



St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 52

Sub: ACCOUNTANCY

Class 12

F.M. 15

Chapter: Unit 3

Date: 14/11/2020

Topic: Accounting for Share Capital 3

Choose the correct alternatives

1 x 15 = 15

1. X Ltd. issued 20,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share. The amount of Security Premium is
(a) Rs. 2,00,000; (b) Rs. 20,000; **(c) Rs. 40,000;** (d) nil
2. Y Ltd. issued 10,000 equity shares of Rs. 10 each and application received for 15,000 shares. Excess Application money received, if application is Rs. 2 per share
(a) Rs. 20,000; (b) Rs. 30,000; **(c) Rs. 10,000;** (d) Rs. 1,00,000
3. Excess application money can be
(a) refunded; (b) adjusted with allotment in pro-rata basis; **(c) both (a) & (b);** (d) none of these
4. Subscribed capital can be written as
(a) subscribed & fully paid; (b) subscribed but not fully paid; **(c) both (a) & (b);** (d) none of these
5. If amount forfeited is Rs. 20,000 and discount on reissue is Rs. 5,000, profit on reissue is
(a) Rs. 15,000; (b) Rs. 20,000; (c) Rs. 25,000; (d) Rs. 5,000
6. Which one of the following is part of reserve and surplus?
(a) security premium reserve; (b) capital reserve; (c) general reserve; **(d) all of these**
7. If amount forfeited on 5,000 shares is Rs. 20,000 and those shares are reissued at Rs. 12 per share (where face value is Rs. 10 and premium is Rs. 2), profit on reissue is
(a) Rs. 10,000; **(b) Rs. 20,000;** (c) Rs. 30,000; (d) nil
8. If application money is adjusted with allotment on pro-rata basis, initially share allotment account will be
(a) debited; **(c) credited;** (c) unchanged; (d) all of these
9. 10,000 equity shares issued at Rs. 10 each at a premium of Rs. 2 per share. Installments are Rs. 2 on application, Rs. 5 on allotment (including premium) and Rs. 5 on calls. Application received for 15,000 shares. Excess application money are adjusted with allotment on pro-rata basis for 2,000 shares and balance shares are refunded.
All shareholders paid their dues properly and all money duly received.
Amount received on application is
(a) Rs. 20,000; (b) Rs. 40,000; **(c) Rs. 30,000;** (d) Rs. 1,00,000
10. In question number 9, amount refunded to shareholders is
(a) Rs. 6,000; (b) Rs. 10,000; (c) Rs. 4,000; (d) none of these

11. In question number 9, amount adjusted with allotment on pro-rata basis is
(a) Rs. 6,000; (b) Rs. 10,000; **(c) Rs. 4,000;** (d) none of these
12. In question number 9, amount received on allotment is
(a) Rs. 46,000; (b) Rs. 50,000; (c) Rs. 75,000; (d) none of these
13. In question number 9, amount received on call is
(a) Rs. 46,000; **(b) Rs. 50,000;** (c) Rs. 75,000; (d) none of these
14. In question number 9, excess credited per share is
(a) Rs. 4; **(b) Re. 0.40;** (c) Re. 0.60; (d) none of these
15. Amount forfeited for 2,000 shares is Rs. 4,000 and out of those 1,500 shares are reissued at a discount of Rs. 1 per share. Profit on reissue transfer to capital reserve is
(a) Rs. 1,000; **(b) Rs. 1,500;** (c) Rs. 2,000; (d) none of these

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