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Subject -Specialised Accounting

Topic-Bonus



**Online Study
Material**

Problem 5

A Ltd. having on share capital of ₹ 5,00,000 divided into 500 shares of ₹ 1,000 each, which are quoted in the market of ₹ 2,700 each, distributes a Bonus out of General Reserve at the rate of 60 percent of the Original Capital by issuing to the holders of every share a coupon for ₹ 250 (1/4 fully paid-up share) in full settlement of Bonus.

Pass the necessary journal entries in the books of A Ltd.

Solution

| Journal Entries | | | | |
|-----------------|---|------|----------|----------------------|
| Date | Particulars | L.F. | Dr. | Cr. |
| | | | ₹ | ₹ |
| | General Reserve A/c Dr. To Bonus to Shareholders A/c (Being bonus declared out of general reserve) | | 3,00,000 | 3,00,000 |
| | Bonus to Shareholders A/c Dr. To Share Capital (500 × 250) To Security Premium A/c (Bal. Fig.) (Being 500 bonus shares of ₹ 1,000 each, ₹ 250 paid-up issued at premium) | | 3,00,000 | 1,25,000 1,75,000 |

Problem 6

Zahir & Co. Ltd. issued 5,000 Bonus shares of ₹ 10 each as fully paid-up out of the Reserve Fund of ₹ 1,00,000 on the basis that every shareholders holding 5 shares will get one.

Pass the necessary journal entries.

Solution

Journal Entries

| Date | Particulars | L.F. | Dr. Cr. | |
|------|--|------|---------|--------|
| | | | ₹ | ₹ |
| | Reserve Fund A/c To Bonus to Shareholders A/c (Being bonus declared out of reserve fund) | Dr. | 50,000 | 50,000 |
| | Bonus to Shareholder's A/c To Share Capital A/c (Being 500 bonus shares of ₹ 10 each issued in the ratio of one share for every 5 shares held) | Dr. | 50,000 | 50,000 |

Problem 7

P Ltd. issued 10,000 Bonus Shares at ₹ 10 each. Out of the accumulated reserve of ₹ 4,00,000 at the premium of ₹ 2.5 per share on the basis that one Bonus Share will be given for 7 shares of the company held by shareholders. Pass the necessary entries to record the above issue.

Solution

Journal Entries

| Date | Particulars | L.F. | Dr. Cr. | |
|------|--|------|----------|--------------------|
| | | | ₹ | ₹ |
| | General Reserve A/c To Bonus to Shareholders A/c (Being bonus declared out of accumulated reserve) | Dr. | 1,25,000 | 1,25,000 |
| | Bonus to Shareholders' A/c To Share Capital A/c To Security Premium A/c (Being 10,000 bonus share of ₹ 10 each issued at a premium of ₹ 2.5 per share in the ratio of one share for every of shares held) | Dr. | 1,25,000 | 1,00,000 25,000 |

Problem 8

Shukla & Co. Ltd; having a subscribed capital ₹ 2,00,000 shares of ₹ 10 each, ₹ 8 being paid-up has now declared out of reserve, to make the existing share fully paid-up by way of bonus to the shareholders. The amount necessary for the purpose has been transferred from the Reserve Fund of the Company Standing at ₹ 6,00,000 at present. Journalise the above transaction.

Solution

Journal Entries

| Date | Particulars | L.F. | Dr. Cr. | |
|------|--|------|----------|----------|
| | | | ₹ | ₹ |
| | Reserve Fund A/c To Bonus to Shareholders A/c (Being bonus declared out of reserve fund) | Dr. | 4,00,000 | 4,00,000 |
| | Share Final Call A/c To Share Capital A/c (Being final call money due on 2,00,000 shares @ ₹ 2 per share) | Dr. | 4,00,000 | 4,00,000 |
| | Bonus to Shareholders A/c To Share Final Call A/c (Being bonus utilised towards the payment of final call) | Dr. | 4,00,000 | 4,00,000 |