Class - B.Com Part - II

Subject : Corporate Accounting

paper : IV

Topic : Journal Entries Issue of shares.

Lecture sequence No : 3

unit : 1

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Journal Entries For the Issue of Shares:

(A) Issue of Shares with various Instalments:-

The amount of money paid with various instalments represents the contribution to share capital and should ultimately be credited to Share Capital Account. Accounting treatment taken place as follows:

1. On receipt of Application Money:

Bank a/c Dr.
    To Share Application a/c
(Being share application money received on ... share @ ... per shares)

2. For refund of Excess Application money in case of over-~~subscription~~ subscription:

Share Application a/c Dr.
    To Bank a/c
(Being excess share application money received on ... shares @ ... per share refunded).

3. For transfer of Share Application Money to Share Capital Account:

Share Application a/c Dr
    To Share Capital a/c
(Being share application money received as ... allotted shares @ ... per share transferred to share capital account)

(4) For Allotment Money due:

Share Allotment A/c Dr
To Share Capital a/c
(Being Share allotment money due on -- shares @ Rs -- per shares).

(5) For receipt of Allotment Money:

Bank a/c Dr
To Share Allotment a/c
(Being share allotment money received on share on -- shares @ -- per share).

(6) For receipt First Call money due:

Share First Call a/c Dr
To share capital a/c.
(Being share first call money due on -- shares @ Rs -- per share)

(7) For receipt of First Call money:

Bank a/c Dr
To Share First Call a/c
(Being share first call money received on -- shares @ Rs -- per share)

(8) For Second Call Money due:

Share Second Call a/c Dr
To Share Capital
(Being share second call money due On -- shares @ Rs -- per Share)

(9) For receipt of Second Call Money:

Bank a/c Dr.

To Share Second Call a/c.

(Being share second call money received on .. share @ Rs .. per share).

(10) For Final Call Money due:

Share Final Call a/c Dr

To Share Capital a/c

(Being share final call money due on .. share @ .. per share)

(11) For receipt of Final Call Money:

Bank a/c Dr

To Share Final Call a/c.

(Being share final call money received on .. share @ .. per share).

When a combined account is maintained. Journal Entries are recorded in the following manner:

(1) For receipt of Application and Allotment:

Bank a/c Dr

To Share Application & Allotment a/c

(Being share application and allotment money received on ... share @ Rs.... per share).

(2) For transfer of necessary application and Allotment money:

Share Application and Allotment a/c Dr

To Share Capital a/c

(Being share application and allotment money received on .. shares .. per share transferred to Share capital a/c)