

Working Note -

$$\text{Amount of Bonus} = \frac{2}{5} \times 80,000$$

$$= 32,000 \times 10$$

$$= 320,000$$

↓	↓	↓	↓
CRIR	SP	CR	GR
75,000	60,000	65,000	120,000

Journal Entries -

In the Books of star Ltd -

Share call a/c - Dr (80,000 x 2) 1,60,000
 To Equity share capital a/c 1,60,000
 (Being share call money due)

B

Bank a/c - Dr 1,60,000
 To Share call a/c 1,60,000
 (Being share call money received)

Capital Redemption Reserve a/c - Dr 75,000
 Security Premium a/c - Dr 60,000
 Capital Reserve a/c - Dr 65,000
 General Reserve a/c - Dr 1,20,000
 To Bonus to Share holder a/c 3,20,000
 (Being Provision for Bonus share)

Bonus to Share holder a/c - Dr 3,20,000
 To Equity Share capital a/c 3,20,000
 (Being bonus share money applied for call)