



# INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII

Worksheet-No 9

Reference:

CH – 9: MCQs ISSUE OF SHARES

T.S.Grewal

Date of issue :

ACCOUNTANCY (055)

Date of  
submission

December  
2020

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Time Allowed 25 minutes

Q.1 True/False:

According to the below given information the final call per share is ₹ 22.

The subscribed capital of a company is ₹ 80,00,000 and the nominal value of the share is ₹ 100 each. There were no calls in arrear till the final call was made . The final call made was paid on 77,500 shares only . The balance in the calls in arrear amounted to ₹ 55,000.

Q.2 True/ False :

Securities premium received on issue of shares cannot be used for the purpose of buy back of shares.

Q.3 True/False-Share application amount is in the nature of Real account

Q.4. Arrange the following in proper sequence as types of “Share Capital”

- i) Paid up capital
- (ii.) Issued capital
- (iii) Subscribed capital
- (iv.) Called up capital

Q.5 Maximum limit of premium on shares is :

- (A.) 32%
- (B.) 20%
- (C.) No limit
- (D.) 100%

Q.6 Amount of money not received out of called up capital is :

- (A.) Added to share capital

- (B.) Subtracted from share capital
- (C.) Shown as current liabilities
- (D.) Shown as current asset

**Q.7** Following amounts were payable on issue of shares by a company : ₹ 3 on application , ₹ 3 on allotment , ₹ 2 on first call and ₹ 2 on final call . X holding 500 shares paid only application and allotment money whereas Y holding 400 shares did not pay final call . Amount of calls in arrear will be:

- (A.) 3,800
- (B.) 2,800
- (C.) 1,800
- (D.) 6,200

**Q8.**

- A) Sweat equity shares
- B) Redeemable Preference shares
- C) Equity shares
- D) Bonus shares

**Q.9** E Ltd. had allotted 10,000 shares to the applicants of 14,000 shares on pro-rata basis, application money on another 6000 shares was refunded .The amount payable on the application was ₹ 2. Sitaraman applied for 420 shares . The number of shares allotted to him will be:

- (A.) 60 shares
- (B.) 340 shares
- (C.) 320 shares
- (D.) 300 shares

**Q.10** A company issued 4,000 equity shares of rupees 10 each at par payable as under:

On application ₹3 , on allotment ₹ 2; on first call ₹ 4 and on final call rupee 1 per share. Applicants were received for 16,000 share. Application for 6,000 shares were rejected and pro-rata allotment was made to the applicants for 10,000 shares . How much amount will be received in cash on first call,when excess application money is adjusted towards amount due on allotments and calls :

- (A.) ₹ 6.000
- (B.) nil
- (C.) ₹16,000
- (D.) ₹10,000

**Q.11** A company issued 4000 equity shares of rupees 50 each at par payable as under:

On application rupees 20%, on allotment 40% ; on first call 10% ; on final call –balance. Applications were received for 10,000 shares . Allotment was made pro-rata . How much amount will be received in cash on allotment?

A) ₹ 6,000

(B.) Nil

(C.) ₹ 16,000

(D.) ₹ 20,000

**Q.12.** Which one of the following is not a part of subscribed capital:

A) Equity shares issued to vendor

B) Preference shares of convertible type

C) Forfeited shares

D) Bonus shares

**Q.13.** When nominal (face) value of a share is called up by the company but as some shareholders did not pay the money, the shares are forfeited . The share capital is shown in the balance sheet (notes) of a company under the following heading:

A) Subscribed and fully paid up

B) Subscribed but not fully paid up

C) Subscribed and called up

D) Subscribed but not called up

**Ques.14.**Zee Ltd issued 15,000 equity shares of ₹ 20 each at a premium of ₹ 5 payable ₹ 5 on application, ₹ 10 on allotment (including premium) and the balance on first and final call. The company received applications for 22,500 shares and allotment was made pro rata. Bittoo to whom 1,200 shares were allotted, failed to pay the amount due on allotment. All his shares were forfeited after the call was made. The forfeited shares were reissued to Dheeraj at par. Assuming that no other bank transactions took place, the bank balance of the company after the above transactions is :

A) ₹ 6,85,000

B) ₹ 3,60,500

C) ₹ 3,78,000

D) ₹ 6,34,000

**Q.15.** Zen Ltd purchased the sundry assets of M/s Surat Industries for ₹ 28,60,000 payable in fully paid shares of ₹ 100 each. State the number of shares issued to vendor when issued at premium of 10%.

A) 28,000

- B) 31,778
- C) 28,600
- D) 26,000

**Q.16.** The subscribed share capital of Mukand Ltd is ₹ 1,00,00,000 of ₹ 100 each. There were no calls in arrear till the final call was made. The final call made was paid on 97,500 shares. The calls in arrear amounted to ₹ 87,500. The final call on share :

- A) ₹ 20
- B) ₹ 35
- C) ₹ 25
- D) ₹ 45

**Q.17.** These shares which in addition to the fixed preference dividend, carry a right to participate in the surplus profits, if any, after dividend at a stipulated rate has been paid to the equity share holders are called:

- A) Participating preference shares
- B) Convertible preference shares
- C) Redeemable preference shares
- D) Cumulative preference shares

**Q.18.** T Ltd had allotted 20,000 shares to the applicants of 24,000 shares on pro rata basis. The amount payable on application is ₹ 2. Manoranjan applied for 450 shares. The number of shares allotted and the amount carried forward for adjustment against allotment money due from him is:

- A) 150 shares, ₹ 375
- B) 375 shares, ₹ 150
- C) 400 shares, ₹ 100
- D) 300 shares, ₹ 300

**Q.19.** A company forfeited 3,000 shares of ₹ 10 each (which were issued at par) held by Kishore for nonpayment of allotment money of ₹ 5 per share. The called up value per share was ₹ 8. On forfeiture, the amount debited to share capital:

- A) ₹ 30,000
- B) ₹ 24,000
- C) ₹ 15,000
- D) ₹ 6,000

**Q.20.** Z limited issued shares of ₹ 100 each at a premium of 10%. Mr. Q purchased 500 shares and paid ₹ 20 on application but did not pay the

allotment money of ₹ 30. If the company forfeited his 30% shares, the forfeiture account will be credited by :

- A) ₹ 4500
- B) ₹ 3500
- C) ₹ 1650
- D) ₹ 3000

Q.21. Daisy Limited forfeited 200 shares ₹ 10 each who had applied for 500 shares, issued at a premium of 10% for nonpayment of final call of ₹ 3 per share. Out of these 100 shares were issued as fully paid up for ₹ 15. The profit on reissue is :

- A) ₹ 700
- B) ₹ 6400
- C) ₹ 300
- D) ₹ 400

Q.22. Mithas Limited was formed with share capital of ₹ 50,00,000 divided into 50,000 shares of ₹ 100 each. 9,000 shares were issued to the vendor as fully paid for purchase consideration of a furniture acquired. 30,000 shares were allotted in payment of cash on which ₹ 70 per share was called and paid . State the amount of subscribed capital :

- A) ₹ 50,00,000
- B) ₹ 30,50,000
- C) ₹ 30,00,000
- D) ₹ 20,00,000

Q.23. Faltu Limited invited application for 2,00,000 shares of ₹ 10 each. These shares were issued at premium of ₹ 11 each which was allowed at the time of allotment. All money was called and duly received except on 10,000 shares on which only application money of ₹ 3 per share was received.

The company forfeited all the shares. 7000 of forfeited share were re-issued at ₹ 13 per share. State the amount of securities premium to be shown under the head -Reserve and surplus.

- A) ₹ 20,00,000
- B) ₹ 11,11,000
- C) ₹ 8,11,000
- D) ₹ 21,11,000

Q.24. Mahima limited has an authorised capital of ₹ 1,00,00,000 divided into 1,00,000 equity shares of Rs .100 each . If offered 90,000 equity shares

₹ 10 each at a premium of ₹ 8 .The public applied for 81,000 equity shares. Till 31st March 2018, ₹ 17 (including premium) was called . An applicant holding 5000 shares did not pay first call of ₹ 2per share.

As per the above given information:

..... is the amount of Share capital to be shown in the balance sheet of the company.

Q.25. Out of total face value, liability of a shareholder is limited to ..... value of the share allotted to him.

Q.26. Match the following :

- |                              |                                       |
|------------------------------|---------------------------------------|
| a) Cumulative Pref. Share    | i) Repaid after some time             |
| b) Participating Pref. Share | ii) converts into equity shares       |
| c) Redeemable Pref. shares   | iii) Dividend accumulates if not paid |
| d) Convertible Pref. shares  | iv) Gets share in surplus profit      |

The correct match is:

- A) a-ii ,b-i, c-iii, d-iv
- B) a-iii, b-iv, c-i, d-ii
- C) a-iii, b-iv, c-ii ,d-i
- D) a-ii, b-iv, c-iii, d-i

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**PLEASE PRACTICE AND THAN CHECK ANSWER**

ANSWERS :-

Q No	Answer	Q No	Answer	Q No	Answer
1	True	13	A	25	Called up
2	False	14	C	26.	B
3	False	15	D		
4	Issued, Subscribed, Called –up, Paid-up.	16	B		
5	C	17	A		
6	B	18	B		
7	B	19	B		

8	A	20	D		
9	D	21	A		
10	A	22	C		
11	D	23	D		
12	C	24	₹ 7,19,000		

Marks Scored :-----/ 26