



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 4/4)

This module covers the following topics-

Reissue of Shares: The management of a company is vested with the power to reissue the shares once forfeited by it, subject of course, to the terms and conditions in the articles of association relating to the same. The shares can be reissued even at a discount provided the amount of discount allowed does not exceed the credit balance of Share forfeiture account relating to shares being reissued. Therefore, discount allowed on the reissue of forfeited shares is debited to Share forfeiture account.

Capital Reserve: Once all the forfeited shares have been reissued, any credit balance on Share forfeiture account is transferred to Capital Reserve representing profit on forfeiture of shares. In the event of all forfeited share not being reissued, the credit amount on Share forfeiture account relating to shares yet to be reissued is carried forward and the remaining balance on the account only is credited to capital reserve account.