PADASALAI'S CENTUM TEAM
12TH ACCOUNTANCY 2nd REVISION – ANSWER KEY MARCH - 2022

A

I. Choose the most appropriate answer 20 x 1 = 20

1	A	Goodwill is an intangible assets		11	C	Date of his retirement
2	C	Goodwill under Super profit method = Average profit x Present value annuity factor		12	A	Capital account of the all the partners
3	B	Normal Rate of Return		13	C	2 : 1
4	C	Rs.10,000		14	B	Loss
5	B	Acquired or purchased goodwill		15	B	Concerned Asset A/c is to be credited
6	A	Gain		16	C	Both (i)and (ii) are correct
7	B	Sacrificing Ratio		17	A	Securities premium account
8	D	The existing agreement does not come to an end		18	D	Reserve Capital
9	C	5 : 3		19	C	Share Capital A/c
10	B	Nominal A/c		20	D	Authorized Capital

II. Answer any 7 questions. Question No. 30 is Compulsory 7 x 2 = 14

21) Super Profit – Meaning:

- Super profit is the excess of average profit over the normal profit of a business.
- Super profit = Average profit – Normal profit.

22) Sacrificing Ratio – Meaning:

- Sacrificing ratio is the proportion of the profit which is sacrificed or foregone by the old partners in favour of the new partner.
- The purpose of finding the sacrificing ratio is to share the goodwill brought in by the new partner.
- Sacrifice Ratio = Old share – New share

23) **Journal Entry**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2017 March 31	Reserve fund A/c Dr. To Mala's capital A/c (50,000 x 3/5) To Vimala's capital A/c (50,000 x 2/5) (Reserve fund transferred to old partners' capital account in the old profit sharing ratio)		**50,000**	 30,000 20,000

24) Computation of Sacrificing Ratio

Old ratio of Praveena and Dhanya = 7:3 that is, $\frac{7}{10} : \frac{3}{10}$

New ratio of Praveena, Dhanya and Malini = 5:2:3 that is, $\frac{5}{10} : \frac{2}{10} : \frac{3}{10}$

Share sacrificed = Old share - New share

$$\text{Praveena} = \frac{7}{10} - \frac{5}{10} = \frac{2}{10}$$

$$\text{Dhanya} = \frac{3}{10} - \frac{2}{10} = \frac{1}{10}$$

Sacrificing ratio of Praveena **and** Dhanya **is** $\frac{2}{10} : \frac{1}{10}$ **that is 2:1**

25) Computation of gaining ratio and new profit sharing ratio

Gaining ratio is 1:1 as Kumars's share is taken up by Naveen and Ravi 1/2 and 1/4

Kumar's Share = $\frac{1}{4}$

Share gained = Retiring partner's share x Proportion of Share gained

Naveen = $\frac{1}{4} \times \frac{1}{2} = \frac{1}{8}$

Ravi = $\frac{1}{4} \times \frac{1}{2} = \frac{1}{8}$

Therefore, gaining ratio of Naveen and Ravi is $\frac{1}{8} : \frac{1}{8}$ **that is, 1 : 1**

New share of continuing partners = Old share + Share gained

Naveen = $\frac{1}{2} + \frac{1}{8} = \frac{4+1}{8} = \frac{5}{8}$

Ravi = $\frac{1}{4} + \frac{1}{8} = \frac{2+1}{8} = \frac{3}{8}$

New profit sharing ratio of Naveen and Ravi is $\frac{5}{8} : \frac{3}{8}$ **that is 5 : 3**

26) Calculation of goodwill:

Goodwill = Average profit × Number of years of purchase

$$\textbf{Average profit} = \frac{\textbf{Total profit}}{\textbf{Number of years purchase}}$$

$$= \frac{10{,}000 + 11{,}000 + 12{,}000 + 13{,}000 + 14{,}000}{5}$$

$$= \frac{60{,}000}{5} = \textbf{Rs.12,000}$$

Goodwill = **Average profit × Number of years of purchase**
= 12,000 × 2 = **Rs. 24,000**

27) Calculation of new profit sharing ratio and the gaining ratio

Since, new profit sharing ratio, share gained and the proportion of share gained is not given, the new share is calculated by assuming that the share gained is in the proportion of old ratio. Therefore, the new profit sharing ratio and the gaining ratio between the continuing partners, **Gani and Soni is their New profit sharing ratio, that is 5 : 6**

28)

In the books of Abdul Ltd.,
Journal entries

Issued at Par

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (50,000 x 10) Dr. To Equity share application A/c (Application money received)		5,00,000	5,00,000
	Equity share application A/c **Dr.** To Equity share capital A/c (Application money transfer to share capital)		5,00,000	5,00,000

[OR]

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (50,000 x 10) Dr. To Equity share Capital A/c (Application money received)		5,00,000	5,00,000

29) Over – Subscription – Meaning:

- When the number of shares applied for is more than the number of shares offered for subscription it is said to be over subscription.

30)

Journal Entry

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2019 January 1	Kavitha's capital A/c Dr. Radha's capital A/c Dr. To Profit and loss a/c (Accumulated loss transferred to old partners' capital account in the old profit sharing ratio)		40,000 30,000	70,000

III. Answer any 7 questions. Question No. 40 is Compulsory 7 x 2 = 14

31) **Factors determining the value of goodwill of a partnership firm : (ANY 3)**

(i) Profitability of the firm

- The profit earning capacity of the firm determines the value of its goodwill.
- A firm earning higher profits and having potential to generate higher profits in future will have higher value of goodwill.

(ii) Good quality of goods or services offered

- If a firm enjoys good reputation among the customers and general public for the good quality of its products or services, the value of goodwill for the firm will be high.

(iii) Efficiency of management

- A firm having efficient management will earn more profits and the value of its goodwill will be higher compared to a firm with less efficient managerial personnel.

32) **Calculation of goodwill:**

Average Profit = Rs.60,000

Capital employed = Total Assets - Liabilities
= 5,00,000 - 2,00,000 = Rs. **1,00,000**

Normal profit = Capital employed × Normal rate of return
= 3,00,000 × 12.5/100 = Rs. **37,500**

Super profit = Average profit – Normal profit
= 60,000 – 37,500 = Rs. **22,500**

Goodwill = Super profit × Number of years of purchase
= 22,500 × 2 = Rs. **45,000**

33) **Calculation of goodwill:**

$$\textbf{Average profit} = \frac{\textbf{Total profit}}{\textbf{Number of years purchase}}$$

$$= \frac{13,000 + 15,000 + 17,000}{3}$$

$$= \frac{45,000}{3} = \textbf{Rs.15,000}$$

Normal profit = Capital employed × Normal rate of return
= 50,000 × 10/100 = Rs. **5,000**

Super profit = Average profit – Normal profit

= 15,000 – 5,000 = Rs. **10,000**

Goodwill = Super profit × Number of years of purchase

= 10,000 × 2.4868 = Rs. **24,868**

34) **Calculation of Revaluation:**

Dr. Revaluation Account Cr.

Particulars	Rs.	Rs.	Particulars	Rs.
To Machinery A/c		4,000	By Buildings A/c	15,000
To Provision for doubtful debts A/c		1,000		
To Profit on revaluation transferred to Rajesh's capital A/c (3/5) Ramesh's capital A/c (2/5)	 6,000 4,000	 10,000		
		15,000		**15,000**

35) **Computation of sacrificing ratio and new profit sharing ratio**

Ranjan's share = $\frac{1}{4}$

Old ratio = 2:1 that is, $\frac{2}{3} : \frac{1}{3}$

Proportion of share sacrificed = 3:2 that is, $\frac{3}{5} : \frac{2}{5}$

Share sacrificed = New partner's share × Proportion of share sacrificed

Ramesh $= \frac{1}{4} \times \frac{3}{5} = \frac{3}{20}$

Raju $= \frac{1}{4} \times \frac{2}{5} = \frac{2}{20}$

Sacrificing ratio of Ramesh and Raju is $\frac{3}{20}$ and $\frac{2}{20}$ that is, 6:4 (or) 3:2

New share of old partner = Old share - Share sacrificed

Ramesh $= \frac{2}{3} \times \frac{3}{20} = \frac{40 - 9}{60} = \frac{31}{60}$

Raju $= \frac{1}{3} \times \frac{2}{20} = \frac{20 - 6}{60} = \frac{14}{60}$

Share of new partner

Ranjan = $\frac{1}{4}$

In order to equate the denominator, multiply and divide Ranjan's share by 15

$$= \frac{1}{4} \times \frac{15}{15} = \frac{15}{60}$$

Thus, the new profit sharing ratio $= \frac{31}{60} : \frac{14}{60} : \frac{15}{60}$, that is , **31 : 14 : 15**

36) Adjustments made at the time of retirement

- Distribution of accumulated profits, reserves, and losses
- Revaluation of assets and liabilities
- Determination of new profit sharing ratio and gaining ratio
- Adjustment for goodwill
- Adjustment for current year profit or loss up to the date of retirement
- Settlement of the amount due to the retiring partner

37) Computation of gaining ratio and new profit sharing ratio

Gopu's share $= \frac{7}{15}$

Share gained = Retiring partner's share x Proportion of Share gained

Ramu $= \frac{7}{15} \times \frac{3}{4} = \frac{21}{60}$

Somu $= \frac{7}{15} \times \frac{1}{4} = \frac{7}{60}$

Gaining ratio $= \frac{21}{60} : \frac{7}{60}$ **that is, 21 : 7 or 3 : 1**

New share of continuing partners = Old share + Share gained

Ramu $= \frac{3}{15} + \frac{21}{60} = \frac{12 + 21}{60} = \frac{33}{60}$

Somu $= \frac{5}{15} + \frac{7}{60} = \frac{20 + 7}{60} = \frac{27}{60}$

The new profit sharing ratio of Ramu and Somu is $= \frac{33}{60} : \frac{27}{60}$ **that is, 33 : 27 or 11 : 9**

38) Shares for consideration other than cash

- A company may issue shares for consideration other than cash when the company acquires fixed assets such as land, building, and machinery, etc.
- A company may also issue shares as consideration for the purchase of a business, to promoters for their services, and to brokers and underwriters for their commission.

39) **In the books of Paradise Ltd.,**
Journal entries

(i) Issued at Par

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Assets A/c Dr. To Suguna Furniture A/c (Purchase of machinery)		4,40,000	 4,40,000
	Suguna Furniture A/c **Dr.** To Equity share capital A/c (Issue of 60,000 shares of Rs.10 each fully paid)		4,40,000	 4,40,000

(ii) Issued at a Premium

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Assets A/c Dr. To Suguna Furniture A/c (Purchase of machinery)		4,40,000	 4,40,000
	Suguna Furniture A/c (40,000 x 11) **Dr.** To Equity share capital A/c (40,000 x 10) To Equity share capital A/c (40,000 x 1) (Issue of 40,000 shares of Rs.10 each at a premium of 50%)		4,40,000	 4,00,000 40,000

Workings:

Total Amount = Rs.4,40,000 ; Face Value of the Shares = Rs.10

Premium = 10 %; Therfore, premium amount = 10 x 10/100 = Rs. 1

Issue price = Face Value + Premium = 10 + 1 = 11

Number of equity shares to be issued $= \frac{\text{Total Amount}}{\text{Issue Price}} = \frac{4,40,000}{11} =$ 40,000 Shares

40) **Journal Entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2018 April 1	Premises A/c Dr. To Revaluation A/c (Value of premises increased)		40,000	 40,000
	Revaluation A/c Dr. To Stock A/c To Machinery A/c To Outstanding liability A/c (Decrease in value of assets and outstanding liability recorded)		10,000	 3,000 6,500 500
	Revaluation A/c Dr. To Ramya's capital A/c To Sara's capital A/c To Thara's capital A/c (Profit on revaluation transferred)		30,000	 15,000 9,000 6,000

IV. Answer all the questions 7 x 5 = 35

41) a). Nature of goodwill

The nature of goodwill can be described as follows:

(i) Goodwill is an intangible fixed asset. It is intangible because it has no physical existence. It cannot be seen or touched.

(ii) It has a definite value depending on the profitability of the business enterprise.

(iii) It cannot be separated from the business.

(iv) It helps in earning more profit and attracts more customers.

(v) It can be purchased or sold only when the business is purchased or sold in full or in part.

b). Calculation of Goodwill

Calculation of adjusted profit

Particulars	2016 Rs.	2017 Rs.	2018 Rs.
Profit	46,000	44,000	50,000
Less: Non- recurring income	5,000	-	-
	41,000	**44,000**	**50,000**
Less: Over valuation of closing stock	-	10,000	-
	41,000	**34,000**	**50,000**
Add: Over valuation of opening stock	-	-	10,000
Profit after adjustments	**41,000**	**34,000**	**60,000**

Average profit = $\dfrac{\textbf{Total profit}}{\textbf{Number of years purchase}}$

= $\dfrac{41,000 + 34,000 + 60,000}{3}$

= $\dfrac{1,35,000}{3}$ = **Rs.45,000**

Goodwill = **Average profit × Number of years of purchase**

= 45,000 × 2 = **Rs. 90,000**

42) a). Calculation of Goodwill

Calculation of adjusted profit

Particulars	2016 Rs.	2017 Rs.	2018 Rs.
Profit	25,000	23,000	26,000
Less: Non- recurring income	2,500	-	-
	22,500	**23,000**	**26,000**
Add: Stock destroyed by fire (abnormal loss)	-	3,500	-
Profit after adjustments	**22,500**	**26,500**	**26,000**

$$\text{Average profit} = \frac{\text{Total profit}}{\text{Number of years purchase}}$$

$$= \frac{22,500 + 26,500 + 26,000}{3}$$

$$= \frac{75,000}{3} = \textbf{Rs.25,000}$$

Particulars	Rs.
Average profit before adjusting insurance premium payable in future	25,000
Less: Insurance premium payable in future	250
Average profit	**24,750**

Goodwill = Average profit × Number of years of purchase

= 24,750 × 2 = **Rs. 49,500**

b)

Journal Entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2017 April 1	**Bank A/c Dr.** To Prakash's Capital A/c (Capital brought by Prakash)		**10,000**	10,000
	Trade receivables A/c Dr. To Revaluation A/c (Unrecorded trade receivables recorded)		1,000	1,000
	Revaluation A/c Dr. To Machinery A/c To Furniture A/c To Provision for doubtful debts A/c (Depreciation on machinery and furniture and provision made for doubtful debts adjusted)		11,000	6,000 3,000 2,000
	Raghu's capital A/c Dr. Sam's capital A/c Dr. To Revaluation A/c (Loss on revaluation transferred)		6,000 4,000	10,000

Dr. **Revaluation Account** **Cr.**

Particulars	Rs.	Particulars	Rs.	Rs.
To Machinery To Furniture To Provision for bad debts	6,000 3,000 2,000	By Trade receivables A/c **By Loss on revaluation transferred to** Raghu's capital A/c (3/5) Sam's capital A/c (2/5)	 6,000 4,000	1,000 **10,000**
	11,000			11,000

Dr. **Capital Account** **Cr.**

Date	Particulars	Ragu Rs.	Sam Rs.	Prakash Rs.	Date	Particulars	Ragu Rs.	Sam Rs.	Prakash Rs.
	To Revaluation A/c	6,000	4,000	-		By Balance b/d	40,000	30,000	
	To Balance c/d	**34,000**	**26,000**	**10,000**		By Bank	-	-	10,000
		40,000	**30,000**	**10,000**			**40,000**	**30,000**	**10,000**
						By Balance b/d	**34,000**	**26,000**	**10,000**

43) a).

Dr **Revaluation Account** **Cr.**

Particulars	Rs.	Rs.	Particulars	Rs.
To Stock A/c		2,000	By Building A/c	5,000
To Debtors A/c		800		
To Furniture A/c		100		
To Revaluation profit transferred to				
Rajan (3/4)	1,575			
Selva (1/4)	525	**2,100**		
		5,000		5,000

Dr. **Capital Account** **Cr.**

Particulars	Rajan Rs.	Selva Rs.	Ganesan Rs.	Particulars	Rajan Rs.	Selva Rs.	Ganesan Rs.
To Profit and loss A/c	7,500	2,500	-	By Balance b/d	30,000	16,000	-
To Balance c/d	**27,075**	**15,025**	**10,000**	By Reserve fund A/c	3,000	1,000	-
				By Revaluation A/c	1,575	525	-
				By Cash A/c	-	-	10,000
	34,575	**17,525**	**10,000**		**34,575**	**17,525**	**10,000**
				By Balance b/d	**27,075**	**15,025**	**10,000**

Balance Sheet as on 1st January 2018

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts:			Building	25,000	
Rajan	27,075		**Add:** Appreciation	5,000	30,000
Selva	15,025		Furniture	1,000	
Ganesan	10,000	52,100	**Add:** Appreciation	100	900
			Stock	20,000	
			Less: Depreciation	2,000	18,000
Sundry creditors		37,500	Debtors	16,000	
			Less: Decrease	800	15,200
			Bills Receivable		3,000
			Cash in hand	12,500	
			Add: Suriya's capital	10,000	22,500
		89,600			89,600

b).

Dr. **Revaluation Account** **Cr.**

Particulars	Rs.	Rs.	Particulars	Rs.
To Stock		3,000	By Land A/c	10,000
To Provision for doubtful debts		2,000		
To Profit on revaluation transferred to				
Anand's capital A/c (7/10)	3,500			
Balu's capital A/c (3/10)	1,500	**5,000**		
		10,000		**10,000**

Dr. **Capital Account** **Cr.**

Particulars	Anand Rs.	Balu Rs.	Chandru Rs.	Particulars	Anand Rs.	Balu Rs.	Chandru Rs.
To Balance c/d	**74,500**	**40,500**	**20,000**	By Balance b/d	50,000	30,000	-
				By Bank A/c	-	-	20,000
				By Revaluation A/c	3,500	1,500	-
				By Profit and loss A/c	21,000	9,000	-
	74,500	**40,500**	**20,000**		**74,500**	**40,500**	**20,000**
				By Balance b/d	**74,500**	**40,500**	**20,000**

44) a)

Dr **Revaluation Account** **Cr.**

Particulars	Rs.	Rs.	Particulars	Rs.
To Stock A/c		2,000	By Furniture A/c	15,000
To Debtors A/c		2,500		
To Outstanding wages A/c		4,500		
To Revaluation profit transferred to				
Vetri (3/5)	3,600			
Ranjit (2/5)	2,400	**6,000**		
		15,000		15,000

Dr. **Capital Account** **Cr.**

Particulars	Vetri Rs.	Ranjit Rs.	Suriya Rs.	Particulars	Vetri Rs.	Ranjit Rs.	Suriya Rs.
To Profit and loss A/c	6,000	4,000	-	By Balance b/d	30,000	20,000	-
To Balance c/d	**30,600**	**20,400**	**10,000**	By Reserve fund A/c	3,000	2,000	-
				By Revaluation A/c	3,600	2,400	-
				By Cash A/c	-	-	10,000
	36,600	**24,400**	**10,000**		**36,600**	**24,400**	**10,000**
				By Balance b/d	**30,600**	**20,400**	**10,000**

Balance Sheet as on 1st January 2018

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts:			Furniture	25,000	
Vetri	30,600		**Add:** Appreciation	15,000	40,000
Ranjit	20,400		Stock	20,000	
Suriya	10,000	61,000	**Less:** Depreciation	2,000	18,000
Sundry creditors		45,000	Debtors	10,000	
Outstanding wages		4,500	**Less:** Decrease	2,500	7,500
			Cash in hand		35,000
			Add: Suriya's capital	10,000	45,000
		1,10,500			1,10,500

b)

Journal Entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
2017 April 1	Revaluation A/c	Dr.		13,000	
	To Machinery A/c				10,000
	To Office equipment A/c				2,000
	To Provision for doubtful debts A/c				1,000
	(Depreciation on machinery and furniture and provision made for doubtful debts adjusted)				
	Investments **A/c**	**Dr.**		**25,000**	
	To Revaluation A/c				25,000
	(Unrecorded investments brought into accounts)				
	Revaluation A/c			12,000	
	To John's capital A/c				4,000
	To James's capital A/c				4,000
	To Raja's capital A/c				4,000
	(Profit on revaluation transferred)				

Dr. **Revaluation Account** **Cr.**

Particulars		Rs.	Particulars	Rs.
To Machinery A/c		10,000	By Investments A/c	25,000
To Office equipment A/c		2,000		
To Provision for doubtful debts		1,000		
To Profit on revaluation transferred to				
John's capital A/c (1/3)	4,000			
James's capital A/c (1/3)	4,000			
Raja's capital A/c (1/3)	4,000	**12,000**		
		25,000		25,000

45) .**a)**

Journal Entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
2018 March 31	Revaluation A/c To Furniture A/c To Provision for doubtful debts A/c (Depreciation on machinery and furniture and provision made for doubtful debts adjusted)	Dr.		12,000	 10,000 2,000
	Machinery **A/c** Investments **A/c** To Revaluation A/c (Unrecorded investments brought into accounts)	**Dr.** **Dr.**		**30,000** 30,000	 60,000
	Revaluation A/c To Chandru's capital A/c To Vishal's capital A/c To Ramanan's capital A/c (Profit on revaluation transferred)			48,000	 4,000 4,000 4,000

Dr. **Revaluation Account** **Cr.**

Particulars		Rs.	Particulars	Rs.
To Furniture A/c		10,000	By Machinery A/c	30,000
To Provision for doubtful debts		2,000	By Investments A/c	30,000
To Profit on revaluation transferred to				
Chandru's capital A/c (1/3)	16,000			
Vishal's capital A/c (1/3)	16,000			
Ramanan's capital A/c (1/3)	16,000	**48,000**		
		60,000		60,000

b)

Journal Entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
2018 April 1	Land and Building A/c To Revaluation A/c (Increase in the value of Land and building)	Dr.		8,000	 8,000
	Revaluation A/c To Machinery A/c To Outstanding Expenses A/c (Reduction in the value of furniture and outstanding salary accounted)	Dr.		23,000	 15,000 8,000
	Vinoth's capital A/c Karthi's capital A/c Pranav's capital A/c To Revaluation A/c (Loss on revaluation transferred)	Dr. Dr. Dr.		6,000 6,000 3,000	 15,000

Dr. **Revaluation Account** **Cr.**

Particulars	Rs.	Particulars		Rs.
To Furniture A/c	15,000	Building A/c		8,000
To Outstanding wages A/c	8,000			
		To Loss on revaluation transferred to Vinoth's capital A/c (2/5) Karthi's capital A/c (2/5) Pranav's capital A/c (1/5)	 6,000 6,000 3,000	 **15,000**
	23,000			**23,000**

46) **a)**

In the books of Progress Ltd.
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c Dr. To Equity share application A/c (Application money received)		1,00,000	1,00,000
	Equity share application A/c **Dr.** To Equity share capital A/c (Transfer of share application money to share capital)		1,00,000	1,00,000
	Equity share allotment A/c **Dr.** To Equity share capital A/c (Share allotment money due)		2,00,000	2,00,000
	Bank A/c **Dr.** To Equity share allotment A/c (Allotment money received)		2,00,000	2,00,000
	Equity share first call A/c **Dr.** To Equity share capital A/c (Share first call money due)		1,00,000	1,00,000
	Bank A/c **Dr.** To Equity share first call A/c (Share first call money received)		1,00,000	1,00,000
	Equity share second and final call A/c **Dr.** To Equity share capital A/c (Share second and final call money due)		1,00,000	1,00,000
	Bank A/c **Dr.** To Equity share second and final call A/c (Share second and final call money received)		1,00,000	1,00,000

b)

In the books of Khan Ltd.,
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (65,000 x 4) Dr. To Equity share application A/c (Application money received)		2,60,000	2,60,000
	Equity share application A/c (50,000 x 4) **Dr.** To Equity share capital A/c (Transfer of share application money to share capital)		2,00,000	2,00,000
	Equity share application A/c (15,000 x 4) **Dr.** To Equity share allotment A/c (Excess share application money refunded)		60,000	60,000
	Equity share allotment A/c (50,000 x 4) **Dr.** To Equity share capital A/c (Share allotment money due)		2,00,000	2,00,000
	Bank A/c (2,00,000 - 60,000) **Dr.** To Equity share allotment A/c (Allotment money received)		1,40,000	1,40,000
	Equity share first and final call A/c (15,000 x 2) **Dr.** To Equity share capital A/c (Share first and final call money due)		1,00,000	1,00,000
	Bank A/c **Dr.** To Equity share first and final call A/c (Share first and final call money received)		1,00,000	1,00,000

47.a)

In the books of Shero Health Care Ltd.,
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (4,00,000 x 3) Dr. To Equity share application A/c (Application money received)		12,00,000	12,00,000
	Equity share application A/c (3,00,000 x 3) **Dr.** To Equity share capital A/c (Transfer of share application money to share capital)		9,00,000	9,00,000
	Equity share application A/c (1,00,000 x 3) **Dr.** To Bank A/c (Excess share application money refunded)		3,00,000	3,00,000

	Equity share allotment A/c (3,00,000 x 5) **Dr.** To Equity share capital A/c (3,00,000 x 3) To Equity share capital A/c (3,00,000 x 2) (Share allotment money due)		15,00,000	 9,00,000 6,00,000
	Bank A/c (3,00,000 x 5) **Dr.** To Equity share allotment A/c (Allotment money received)		15,00,000	 15,00,000
	Equity share first and final call A/c (3,00,000 x 4) **Dr.** To Equity share capital A/c (Share first and final call money due)		12,00,000	 12,00,000
	Bank A/c **Dr.** To Equity share first and final call A/c (Share first and final call money received)		12,00,000	 12,00,000

b)

In the books of Sampath Company
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (24,000 x 3) Dr. To Equity share application A/c (Application money received)		72,000	 72,000
	Equity share application A/c **Dr.** To Equity share capital A/c (Transfer of share application money to share capital)		72,000	 72,000
	Equity share allotment A/c (24,000 x 4) **Dr.** To Equity share capital A/c (Share allotment money due)		96,000	 96,000
	Bank A/c **Dr.** To Equity share allotment A/c (Allotment money received)		96,000	 96,000
	Equity share first and final call A/c (24,000 x 3) **Dr.** To Equity share capital A/c (Share first and final call money due)		72,000	 72,000
	Bank A/c **Dr.** To Equity share first and final call A/c (Share first and final call money received)		72,000	 72,000