SET NO-1

Roll No. | | | | | | | |

Candidates must write the Set No. on the title page of the answer book.

DAV PUBLIC SCHOOLS, ODISHA ZONE
HALF YEARLY EXAMINATION, 2023-24

- Please check that this question paper contains **10** printed pages.
- Set number given on the right hand side of the question paper should be written on the title page of the answer book by the candidate.
- Check that this question paper contains **34** questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during this period.

CLASS- XII
SUB: ACCOUNTANCY (055)

Time: 3 Hours **Maximum Marks: 80**

General Instructions:

(i) All the questions are compulsory.
(ii) Questions 1 to 20 carry 01 mark each.
(iii) Questions 21 to 26 carry 03 marks each.
(iv) Questions 27 to 29 carry 04 marks each.
(v) Questions 30 to 34 carry 06 marks each.
(vi) Make formats neatly.
(vii) Give working notes, wherever necessary.
(viii) There is no overall choice. However, an internal choice has been provided in **7** questions of **one mark**, **2** questions of **three marks**, **1** question of **four marks** and **2** questions of **six marks**.

<u>Accounting for Partnership Firms and Companies.</u>

1. Ram Ltd. forfeited 100 equity shares of Rs. 10 each issued at a premium of 20% for the non-payment of final call of Rs. 5 including premium. The maximum amount of discount at which these shares can be re-issued is: 1

   a. Rs. 10 per share b. Rs. 7 per share c. Rs. 5 per share d. Rs. 2 per share

2. L, M and N are partners sharing profits in the ratio of 5:3:2. They decided to share profits equally from 1st April, 2022. On that date, there was a balance of Rs 2,00,000 in General Reserve Account and a credit balance of Rs 4,00,000 in the Profit and Loss account. The journal entry for the above account of change in profit sharing ratio will be: 1

	Particulars	LF	Dr(Rs)	Cr (Rs)
a	General Reserve A/c…………………………...Dr To Profit and Loss A/c		2,00,000	 2,00,000
b	M's Capital a/c………………………………..Dr N's Capital a/c………………………………...Dr To L's capital A/c		80,000 20,000	 1,00,000
c	General Reserve A/c…………………………..Dr Profit and Loss A/c……………………………Dr To L's Capital A/c To M's Capital A/c To N's Capital A/c		2,00,000 4,00,000	 2,00,000 2,00,000 2,00,000
d	General Reserve A/c…………………………..Dr Profit and Loss A/c……………………………Dr To L's Capital A/c To M's Capital A/c To N's Capital A/c		2,00,000 4,00,000	 3,00,000 1,80,000 1,20,000

3. **Assertion:** Premium received on issue of shares is credited to Securities Premium Account.
Reason: Securities Premium Account is a reserve, hence, may be credited to General Reserve.
In the context of above two statements, which of the following is correct? 1
   a. Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation of Assertion (A)
   b. Assertion (A) and Reason (R) are correct but Reason (R) is the correct explanation of Assertion (A).
   c. Only Assertion (A) is correct.
   d. Assertion (A) is not correct but Reason (R) is correct.
4. Rajesh Ltd. forfeited 8,000 equity shares of Rs. 100 each, issued at a premium of 10% for non-payment first and final call of Rs. 30 per share. The maximum amount of discount at which these shares can be reissued will be : 1
   a. Rs. 5,60,000 b. Rs. 8,00,000 c. Rs. 3,20,000 d. Rs. 2,40,000

OR

A company purchased new machinery for Rs. 35,00,000 out of which Rs. 5,00,000 was paid in cash. Balance amount was paid by issue of equity shares of Rs. 10 each at 25% premium. How many shares will be issued by the company?

a. 1,60,000 shares b. 2,40,000 shares c. 1,50,000 shares d. 10,00,000 shares

5. Mishra Ltd forfeited 4,000 shares of Rs 20 each, fully called up, on which only application money of Rs 6 has been paid. Out of these 2,000 shares were re-issued and Rs 8,000 has been transferred to capital reserve. Calculate the rate at which these shares were re-issued. 1
   a. Rs 20 per share b. Rs 18 per share c. Rs 22 per share d. Rs 8 per share
6. Capital employed by a partnership firm is Rs 5,00,000. Its average profit is Rs 60,000. The normal rate of return is similar type of business is 10%. The amount of super profit is: 1
   a. Rs 50,000 b. Rs 10,000 c. Rs 6,000 d. Rs 56,000

OR

Calculate Manager's Commission if profit is Rs 66,000 and commission is allowed at 10% after charging such commission

a. Rs. 6,600 b. Rs. 5,500 c. Rs. 6,000 d. Rs 5,000

7. If equal amounts are withdrawn in the beginning of each month throughout the year, interest on drawings is calculated as: 1

a. Total drawings x $\frac{Rate}{100}$ x $\frac{5.5}{12}$

b. Total drawings x $\frac{Rate}{100}$ x $\frac{6.5}{12}$

c. Total drawings x $\frac{Rate}{100}$ x $\frac{6}{12}$

d. Total drawings x $\frac{Rate}{100}$ x $\frac{5}{12}$

8. Due to change in profit sharing ratio, X's sacrifice is 3/10, while Z's gain is 3/10. They decided to record the effect of the following without affecting the book figures, by passing an adjustment entry: 1

Particulars	Amount(Rs.)
General Reserve A/c	35,000
Profit and loss A/c	15,000
Advertisement Suspense A/c (Dr)	20,000

The necessary adjustment entry will be:

a. Dr Z and Cr X by 9,000
b. Dr X and Cr Y by 9,000
c. Dr X and Cr Y by 18,000
d. Dr Y and Cr X by 9,000

9. Mini and Mansi are partners sharing profits in the ratio of 4:3. They admitted Nisha as a new partner for 3/7th share in profits which she acquired 2/7th from Mini and 1/7th from Mansi. The new profit-sharing ratio of Mini, Mansi and Nisha will be: 1

a. 4:3:3 b. 5:3:2 c. 2:3:5 d. 2:2:3

OR

Ashok and Sudha were partners in a firm sharing profits and losses in the ratio of 3:1. They admitted Bani as a new partner. Ashok sacrificed 1/4th of his share and Sudha sacrificed 1/4th of her share in favour of Bani. Bani's share in the profits of the firm will be:

a. 5/8 b. 1/8 c. 1/4 d. 7/16

10. L and M are partners in a firm sharing profits and losses in the ratio of 3:2. Their capitals were Rs 6,40,000 and Rs 4,00,000 respectively. N was admitted for 1/5th share in the profits of the firm. He brought Rs 4,80,000 as his capital, the goodwill of the firm will be 1

a. Rs 8,80,000 b. Rs 1,76,000 c. Rs 13,60,000 d. Rs 2,72,000

11. Khusi, Namita and Manvi were partners in a firm sharing profits and losses in the ratio of 5:2:3. On 30th June, 2022, Khusi died. The partnership deed provided that on the death of a partner her share of profit till the date of death was to be calculated on the basis of average profit of last three years less Rs 10,000. 1

Profit for last three years were:

Year ended	Profit /loss (Rs)
31st March 2020	1,20,000
31st March 2021	(50,000)
31st March 2022	1,70,000

Khusi's share of profit till the date of her death was:

a. Rs. 35,000 b. Rs. 9,583 c. Rs. 28,750 d. Rs. 8,750

OR

A, B and C were partners in a firm sharing profits and losses in the ratio of 5;3:2. C retired and his capital balance after adjustments regarding reserves, accumulated profit and losses and his share of gain on revaluation was Rs 2,50,000. C was paid Rs 3,22,000 including his share of goodwill. The amount credited to C's capital account, on his retirement, for goodwill will be:

a. Rs. 72,000 b. Rs. 7,200 c. Rs. 24,000 d. Rs. 36,000

12. Gupta and Gourav are partners in a firm sharing profits and losses in the ratio of 5: 1.

Balance Sheet (an Extract)

Liabilities	Rs.	Assets	Rs.
		Building	8,00,000

If value of building in the balance sheet is undervalued by 20%, then at what value will building be shown in new balance sheet: 1

a. Rs. 8,80,000 b. Rs. 9,60,000 c. Rs. 6,40,000 d. Rs. 10,00,000

13. The super profit of a firm is Rs. 28,000. If normal rate of return is 7%, then the amount of goodwill by capitalisation of super profit method will be: 1

a. Rs. 28,000 b. Rs. 2,80,000 c. Rs. 4,00,000 d. None of these

14. A machinery for Rs 1,25,000 was purchased from J.K. Machines Ltd. The payment was made by issuing equity shares of Rs 10 each at a premium of 25%. Which of the following journal entry is correct? 1

Date	Particulars	LF	Dr.(Rs)	Cr (Rs)
a.	J.K. Machines Ltd A/c………………Dr To Equity share capital A/c		1,25,000	 1,25,000
b.	J.K. Machines Ltd A/c………………Dr To Equity share capital A/c To Securities Premium A/c		1,25,000	 1,00,000 25,000
c.	J.K. Machines Ltd………………Dr To Equity share capital A/c To Bank a/c		1,25,000	 1,00,000 25,000
d.	None of the above			

OR

Birbal Ltd issued 40,000 equity shares of Rs 10 each at a premium of 20%. The amount was payable as follows:

On application- Rs 3 per share

On allotment – Rs 5 per share (including premium)

On first call – Rs 2 per share

On final call – Rs 2 per share

The issue was fully subscribed. Ram, a shareholder of 600 shares, paid the entire share money with application. At the time of transferring the share application money, calls in advance will be:

a. Credited with Rs 5,400 b. Debited with Rs 2,400

c. Credited with Rs 2,400 d. Credited with Rs 4,200

15. **Assertion (A):** Loan and advances to a partner are not shown in P & L Appropriation Account.

Reason (R): Loan and advances are not charge against the profit. 1

In the context of the above statements, which one of the following is correct?

a. (A) is correct, but (R) is wrong   b. Both (A) and (R) are correct
c. (A) is wrong, but (R) is correct   d. Both (A) and (R) are wrong

16. Ashoka Ltd had issued 10,000 equity shares of Rs 10 each a premium of Rs 2. It had called the total issue price of the share. Few shareholders had not paid the first and final call of Rs 3 and their shares were forfeited. On forfeiture, Share Capital account will be debited by 1

a. Rs 10 per share b. Rs 12 per share c. Rs 7 per share d. Rs 3 per share

OR

Alpha company forfeited 3,000 shares of Rs.10 each, on which only Rs. 5 per share (including Rs.1 premium) has been paid. Out of these, few shares were re-issued at a discount of Rs.1 per share and Rs. 6,000 were transferred to Capital Reserve. How many shares were re-issued?

a. 3,000 shares b. 1,000 shares c. 2,000 shares d. 1,500 shares

17. Given below two statements-Statement (I) and Statement (II) 1

Statement (I): Loss on issue of Debenture A/c is a liability, whereas Premium on Redemption of Debenture A/c is an expenditure account.

Statement (II): At the time of making payment due (i.e., Redemption of Debentures), 'Premium on Redemption of Debentures A/c is credited.

Choose the correct alternative from the following:

a. Both statement (I) and statement (II) are correct.
b. statement (I) is correct and statement (II) is incorrect.
c. statement (I) is incorrect and statement (II) is correct.
d. Both statement (I) and statement (II) are incorrect.

18. Shyam Ltd. took over the following assets and liabilities of Krishna Ltd. On 1st April, 2023.

Particulars	Amount (Rs.)
Land and Building	50,00,000
Furniture	10,00,000
Stock	5,00,000
Creditors	7,00,000

The purchase consideration of Rs 60,00,000 was paid by issuing 12% Debenture of Rs 100 each at a premium of 20%. In the books of Shyam Ltd, 12% Debenture a/c will be: 1

a. Debited by Rs. 60,00,000   b. Credited by Rs. 60,00,000
c. Credited by Rs. 50,00,000   d. Debited by Rs. 50,00,000

OR

Mehar Ltd. Issued Rs 1,00,000, 12% Debentures of Rs 100 each at a premium of 5% redeemable at a premium of 2%. Premium on Redemption Account will be:

a. Debited by Rs 5,000   b. Credited by Rs 5,000
c. Debited by Rs 2,000   d. Credited by Rs 2,000

Read the following hypothetical situation, answer question no. 19 and 20

Pooja and Neel are partners sharing profits in the ratio of 3:2 with capitals of Rs 2,50,000 and Rs 1,50,000 respectively. Interest on Capital is agreed @ 6% p.a. Neel is to be allowed with an annual salary of Rs 12,500. During the year ended 31st March 2022, the profits of the year prior to calculation of interest on capital but after charging Neel's salary amounted to Rs 62,500. A provision of 5% of the profits is to be made in respect of manager's commission. Following there is a Profit and Loss Appropriation Account.

Profit And Loss Appropriation Account

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To interest on capital Pooja Neel To Neel's Salary a/c To profit transferred to Pooja capital a/c Neel capital a/c-	 ______ ______ 12,500 ______ ______	By Profit and Loss a/c	______
	______		______

19. Pooja's profit will be 1

a. Rs 14,250 b. Rs 20,850 c. Rs 18,000 d. Rs 15,400

20. Neel's profit will be: 1

a. Rs 12,900 b. Rs 13,900 c. Rs 14,250 d. Rs 15,900

21. Shyam and Shrishti were partners in a firm sharing profits in the ratio of 7:3. Their capitals were Rs 50,000 and Rs 1,50,000 respectively. They admitted Abhinash on 1st April 2020 as a new partner for 1/4th share in future profits. Abhinash brought Rs 1,00,000 as his capital. Calculate value of goodwill of the firm and record necessary journal entries for the above transaction on Abhinash's admission. 3

OR

S and R share profit equally. They admit C into partnership. C pays only Rs 1,000 for premium of goodwill, out of his share of premium of Rs.1,800 for ¼ share of profit. Goodwill account appears in the books at Rs.6,000. All partners have decided that goodwill should not appear in the books of the new firm. Pass the necessary journal entries.

22. Madhu and Vidhi are partners in a firm. Their balance sheet showed furniture at Rs. 5,00,000, stock at Rs 3,50,000; debtors at Rs 4,05,000 and creditors at Rs 1,50,000. Gayatri is admitted as a partner and new profit-sharing ratio is agreed at 2:3:5. Stock was revalued at Rs. 2,50,000, creditors of Rs 37,500 are not likely to be paid, debtors for Rs.5,000 have become irrecoverable and provision for doubtful debts to be provided at 10%. Madhu's share in loss on revaluation amounted to Rs 75,000.

Calculate the revalued value of furniture. 3

23. X, Y and Z are partners sharing profits in the ratio of 4:3:1. Y retires, giving his share of profits to X and Z for Rs.32,400; Rs.14,400 being paid by X and Rs. 18,000 by Z. Profit for the year after Y's retirement was Rs.42,000.

You are required to give necessary journal entries to record the transfer of Y's share to X and Z. X and Z bring the necessary amount. 3

24. Samiksha, Ash and Divya were partners in a firm sharing profits and losses in the ratio of 5:3:2. With effect from 1st April, 2019, they agreed to share future profits and losses in the ratio of 2:5:3. Their balance sheet showed a debit balance of Rs 50,000 in the profit and loss account and a balance of Rs 40,000 in the investment fluctuation fund. For this purpose, it was agreed that:

(i) Goodwill of the firm be valued at Rs 3,00,000
(ii) Investment of book value of Rs 5,00,000 be valued at Rs 4,80,000.

Pass necessary journal entries to record the above transactions in the books of the firm. 3

25. B Ltd. took loan of Rs. 8,00,000 from PNB and issued 10,000; 9%Debentures of Rs. 100 each as collateral security. How will issue of Debentures be shown in the Balance Sheet and also pass the Journal entry? 3

OR

Deepak Ltd. purchased furniture of Rs.2,20,000 from M/s Furniture Mart. 50% of the amount was paid to M/s Furniture Mart by accepting a bill of exchange and for the balance, company issued 9% Debentures of Rs.100 each at a premium of 10% in favour of M/s Furniture Mart. Pass necessary journal entries in the books of Deepak Ltd. for the above transactions.

26. The Directors of a Company forfeited 500 shares of Rs.10 each issued at a premium of Rs.3 per share, for the non-payment of first call money of Rs.3 per share. The final call of Rs.2 per share has not been made. Half of the forfeited shares were reissued at Rs.2,500 fully paid. Record the journal entries for the forfeiture and reissue of shares. 3

27. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their fixed capitals were Rs 3,00,000, Rs 2,00,000 and Rs 1,00,000 respectively. For the year ended 31stMarch 2022 interest on capital was credited to them @ 10% p.a. instead of 8% p.a.
Pass necessary adjustment entry. 4

OR

Anand, Brinda and Chetan were partners in a firm having capitals of Rs. 50,000; Rs. 50,000 and Rs. 1,00,000 respectively. Their Current Account balances were Anand: Rs. 10,000; Brinda: Rs. 5,000 and Chetan: Rs. 2,000 (Dr.). According to the Partnership Deed the partners were entitled to an interest on Capital @ 10% p.a. Chetan being the working partner was also entitled to a salary of Rs. 12,000 p.a. The profits were to be divided as

a) The first Rs. 20,000 in proportion to their capitals
b) Next Rs. 30,000 in the proportion of 5:3:2
c) Remaining profits to be shared equally

The firm earned net profit of Rs. 1,72,000 before charging any of the above items.
Prepare Profit and Loss Appropriation Account and pass necessary journal entries for the appropriation.

28. Simran purchased Anita's business on 1st April, 2022. It was agreed to value goodwill at three years' purchase of average normal profit of the last four years. These profits of Anita's business for the last four years were: 4

Year ended	Profit /loss (Rs)
31st March 2019	90,000
31st March 2020	1,60,000
31st March 2021	1,80,000
31st March 2022	2,20,000

Following further facts are identified from the books of account:

i. During the year ended 31st March 2019, an asset was sold at a gain of Rs 10,000.

ii. During the year ended 31st March 2020, a machine was destroyed in accident and Rs. 30,000 was written off as loss in profit and loss account.

iii. During the year ended 31st March 2021 firm's assets were not insured due to oversight. Insurance premium Rs 10,000.

Calculate the value of goodwill.

29. Star Ltd. is registered with capital of Rs.50,00,000 divided into 50,000 equity shares of Rs.100 each. The Company issued 25,000 equity shares for subscription. Subscription was received for 23,750 shares and all the due amount was duly received except the first and final call of Rs.20 per share on 600 shares. Show the 'Share Capital' in the Balance Sheet of the company and also prepare 'Notes to Accounts'. 4

30. Pass journal entries for issue of debenture in each of the following transactions:

i. Moon Ltd. issued Rs.50,00,000; 10% Debenture of Rs.100 each at par but redeemable at the end of 10 years at 105%.

ii. Strong Ltd. issued Rs. 60,00,000; 10% Debentures of Rs.100 each at a discount of 5% repayable at a premium of 10% at the end of 5 years.

iii. Smart Ltd. issued Rs.70,00,000; 9% Debentures of Rs.100 each at a premium of 5% redeemable at 110% at the end of 10 years. 6

31. Tina and Rina were partners in a firm. The firm was dissolved. After transferring assets (other than cash) and outsider's liabilities to realisation account you are given the following information: 6

i. An unrecorded asset of Rs 18,000 was taken over by Tina at Rs 16,000.

ii. Rina agreed to pay her brother's loan of Rs 23,000.

iii. Stock of Rs 30,000 was taken over by a creditor of Rs 40,000 in full settlement.

iv. Expenses of dissolution Rs 40,000 were paid by Rina.

v. Creditors were paid Rs 18,800 in full settlement of their account of Rs 20,000.

vi. Tina's loan of Rs 15,000 was paid through a cheque.

Pass necessary journal entries for the above transaction in the books of the firm assuming that all payments were made by cheque.

32. Vikas, Gagan and Momita were partners in a firm sharing profits in the ratio of 2:2:1. The firm closes its books on 31st March every year. On 30th September,2022 Momita died. According to the provisions of partnership deed, the legal representative of a deceased partner is entitled for the following in the event of her death: 6

a. Capital as per the last balance sheet

b. Interest on Capital at 6% p.a. till the date of her death

c. Her share of profit to the date of death calculated on the basis of average profits of last four years.

d. Her share of goodwill to be determined on the basis of three years' purchase of the average profits of the last four years. The profits of the last four years were:

Year	**Profit (Rs.)**
2018-19	30,000
2019-20	50,000
2020-21	40,000
2021-22	60,000

The balance in Momita's capital account on 31.03.2022 was Rs. 60,000 and she had withdrawn Rs.10,000 till the date of her death. Interest on her drawings were Rs.300.

Prepare Momita's Capital Account to be presented to her executors.

33. W and R partners in a firm sharing profits in the ratio of 3:2. Their balance sheet as at 31stMarch 2023 was as follows: 6

Balance Sheet

As at 31st March, 2023

Liabilities	**Rs.**	**Assets**	**Rs.**
Sundry Creditors	20,000	Cash	12,000
Provision for bad debts	2,000	Debtors	18,000
Outstanding salary	3,000	Stock	20,000
General Reserve	5,000	Furniture	40,000
Capitals:		Plant and Machinery	40,000
W- 60,000			
R - 40,000	1,00,000		
	1,30,000		1,30,000

On the above date, C was admitted for 1/6th share in the profits on the following terms:

i. C will bring Rs 30,000 as his capital and Rs 10,000 for his share of goodwill, half of which will be withdrawn by W and R.

ii. Debtors Rs. 1,500 will be written off as bad debt and a provision of 5% will be created on debtors for bad and doubtful debts.

iii. Outstanding salary will be paid off.

iv. Stock will be depreciated by 10%, furniture by Rs 500 and plant and machinery by 8%.

v. Investments of Rs.2,500 not mentioned in the balance sheet were to be taken into account.

vi. A creditor of Rs. 2,100 not recorded in the books was to be taken into account.

Pass necessary journal entries for the above transactions in the books of the firm on C's admission.

OR

X, Y and Z were partners in a firm sharing profits in the ratio of 5:3:2. On 31stMarch, 2023 their balance sheet was as follows:

Balance Sheet

As at 31st March, 2023

Liabilities	**Rs.**	**Assets**	**Rs.**
Creditors	21,000	Land and Building	62,000
Investment Fluctuation Fund	10,000	Motor Van	20,000
Profit and Loss A/c	40,000	Investments	19,000
Capitals:		Machinery	12,000
X - 50000		Stock	15,000
Y - 40000		Debtors 40,000	
Z - 20000	1,10,000	Less: Provision	
		for D/D 3,000	
			37,000
		Cash	16,000
	1,81,000		1,81,000

On the above date Y retired and X and Z agreed to continue the business on the following terms:

i. Goodwill of the firm was valued at Rs 51,000.
ii. There was a claim of Rs. 4,000 for workmen's compensation.
iii. Provision for bad debts was to be reduced by Rs. 1000.
iv. Y will be paid Rs.8,200 in cash and the balance will be transferred in his loan account which will be paid in four equal yearly instalments together with interest @10% p.a.
v. The new profit sharing ratio between X and Z will be 3:2 and their capitals will be in their new profit sharing ratio. The capital adjustments will be done by opening current accounts.

Prepare Revaluation Accounts, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

34. The Delhi Cloth Mills Ltd. invited applications for 10,000 Shares of Rs.100 each at a premium of Rs.10 each payable as below: 6

On Application - Rs. 50
On Allotment - Rs.35 (including premium)
On Call - Rs.25
Application for 15,000 shares were received. Applicants for 2,500 shares did not get any allotment and their money returned. Allotment was made *pro-rata* to the remaining applicants.
Mr. A was allotted 400 shares. He failed to pay the amount due on allotment and call money. The company forfeited his shares and subsequently re-issued at Rs.105 per share.

Pass the necessary Journal entries in the books of the company.

OR

Alpha Ltd. invited applications for 1,00,000 Equity shares of Rs 10 each. The shares were issued at a premium of Rs 5 per share. The amount was payable as follows:
On application and allotment - Rs 8 per share (including premium Rs.3)
The balance including premium on the first and the final call.
Applications for 1,50,000 shares were received. Applications for 10,000 shares were rejected and pro rata allotment was made to the remaining applicants on the following basis:

i. Applicants for.80,000 shares were allotted 60,000 shares

ii. Applicants for 60,000 shares were allotted 40,000 shares.

Excess amount received on application and allotment is to be adjusted against amount due on call. X, who belonged to the first category and was allotted 300 shares failed to pay the first & final call money. Y who belonged to the second category and was allotted 200 shares also failed to pay the first & final call money. Their shares were forfeited. The forfeited shares were reissued @ Rs 12 per share as fully paid up.

Prepare Cash Book and pass necessary journal entries.

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