CRITERION REFERENCED TEST IN ACCOUNTANCY

DEVELOPED BY
(INVESTIGATOR)

DEPARTMENT OF EDUCATION
PANJAB UNIVERSITY
CHANDIGARH
CRITERION REFERENCED TEST

Name............................. Class/Section..........................Roll No..............................
Sex...................................School.....................................Dated.................................

Marks: 120
Duration: 50 Min.

General Instructions
(i) Fill in your particulars in the space provided.
(ii) Attempt all the questions.
(iii) There are 120 questions of multiple choice, true/ false, fill in the blanks and short
answer type.
(iv) Select any one answer and put tick in multiple choice questions.
(v) Do not make any mark in this booklet until you are told to do so and handle it with
care.
(vi) Work quickly but not to make mistakes.
(vii) Get your doubts cleared before the start of test but once the test starts, you are not
allowed to ask anything.
(viii) All these instructions are to be very strictly observed.
(ix) For every correct response, one mark will be assigned and there is no negative
marking for any incorrect response.
(x) Information regarding your performance will be kept confidential.

(Do not turn the page until you are told to do so)
1. Who defined company as “a corporation is an artificial being, invisible, intangible, existing only in the contemplation of the law”?
   (i) Prof. Haney  (ii) Chief Justice Marshall
   (iii) Huxley  (iv) American Association of Business Education
2. Which section of companies act defines a company as “A company formed and registered under this act or an existing company”?
   (i) Section 2(1)(i)  (ii) Section 3(1)(i)
   (iii) Section 2(i)(ii)  (iv) Section 3(1)(ii)
3. Which is not the characteristic of a company?
   (i) Perceptual existence  (ii) Transferability of shares without restriction
   (iii) Management and ownership  (iv) Common seal

4. Suppose, if a company is indulged into malpractices, against whom can legal action be taken?
   (i) The company  (ii) Shareholders
   (iii) Directors  (iv) All of the above
5. A joint stock company ie. Sugandha Ltd. was registered with a nominal capital of Rs. 10,00,000. They issue 20,000 equity shares of Rs. 10 each and general public applied for the 15,000 shares. Due to some reasons, it was decided in meeting to wind up the company. Calculate the liability of shareholders.
   (i) 20,000 shares  (ii) 15,000 shares
   (iii) 10,000 shares  (iv) 5,000 shares
6. Suppose there is a private company ABC Pvt. Ltd. it has shares of Rs. 2,00,000 ie.20,000 shares @Rs. 10 each. ABC Pvt. Ltd. wants to transfer its shares to XYZ Pvt. Ltd. After taking the consent from the directors, how many shares they can transfer to XYZ Pvt. Ltd.
   (i) 20,000 shares  (ii) 12,000 shares
   (iii) 15,000 shares  (iv) 10,000 shares
7. A private company is a company which has a minimum paid up share capital of __________ or such higher paid up share capital as may be prescribed.
   (i) Rs.1,00,000  (ii) Rs. 90,000
   (iii) Rs.1,50,000  (iv) Rs.10,000
8. Which is called as a Charter of a company?
9. Why there is no need to issue prospectus in case of private company?

10. Whether the article of association regulates the external administration of the company. (True/False)

11. For incorporating the company named Bhavya’s Ltd., the following are some of the expenses incurred: legal expenses=5,000, fee paid to registrar=20,000, public issue expenses=10,000, advertising expenses=2,000. What are the preliminary expenses?
   (i) Rs. 20,000  (ii) Rs. 25,000
   (iii) Rs. 27,000 (iv) Rs. 22,000

12. Preliminary expenses are shown on the asset side of the balance sheet and are written off in the number of years considered appropriate by the management. The amount which is not written off is carried to:
   (i) Profit and Loss A/c  (ii) Balance Sheet
   (iii) Trading A/c (iv) Trial Balance

13. Reserve capital is a part of ________________ capital remaining uncalled that a company resolves, by special resolution:
   (i) Subscribed (ii) Issued
   (iii) Called up (iv) Paid up

14. Which section of the Companies act, 1956 specifies that share capital of a company consists of two classes ie. preference shares and equity shares:
   (i) Section 83  (ii) Section 84
   (iii) Section 85  (iv) Section 86

15. Why calls in advance are shown in the balance sheet as current liability?

16. Whether the issued share capital can exceed the company’s Authorized share capital? (True/False).

17. Nokia Ltd. has subscribed capital of 2,00,000 equity shares of Rs.10 each, out of this value of Rs.10 each, the company has called up the subscribers to pay @Rs.5 per share. What will the amount of called up capital?
   (i) 1,00,000  (ii) 10,00,000
   (iii) 2,00,000 (iv) 20,00,000

18. If company XYZ Ltd. has issued 75,000 equity shares of Rs.10 each and 2,500 preference shares of Rs.100 each. What is the authorized share capital of a company?
19. The share capital of a company is disclosed in the balance sheet on the asset side. (True/False).

20. Capital of a company is divided into units of small denomination called ________________.

21. Identify which is not the type of preference shares:
   (i) With reference to dividend  (ii) With reference to redemption
   (iii) With reference to forfeiture  (iv) With reference to convertibility

22. Why does share capital is called as risk capital in financial terminology?

23. Radha Ltd. issued and offered 60,000 equity shares @10 each to public and the directors called Rs.6 per share and received the entire except a call of Rs. 2 per share on 5,000 equity shares. How would you show it in the balance sheet?

24. A company has 10,000 7% preference shares of Rs.100 each and dividend for the years 2007 and 2008 has not been paid. The company earns sufficient profits in the year 2009. Calculate the amount of dividend for three years.

25. Making an offer or inviting the public in general to subscribe to shares is known as ________________.

26. The company cannot make public issue under different modes and prices. (True/False)

27. Differentiate between public issue of shares and shares issued to vendors.

28. A company can issue its shares for cash and not for consideration other than cash. (True/false)

29. Vijay company received share application for Rs.10,000. Pass journal entry for receiving share application money.

30. Y Ltd. issued 10,000 shares of Rs.10 each payable as follows: Rs.3 on application, Rs.4 on allotment, Rs.3 on first and final call. Pass journal entry for first and final call being due.

31. When shares are issued at an amount more than the face value. What will additional amount of shares are called as?

32. Which sections of the companies act restrict the use of the amount collected as premium on securities for the issuing fully paid bonus shares to the members:
   (i) Section 77A and 79  (ii) Section 77A and 78
   (iii) Section 78 and 78(A)  (iv) Section 78 and 79
33. The amount of the premium should be debited to securities premium A/c. (True/False)
34. When shares are issued at a discount, the share capital account is credited with the face value of the shares and discount on issue of shares is shown on the ____________ side of the balance sheet under the head miscellaneous expenditure.
35. Suppose the amount due on allotment is Rs. 60,000 including a premium of Rs. 10,000. Pass journal entry.
36. Suppose if XYZ Ltd. issued 10,000 equity shares of Rs. 10 each at a discount of 10%. The amount is payable as follows: on application Rs. 2, on allotment Rs. 4 and on final call Rs. 3. All the shares offered were subscribed for and the money was duly received. You are required to pass necessary journal entries.
37. When the number of shares applied for is more than the number of shares offered for subscription is called as ____________________.
38. The company can allot shares more than those offered for subscribed. (True/False)
39. Fashions Ltd. was incorporated on 10th January, 2010 and has decided to raise its capital by issue of shares at a discount of 10%. It has applied to the central govt. for sanction after passing resolution at the general meeting on 10th March, 2010. Do you think the company will get the sanction? Give reasons.
40. Explain Pro-rata allotment.
41. The application money and the allotment money per share are respectively Rs. 3 and Rs. 2 per share. A applies for 200 shares but is allotted only 60 shares. The excess is to be kept for pending calls. Pass entries.
42. Can a company issue a share having value of Rs. 100 at Rs. 70. (True/False)
43. If share application received by a company is divided into different categories. It is better to prepare a statement showing details of:
   (i) Application money received (ii) Share allotment
   (iii) Calls in advance and refund (iv) All of the above
44. If the number of shares applied for is less than the number of shares offered to public for subscription is called as ____________________.
45. Differentiate between over and under subscription of shares.
46. If partial allotment is made, surplus of application money is adjusted towards:
   (i) Share application money due (ii) Share allotment money due
   (iii) Share advance money due (iv) None of the above
47. Priya Ltd. invited application for issuing 40,000 shares of Rs.10 each. The amount was payable as follow: on application Rs.3 per share, on allotment Rs.4 per share, first and final call Rs.3 per share. Applications were received for 35,000 shares and allotment was made to all. Entries will be passed by the amount:
   (i) 1,00,000  (ii) 1,05,000
   (iii) 1,10,000  (iv) 1,15,000

48. Prepare a draft for statement showing details of application money in case of different categories.

49. When shares are issued, it would be prefer to record cash transactions in the:
   (i) Subsidiary book  (ii) Petty cash book
   (ii) Cash book  (iv) Share capital account

50. When shares are issued, it would be prefer to record non cash transactions are recorded in the ___________________.

51. Differentiate between equity and preference shares.

52. Share application account is shown at credit side of cash book. (True/False)

53. Black & White Ltd. offered 1,00,000 shares of Rs.10 each to public in the following terms: Rs.3 per share on application, Rs.2 per share on allotment, Rs.2 paid in two months after allotment and Rs.3 to be paid in 3 months after the first call. Public applied for 90,000 shares. Calls were duly made but a shareholder holding 1500 shares failed to pay the calls. Pass necessary journal entries.

54. Prepare a cash book of Black & White Ltd. showing only credit side and company offered 1,00,000 shares of Rs.10 each to public in the following terms: Rs.3 per share on application, Rs.2 per share on allotment, Rs.2 paid in two months after allotment and Rs.3 to be paid in 3 months after the first call. Public applied for 90,000 shares. Calls were duly made but a shareholder holding 1500 shares failed to pay the calls.

55. What do you mean by calls in arrears?

56. The company is authorized to charge interest at a specified rate on calls in arrears from the due date to the date of payment. (True/False)

57. It is necessary to open calls- in- arrear A/c. (True/False)

58. The amount of calls-in-arrear is transferred to a separate account titled:
   (i) Calls-in-arrear A/c  (ii) Calls-in-advance A/c
   (iii) Paid up capital A/c  (iv) None of the above
59. What is the amount of calls-in-arrear for a company named Ishu Pvt. Ltd. who issued 10,000 shares payable at Rs.2 on application, Rs.3 on allotment, Rs.3 on first call and Rs.2 on second call? All the shares were subscribed buy public. Company received money except the second and final call on 500 shares.
(i) Rs.5,000 (ii) Rs.1,000
(iii) Rs.1,500 (iv) Rs.2,000

60. Vani Pvt. Ltd. issued 10,000 shares payable at Rs.2 on application, Rs.3 on allotment, Rs.3 on first call and Rs.2 on second call. All the shares were subscribed by public. Company received money except the second and final call on 500 shares. Pass necessary journal entries.

61. What do you mean by calls-in-advance?

62. Calls-in-advance is shown on the ___________ side of balance sheet.


64. Since the amount (in case of calls-in-advance) has not become due, hence it is a ______________ of the company.
(i) Asset (ii) Reserve
(iii) Liability (iv) Profit

65. A Ltd. issued 20,000 equity shares, of Rs.10 each at a premium of 10% payable as follows: application Rs.3 per share (1st Jan. 2010), allotment Rs.3 (including premium) per share (1st April 2010), first call Rs.3 per share (1st June 2010) and final call Rs.2 per share (1st August 2010). One shareholder to whom 400 equity shares were allotted paid the entire balance on his shareholdings with allotment money. What will be the interest paid to call-in-advance?
(i) 28 (ii) 25
(ii) 20 (iv) 15

66. Bawa Ltd. issued 20,000 equity shares, of Rs.10 each at a premium of 10% payable as follows: application Rs.3 per share (1st Jan. 2010), allotment Rs.3 (including premium) per share (1st April 2010), first call Rs.3 per share (1st June 2010) and final call Rs.2 per share (1st August 2010). One shareholder to whom 600 equity shares were allotted did not pay allotment and first call money on his holdings but he paid it with final call. What will be the interest received on calls-in-arrears?
(i) 40 (ii) 45
(ii) 50 (iv) 55
67. What do you mean by shares issued for consideration other than cash?

68. Conservative accountants prefer to consider the issue of shares to the promoters as cost.

69. Issue of shares for consideration other than cash is disclosed in the balance sheet under the head of Share capital and under the subhead of:
   (i) Issued capital  (ii) Subscribed capital
   (iii) Authorized capital  (iv) Issued capital and Subscribed capital

70. If shares are issued to vendor at a premium then what will be the entry?

71. Mohit Ltd. purchased asset from Creative’s Ltd. for Rs.3,50,000. A sum of Rs.75,000 was paid by means of a bank draft and for the balance due Mohit Ltd. issued equity shares of Rs.10 each at a premium of 10%. Journalise the above transactions in the books of the company.

72. A company issued 15,000 fully paid up equity shares of Rs.100 each for the purchase of following assets and liabilities from Gupta Brothers: plant Rs.3,50,000, land & building Rs.6,00,000, stock-in-trade Rs.4,50,000 and sundry creditors 1,00,000. Pass Journal entries.

73. Cancelling the shares for non-payment of calls due as a final action against the defaulting shareholders called as:
   (i) Reissue of shares  (ii) Forfeiture of shares
   (iii) Buyback of shares  (iv) None of the above

74. Before how many days the company must give a clear notice for forfeiting the shares to the defaulting shareholders?
   (i) 12  (ii) 14
   (iii) 15  (iv) 17

75. Why does a company forfeit its shares?

76. State any two effects of forfeiture of shares.

77. Suppose 1,000 equity shares of Rs.10 each are to be forfeited for non-payment of the first call. The amount payable were Rs.3 on application, Rs.3 on allotment, Rs.2 on first call and the balance on second and final call. What will be the amount of forfeited shares?
   (i) 2,000  (ii) 5,000
   (iii) 6,000  (iv) 8,000
78. Rita Ltd. forfeited 1,000 equity shares of Rs.10 each for non-payment of the first call
the amount payable were Rs.3 on application, Rs.3 on allotment, Rs.2 on first call and
the balance on second and final call. Pass journal entry.

79. According to Section 78 of the Indian Companies Act, 1956 the securities premium
collected cannot be cancelled at the time of forfeiture of shares. (True/False)

80. What is meant by Forfeiture of shares originally issued at a premium?

81. The amount of premium received on forfeited shares cannot be transferred to forfeited
shares A/c. (True/False).

82. When the shares are issued at a premium and the amount for premium was duly paid
on the shares forfeited, it would remain in the securities premium. (True/False)

83. Swati Ltd. issued 10,000 equity shares of Rs.10 each at Rs.12 per equity shares. The
amount was payable as: on application Rs.3, on allotment Rs.4 (including premium),
on first call Rs.3 and on final call Rs.2. The company did not make the final call,
Sohan, holder of 250 equity shares, failed to pay allotment and first call money.
Directors forfeited his shares. What is the amount of forfeited shares?
(i) Rs.550  (ii) Rs.750
(ii) Rs.850  (iv) Rs.1000

84. Simran Ltd. issued 10,000 equity shares of Rs.10 each at Rs.12 per equity shares. The
amount was payable as: on application Rs.3, on allotment Rs.4 (including premium),
on first call Rs.3 and on final call Rs.2. The Company did not make the final call,
Sohan, holder of 250 equity shares, failed to pay allotment and first call money.
Directors forfeited his shares. Pass journal entry regarding forfeiture of shares.

85. Shares forfeited becomes the ____________ of the company:
(i) Profit
(ii) Liability
(ii) Property
(iv) Expense

86. What do you mean by reissue of forfeited shares?

87. Differentiate between forfeiture of shares and surrender of shares.

88. If the forfeited shares are reissued at a price higher than paid up, the excess is
__________ to securities premium account.

89. Harjit Ltd. forfeited 200 equity shares of Rs.10 each fully called up, held by X for
nonpayment of allotment money Rs.3 per share and final call Rs.4 per share. He paid
the application money of Rs.3 per share. These shares were reissued to Y Ltd. for
Rs.8 per share. What is the amount of reissue of the shares?
Narinder Ltd. forfeited 200 equity shares of Rs. 10 each fully called up, held by X for nonpayment of allotment money Rs.3 per share and final call Rs.4 per share. He paid the application money of Rs.3 per share. These shares were reissued to Y Ltd. for Rs.8 per share. Pass journal entry for reissue of shares.

Whether shares belonging to prorata category are forfeited.(True/False)

What do you mean by capital reserve?

What do you think whether capital reserve amount should be available for distribution of profits?

Pass journal entry to transfer the amount of forfeited shares to capital reserve account.

Nisha Ltd. issued 10,000 shares of Rs.10 each payable at Rs.2 on application, Rs.3 on allotment, Rs.3 on first call and Rs.2 on second call. The public applied for 15,000 shares. The shares were allotted on a pro rata basis to the applicants of 12,000 shares. All shareholders paid the allotment money except one shareholder who has allotted 200 shares. These shares were reissued. The first call was made thereafter. The forfeited shares were reissued @Rs.9 per share, Rs.8 paid-up. the final call was not yet made. What will be the amount transfer to capital reserve?

Sanjeev Ltd. issued 10,000 shares of Rs.10 each payable at Rs.2 on application, Rs.3 on allotment, Rs.3 on first call and Rs.2 on second call. The public applied for 15,000 shares. The shares were allotted on a pro rata basis to the applicants of 12,000 shares. All shareholders paid the allotment money except one shareholder who has allotted 200 shares. These shares were reissued. The first call was made thereafter. The forfeited shares were reissued @Rs.9 per share, Rs.8 paid-up. the final call was not yet made. Pass journal entries.

When shares are issue and allotted to a selected group of persons privately and not to public in general through public issue it is called as:

(i) Public placement of shares (ii) Private placement of shares
(iii) Preferential allotment (iv) Employee stock option

Escrow account does not consists of:

(i) Cash deposited with a commercial bank
Appendix-B

(ii) Bank guarantee in favour of a merchant banker
(iii) Deposit of acceptable securities with appropriate margin
(iv) Combination of (ii) and (iii)

99. Differentiate between sweat equity shares and equity share.

100. Difference between Employee stock option scheme and employee stock purchase scheme.

101. Khalsa Ltd. with paid up share capital of Rs. 10,00,000 has a balance of Rs. 2,50,000 in Securities premium account. The company’s management does not want to carry over this balance. You are required to suggest the method for utilizing this premium money that would achieve the objective of the management and maximize the return to shareholders.

102. XYZ Ltd. issued 1,000 shares on 1st January, 2010 under ESPS at Rs. 30 when the market price was Rs. 150. Record the journal entry assuming that the nominal value of a share is Rs. 10.

103. A company can raise long term funds by issue of:
   (i) Equity shares (ii) Debenture
   (iii) Mutual funds (iv) Insurance policy.

104. Which section of companies act deals with debenture?
   (i) Sec 2(12) (ii) Sec 2(11)
   (iii) Sec 3(12) (iv) Sec 3(11)

105. Difference between specific coupon rate debentures and zero coupon rate debenture.

106. Premium collected on issue of debentures is credited to securities premium account. Do you think it can be credited to any other account? Give reasons.

107. Show 9% debenture on the relevant side of balance sheet.

108. Tushar Ltd. issued 10,000, 9% debentures of Rs. 100 each at a premium of 10% in full on application by 1st March, 2010. The issue was fully subscribed and debentures were allotted on 10th March, 2010. Calculate the amount of premium.
   (i) 1,000 (ii) 10,000
   (iii) 90,000 (iv) 1,00,000

109. When more applications are received than offered for subscription of debentures, it is known as ________________.

110. The directors cannot reject the excess applications. (True/False)
111. Where partial adjustment is made, excess application money received is adjusted towards:
(i) Allotment  (ii) Application
(iii) First call  (iv) Final call

112. Pass journal entry for refund of excess debenture application amount.

113. Naveen Ltd. issued 10,000, 10% debentures of Rs.100 each at par payable in full on application by 1st January, 2010. Applications were received for 12,000 debentures. Debentures were allotted on 5th January, 2010. Excess application money was refunded on the same date. What is the amount of excess money?
(i) 1,00,000  (ii) 2,00,000
(iii) 3,00,000  (iv) 4,00,000

114. Naveen Ltd. issued 10,000, 10% debentures of Rs.100 each at par payable in full on application by 1st January, 2010. Applications were received for 12,000 debentures. Debentures were allotted on 5th January, 2010. Excess application money was refunded on the same date. Journalize entries in the books of company.

115. Company cannot issue debentures for consideration other than cash. (True/False)

116. Excess of net value of asset over the purchase consideration is transferred to:
(i) Reserve capital  (ii) Capital reserve
(ii) Vendor  (iv) Profit and loss account

117. Pass journal entry when purchase consideration is more than the net value of assets.

118. Loss on issue of debenture is a capital loss. (True/False)

119. Manisha Ltd. has agreed to pay purchase consideration of Rs.1,25,000 by issuing fully paid 8% debentures of Rs.100 at Rs.120 to the vendors. What journal entry will you pass?

120. XYZ Ltd. has acquired a business and has agreed to pay purchase consideration of Rs.2,00,000. The assets taken over are Rs.3,50,000 whereas the liabilities assumed are Rs.4,00,000. What is the amount that will be debited to Goodwill account or credited to capital reserve and why?
**Appendix-B**

**SCORING KEY**

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<td>When shares are issued to public for cash it's called as public issue and if issued to vendors for purchase consideration other than cash it's called shares issued to vendors</td>
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<td>Calls-in-advance is liability for a company and calls in arrears refers to unpaid call</td>
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<td>Premium</td>
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<td>When shares are issued for some of the consideration ie. Land etc.</td>
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<td>Equity share is risky than preference shares and no fixed rate of interest</td>
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<td>Share allotment A/c Dr. To Share capital A/c To Premium A/c</td>
<td>53</td>
<td>Share first call A/c Dr. 1,80,000 To Share capital A/c 1,80,000 Share final call A/c Dr. 2,70,000 To Share capital A/c 2,70,00</td>
<td>71</td>
<td>Rohan A/c Dr. To Eqty share capital To securities premium A/c</td>
</tr>
<tr>
<td>-------</td>
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</tr>
<tr>
<td>72</td>
<td>Plant &amp; Machinery a/c Dr. Land and Building a/c Dr. Stock a/c Dr. Goodwill A/c Dr. To Sundry creditors To Gupta Brothers</td>
<td>89</td>
<td>(iii)</td>
<td>106</td>
<td>No, Because it restricts the usage of premium collected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>73</td>
<td>(ii)</td>
<td>90</td>
<td>Bank A/c Dr. 1,600 Forfeited shares A/c Dr. 400 To Share capital A/c 2,000</td>
<td>107</td>
<td>Liabilities side</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>(ii)</td>
<td>91</td>
<td>True</td>
<td>108</td>
<td>(x)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>When any shareholder do not pay call money</td>
<td>92</td>
<td>Reserve created out of profit</td>
<td>109</td>
<td>Over subscription</td>
<td></td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>Name of defaulting shareholder is removed, The amount already paid is forfeited.</td>
<td>93</td>
<td>No</td>
<td>110</td>
<td>True</td>
<td></td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>(iii)</td>
<td>94</td>
<td>Forfeited share A/c Dr. To Capital Reserve A/c</td>
<td>111</td>
<td>(i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>Equity share capital A/c Dr. 8,000 To Forfeited Shares A/c 6,000 To Calles-in-arrears 2,000</td>
<td>95</td>
<td>(i)</td>
<td>112</td>
<td>Debenture application A/c Dr. To Bank a/c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>True</td>
<td>96</td>
<td>Forfeited share A/c Dr.480 To Capital Reserve A/c 480</td>
<td>113</td>
<td>2,00,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>When the shares are issued at a premium and that shares are forfeited on premium</td>
<td>97</td>
<td>(ii)</td>
<td>114</td>
<td>Debenture application A/c Dr. 2,00,000 To Bank a/c 2,00,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>True</td>
<td>98</td>
<td>Sweat shares are issued only to employees and equity shares to public also</td>
<td>115</td>
<td>False</td>
<td></td>
<td></td>
</tr>
<tr>
<td>82</td>
<td>True</td>
<td>99</td>
<td>(iv)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>(ii)</td>
<td>100</td>
<td>ESOS means a scheme under which the company grants option to an employee to apply for shares and ESPS means a scheme in which company offers shares to its employees as part of a public issue</td>
<td>117</td>
<td>Sundry assets A/c Dr. Goodwill A/c Dr. To Sundry Liabilities A/c To Vendor a/c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>Share capital A/c Dr. 2,000 Securities Premium A/c Dr. 500 To Forfeited shares A/a 750 To Share allotment a/c 1000 To Share first call a/c 750</td>
<td>101</td>
<td>Management may utilize the securities premium of Rs. 2,50,000 by issue of bonus shares</td>
<td>118</td>
<td>True</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>(ii)</td>
<td>102</td>
<td>Bank A/c Dr.30,000 Employees compensation Expenses A/c Dr. 1,20,000 To Equity share capital A/c 10,000 Securities Premium A/c 1,40,000</td>
<td>119</td>
<td>Vendor A/c Dr. 8% Debenture A/c To Securities Premium A/c To Bank a/c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>When forfeited shares are reissued to public</td>
<td>103</td>
<td>(ii)</td>
<td>120</td>
<td>2,50,000 it is because the amount paid is more than the net consideration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>Forfeiture means when company cancelled the name and surrender when shareholder himself surrender the shares</td>
<td>104</td>
<td>(i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>credited</td>
<td>105</td>
<td>Specific coupon debts are issued with a specified rate of interest and in zero coupon rate debt do not carry any rate of interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Appendix-B**