



Subject-Accounting

Grade-13

Prepared by -
Zonal Education Office, Rathnapura.

Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.2 – Accounting records for issuing shares by collecting consideration at once.

Locahna PLC issued shares at a consideration of Rs. 60 on 01.01.2018 and collected all considerations at once.

Share holders Description	Existing share holders	Employees	Local Investors & other individuals	Foreigners	Total
Number of Shares applied for	50 000	200 000	300 000	50 000	-----
Number of shares allocated	-----	-----	100 000	----	-----
Rate of allocation	1 : 1	2 : 1	5 : 1

Required :

(i) Journal entry for cash collection with applications.

..... Dr
..... Cr

(ii) Journal entry for cash returned / refund

..... Dr
..... Cr

(iii) Journal entry for capitalization

..... Dr
..... Cr

(iv) Dinidu an employee received 5000 shares. How much he paid with application.

.....

(v) A local investors received 3000 shares. How much is returned to him?

.....

