Syllabus Foundry

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Teacher-ready Commerce resources for Classes XI-XII

Class XII Accountancy

Accounting for Share Capital | 32-Mark Sample Assessment

Student assessment

Structured resources for thoughtful teaching.

Built from classroom needs. Checked for classroom use.

A complete 32-mark sample assessment for CBSE Class XII Accountancy, covering Accounting for Share Capital. It is intended for teacher-led assessment, revision and classroom practice. It is an independent educational resource and is not an official CBSE paper.

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Assessment information

Assessment detail	Value
Subject	Class XII Accountancy
Chapter	Accounting for Share Capital
Questions	10
Maximum marks	32

Student name: _____

Class and section: _____ Date: _____

Instructions

- Attempt all ten questions.
- Show complete workings for numerical and journal-entry questions.
- Use the answer space provided. Attach additional sheets only if your teacher permits.
- Write amounts in Indian rupees and use clear account titles.

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Question 1 | 1 mark

Vanya Ltd. issued 90,000 equity shares of ₹10 each. The company called ₹8 per share and received ₹7,08,000, excluding calls in advance. Which combination is correct?

A. Called-up capital ₹9,00,000; calls in arrears ₹12,000

B. Called-up capital ₹7,20,000; calls in arrears ₹12,000

C. Called-up capital ₹7,08,000; calls in arrears ₹12,000

D. Called-up capital ₹7,20,000; calls in arrears ₹1,92,000

Answer: _____

Question 2 | 1 mark

Assertion (A): Amount received as calls in advance is not added to share capital until the relevant call becomes due.

Reason (R): Calls in advance represent an amount received before it has been called by the company.

Choose the correct option:

A. Both A and R are true, and R is the correct explanation of A.

B. Both A and R are true, but R is not the correct explanation of A.

C. A is true, but R is false.

D. A is false, but R is true.

Answer: _____

Question 3 | 1 mark

Arin Ltd. forfeited 600 equity shares of ₹10 each, fully called, on which ₹6 per share had been received. It later reissued all the shares at ₹8 per share as fully paid. What amount should be transferred to Capital Reserve?

A. ₹1,200

B. ₹2,400

C. ₹3,600

D. ₹4,800

Answer: _____

Question 4 | 1 mark

Which statement most accurately describes a preference share?

A. It necessarily carries voting rights on every company matter.

B. It carries preferential rights regarding dividend and repayment of capital.

C. It can be issued only to employees of the company.

D. It forms part of the company’s debentures until dividend is declared.

Answer: _____

Question 5 | 3 marks

Kairav Ltd. issued 20,000 equity shares of ₹10 each at a premium of ₹2 per share. The amount was payable as follows:

- ₹3 per share on application;
- ₹5 per share on allotment, including the entire premium; and
- the balance on first and final call.

All the shares were subscribed and allotted. A shareholder holding 500 shares did not pay allotment, while another shareholder holding 800 shares paid the first and final call together with allotment. The company does not account for interest on calls in advance or calls in arrears.

Pass journal entries for allotment money becoming due and for receipt of allotment money.

Working

Journal

Particulars	L.F.	Debit (₹)	Credit (₹)

Question 6 | 3 marks

Tisya Ltd. purchased machinery from Arohan Engineering for ₹9,60,000. It paid ₹1,20,000 by bank and discharged the balance by issuing equity shares of ₹10 each at a premium of 20%.

Calculate the number of shares issued and pass journal entries in the books of Tisya Ltd. for purchase of machinery and settlement of the vendor’s claim.

Calculation

Journal

Particulars	L.F.	Debit (₹)	Credit (₹)

Question 7 | 6 marks

Pioneer Habitat Ltd. invited applications for 80,000 equity shares of ₹10 each at a premium of ₹2 per share. The amount was payable as follows:

- ₹3 per share on application;
- ₹5 per share on allotment, including premium; and
- ₹4 per share on first and final call.

Applications were received for 1,20,000 shares. Applications for 20,000 shares were rejected and application money was refunded. The remaining applicants were allotted shares on a pro-rata basis. Excess application money was adjusted towards allotment. **For this question, excess application money is adjusted first against the nominal share-capital component due on allotment; only any remaining excess is adjusted against securities premium. Accordingly, Ritvik's entire ₹1,500 excess application money is adjusted against nominal share capital due on allotment and none against securities premium.**

Ritvik, who had applied for 2,500 shares, failed to pay allotment and first and final call. His shares were forfeited after the call became due. Subsequently, 1,500 of his forfeited shares were reissued at ₹9 per share as fully paid.

Pass journal entries for:

1. adjustment/refund of application money;

2. allotment becoming due and its receipt;

3. first and final call becoming due and its receipt;

4. forfeiture of Ritvik's shares;

5. reissue and transfer to Capital Reserve.

Working

Question 7 answer space continued

Journal

Particulars	L.F.	Debit (₹)	Credit (₹)

Question 8 | 6 marks

Aster Mobility Ltd. offered 60,000 equity shares of ₹10 each at a premium of ₹3 per share. The amount was payable as follows:

- ₹3 per share on application;
- ₹5 per share on allotment, including the entire premium; and
- ₹5 per share on first and final call.

Applications were received for 58,000 shares and all applicants were allotted the shares applied for. Naman, holding 2,000 shares, paid the first and final call along with allotment. Ira, holding 1,500 shares, did not pay allotment or first and final call. Her shares were forfeited after the call. Of these shares, 1,000 were reissued at ₹8 per share as fully paid. Interest on calls in advance and calls in arrears is to be ignored.

Pass the necessary journal entries from application through reissue, including transfer to Capital Reserve.

Working

Question 8 answer space continued

Journal

Particulars	L.F.	Debit (₹)	Credit (₹)

Question 9 | 6 marks

The authorised capital of Navira Foods Ltd. is ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each. The company issued 3,00,000 equity shares of ₹10 each, fully called. Of these, 20,000 shares were issued to a vendor for machinery and the remaining shares were offered for public subscription. All the offered shares were subscribed.

A shareholder holding 5,000 shares failed to pay the first and final call of ₹3 per share, and those shares were forfeited. The company subsequently reissued 3,000 of the forfeited shares at ₹9 per share as fully paid.

Prepare:

1. the Note to Accounts for Share Capital immediately after the reissue; and

2. the calculation of the amount transferred to Capital Reserve.

Working

Question 9 answer space continued

Particulars	Amount (₹)

Capital Reserve calculation

Question 10 | 4 marks

Nivaan Technologies Ltd. is considering three separate proposals:

1. Offer equity shares to a pre-identified group of 30 investors rather than invite the public.

2. Give eligible employees a right to acquire shares in the future at a predetermined price, subject to stated conditions.

3. Issue equity shares to a director in recognition of technical know-how supplied to the company.

Answer the following:

a. Identify the method or category represented by each proposal. (3 marks)

b. State one substantive distinction between the arrangements identified in proposals 2 and 3. (1 mark)

Responses