ltd took over assets of ₹8,40,000 and liabilities of ₹80,000 of Nikhil Ltd at an agreed value of ₹7,20,000. Vaibhav Ltd paid to Nikhil Ltd by issue of 9% Debentures of ₹100 each at a premium of 20%. Pass the necessary journal entries to record the above transactions in the books of Vaibhav Ltd.
- 2. Vinod Limited took a loan of ₹10,00,000 from HDFC Bank, for 13,000, 7% Debentures of ₹100 each as collateral security. How the company will show this in the balance sheet without passing a journal entry.
- 3. Reliable company decided to issue 50,000, 9% Debentures of ₹100 at 10% premium and redeemable at 20% premium after 5 years. These debentures were issued on 1st October, 2021. You are required to:
 - (a) Pass entries for issue of Debentures.
 - (b) Prepare Loss on Issue of Debentures Account assuming there was existing balance of Securities Premium Account of ₹7,80,000.
 - (c) Pass entries for Interest on debentures on March 31, 2022 assuming interest is payable on 30th September and 31st March every year.

CHAPTER 5: CASH FLOW STATEMENT

1. From the following Balance Sheet of Z Ltd., prepare Cash Flow Statement.

Particulars	Notes No.	2020 (₹)	2019 (₹)
I Equity and liabilities			
Shareholders Fund			
-Share Capital		1,50,000	75,000
-Reserves and Surplus		80,000	67,500
Non-Current Liabilities: 10% Bank Loan		25,000	20,000
Current Liabilities:			
-Trade payables		35,000	30,000
-Short Term Provisions			
Provision for Tax		15,000	17,500
TOTAL		3,05,000	2,10,000
II Assets			
Non- Current Assets			
Fixed assets		1,90,000	1,42,500
Current Assets			
Inventories		62,500	37,500
Trades Receivables		30,000	22,500
Cash in hand		22,500	7,500
TOTAL		3,05,000	2,10,000

Additional information:

- A part of fixed asset whose book value was ₹10,000 was sold at a profit ₹3,000. Depreciation charged during the year was ₹15,000.
- Provision for tax made during the year ₹3,000.
- Final dividend of last financial year paid during the year ₹6,000.

2. Inspiring Minds Ltd provides the following information. Calculate cash flow from financing activities.

Particulars	31st March, 2018 (₹)	31st March, 2017 (₹)
Equity Share Capital	30,00,000	20,00,000
10% Debentures	—	2,00,000
8% Debentures	4,00,000	—

Additional Information:

- Interest paid on debentures ₹ 20,000.
- Dividend paid ₹ 1,00,000.
- During the year 2017-2018, Inspiring Minds Ltd issued bonus shares in the ratio of 2 : 1 by capitalising reserve.

3. Calculate Cash Flow from Investing Activities from the following information:

Balances	31-03-2017	31-03-2018
Fixed Asset A/c	32,00,000	88,00,000
Accumulated Depreciation A/c	8,00,000	12,80,000

Additional information: Machinery costing Rs.4,80,000 on which Accumulated Depreciation was Rs.80,000, was sold for Rs.2,80,000.

- State giving reasons whether the following transactions will result in inflow, outflow or no flow of cash while preparing cash flow statement:
 - Sale of marketable securities at par.
 - Old furniture written off.
- State two sources of inflow and outflow of cash under each head of activities in a cash flow statement.