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Subject -Specialised Accounting

Topic-Bonus



**Online Study
Material**

Problem 1

Authorised capital of Ranu Ltd. is ₹ 10,00,000 divided into 1,00,000 shares of ₹ 10 each. It issued 60,000 equity shares on which ₹ 7 has been called-up and paid-up. A Capital Bonus out of general reserve has been declared to make these partly paid-up shares as fully paid-up. Amount of general reserve is sufficient for this purpose. Pass the necessary journal entries in the books of Ranu Ltd.

Solution**Journal Entries**

		Dr.	Cr.	
Date	Particulars	L.F.	₹	
	General Reserve A/c Dr. To Bonus to Shareholders A/c (Being bonus declared out of genral reserve)		1,80,000	1,80,000
	Equity Share Final Call A/c Dr. To Equity Share Capital A/c (Being final call money due on 60,000 shares @ ₹ 3 per share)		1,80,000	1,80,000
	Bonus to Shareholders A/c Dr. To Equity Share Final Call A/c (Being bonus utilised towards payment of final call)		1,80,000	1,80,000

Problem 2

Give Journal entries for the following transactions :

Y Ltd. had an issued capital of ₹ 15,00,000 in ₹ 100 Equity Shares and undistributed profit of ₹ 10,00,000 (of which ₹ 2,25,000 was in the Securities Premium A/c). It was resolved to capitalise the profits amounting to ₹ 3,75,000 (including the securities premium) in paying up one equity share for every four equity shares held.

Solution**Journal Entries**

		Dr.	Cr.	
Date	Particulars	L.F.	Amount	
	Securities Premium A/c Dr. Statement of Profit & Loss Dr. To Bonus to Shareholders A/c (Share Premium and profits capitalised for bonus)		₹ 2,25,000 1,50,000	₹ 3,75,000
	Bonus to Shareholders A/c Dr. To Equity Share Capital A/c (Equity shares distributed against bonus)		3,75,000	3,75,000

Problem 3

The paid-up capital of Mahesh Ltd. is ₹ 60,000 divided into 6,000 shares of ₹ 10 each. This company has declared a bonus of ₹ 20,000 out of the profit of the current year. This bonus is payable to shareholders in the shape of fully paid-up shares in such a way that each shareholders get one such share for every three shares held.

Date	Particulars	Dr.		Cr.
	Statement of Profit & Loss To Bonus to Shareholders A/c (Being bonus declared out of profit)		20,000	
	Bonus to Shareholders A/c To Share Capital A/c (Being 2,000 bonus shares of ₹ 10 each issued in the ratio of one share for every 3 shares held)	Dr.		20,000

Problem 4

Dinesh Ltd. has capitalised ₹ 40,000 of his general reserve and has issued 4,000 fully paid-up bonus shares of ₹ 10 each to its shareholders. Its paid-up capital is ₹ 1,60,000 divided into 16,000 shares of ₹ 10 each. Bonus shares are issued in such a way that each shareholders get one bonus share for every four shares held by him.

Pass the necessary journal entries.

Solution

Journal Entries

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
	General Reserve A/c To Bonus to Shareholders A/c (Being bonus declared out of general reserve)	Dr.	40,000	40,000
	Bonus to Shareholders A/c To Share Capital A/c (Being 4,000 bonus shares of ₹ 10 each issued in the ratio of one share for every 4 shares held)	Dr.	40,000	40,000

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 To Bonus to Shareholders A/c (Being bonus declared out of general reserve)	Dr.	3,00,000	3,00,000
	Bonus to Shareholders A/c 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)	Dr.	3,00,000	1,25,000 1,75,000