



परमाणु ऊर्जा शिक्षण संस्था
(परमाणु ऊर्जा विभाग का स्वायत्त निकाय, भारत सरकार)
ATOMIC ENERGY EDUCATION SOCIETY
(An autonomous body under Department of Atomic Energy, Govt. of India)

Handout

Subject – Accountancy

Class - XII

Chapter - Accounting for share capital (Module 2/4)

This module covers the following topics-

This module covers the basic accounting treatment of following concepts –

Accounting entries for issue of shares for cash.

Issue of shares for consideration other than cash to a vendor:

Shares can be issued to a vendor at – Par, Premium or Discount

Under Subscription: If the amount of minimum subscription is not received to the extent of 90%, the issue dissolves. In case the applications received are less than the number of shares offered to the public, the issue is termed as ‘under subscribed’.

The issue of shares at par: It implies that the shares have been issued for an amount exactly equal to their face or nominal value.

Issue of Shares at Premium: Irrespective of the fact that shares have been issued for consideration other than cash, they can be issued either at par or at premium.

The issue of shares at par implies that the shares have been issued for an amount exactly equal to their face or nominal value. i.e. at an amount more than the nominal or par value of shares, the amount of premium is credited to a separate account called ‘Securities Premium Reserve Account’, the use of which is strictly regulated by law.

Accounting treatment of Issue of fully paid shares to promoters.