

1. Details of Module and its structure

Module Detail	
Subject Name	Accountancy
Course Name	Accountancy 04 (Class XII, Semester – 2)
Module Name/Title	Accounting for Share Capital – Procedure of Recording Issue of Share – Part 2
Module Id	leac_20102
Pre-requisites	Knowledge of Journal, Types of Accounts and their Rules.
Objectives	After going through this lesson, the learners will be able to: <ul style="list-style-type: none">• Link Share Capital raised by a company with Capital introduced in Sole Proprietorship and Partnership Firm• Understand the Procedure of Recording Issue of Shares in case of Full Subscription and Under-Subscription
Keywords	Issue of Shares; Share Application; Share Allotment; Full Subscription; Under-Subscription; Over-Subscription

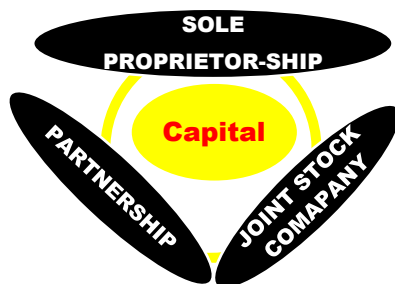
2. Development Team

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1. Link between Capital Raised by a Joint Stock Company and capital introduced by owner in Sole Proprietorship & by a Partner in Partnership Firm:




Capital is a very important factor that is common in all form of business organizations. The size and number of contributors are different but accounting treatment is quite similar. In case of a Joint Stock Company since a large number of unknown outside investors are involved so, the process is a bit formal and involves inviting applications and allotting shares.

SITUATION 1 – Sole Proprietorship	Journal Entry to Record Capital Introduced by the owner:
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JOURNAL

	Capital introduced by Owner Will Affect following Accounts:	Date	Particulars	L F	Dr. (₹)	Cr. (₹)
	CASH/Bank (Asset) ↑ CAPITAL ↑		Cash A/c or Bank A/c Dr. To Capital A/c <i>(Capital introduced by the owner.)</i>			

SITUATION 2 - Partnership Firm	Journal Entry to Record Capital Introduced by a Partner:
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	Capital introduced by a Partner will Affect following Accounts: CASH/Bank (Asset) ↑ Partner's CAPITAL ↑	Date	Particulars	LF	Dr. (₹)	Cr. (₹)
			Cash A/c or Bank A/c Dr. To New Partner's Capital A/c (Capital brought in by a partner.)			

SITUATION 3 - Joint Stock Company #	Journal Entry to Record Capital Introduced by Equity Shareholders:
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	When investors contribute capital by purchasing shares of a company, it will affect following accounts BANK (Asset) ↑ SHARE CAPITAL ↑	Date	Particulars	LF	Dr. (₹)	Cr. (₹)
			Bank A/c Dr. To Equity Share Capital A/c (Being capital raised by issuing shares.)			

🔗 Divided in Minimum Two Stages

# In case of a Joint Stock Company capital could be contributed by unknown investors from general public. So, the following single journal entry of capital is divided in two parts (given on R.H.S.): Bank A/c Dr. To Equity Share Capital A/c (Being capital raised by issuing shares.)	Stage 1 – Receiving Applications: Bank A/c Dr. To Equity Share Application A/c (Money received for shares with applications.) <hr/> Stage 2 – Allotment of Shares Equity Share Application A/c Dr. To Equity Share Capital A/c (Shares allotted & application money transferred to Share Capital A/c.)
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2. Full Subscription, Under Subscription and Over Subscription of Shares

FULL SUBSCRIPTION	It is a situation in which shares applied for by public or investors are equal to the number of shares for which applications were invited.
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Number of Shares for which APPLICATIONS are RECEIVED	=	Number of Shares for which APPLICATIONS were INVITED
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For example, ABC Ltd. invited applications for 40,000 shares and received for exactly 40,000 shares.

☆ In this situation, shares are allotted to all the applicants in full.

UNDER SUBSCRIPTION	It is a situation in which shares applied for by the public or investors are less than the number of shares for which applications were invited.
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Number of Shares for which APPLICATIONS are RECEIVED	<	Number of Shares for which APPLICATIONS were INVITED
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For example, XYZ Ltd. invited applications for 40,000 shares but received for 36,000 shares.

☆ In this situation, shares are allotted to the extent of applied for.

☆ But the condition of 'Minimum Subscription' must be fulfilled

OVER SUBSCRIPTION	It is a situation in which shares applied for by the public or investors are more than the number of shares for which applications were invited.
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Number of Shares for which APPLICATIONS are RECEIVED	>	Number of Shares for which APPLICATIONS were INVITED
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For example, LMN Ltd. invited applications for 40,000 shares and received for 60,000 shares.

☆ It will be discussed in detail the next module.

3. Procedure of Recording Shares Issued for Cash (i.e. Payment) When Money is Received in SINGLE INSTALMENT.

Total amount of shares can be called in several instalments but if a company decides to call the full amount along with application, it has to pass following journal entries in each of the following two cases:

3.1 Issue of Shares at PAR i.e. at Face Value or Nominal Value or Registered Value

JOURNAL

	DATE	PARTICULARS	LF	Debit (₹)	Credit (₹)
Stage 1		When Money is Received with Applications: Bank A/c (No. of Sh Applied x Rate per share) Dr. To Share Application & Allotment A/c (Application money received for shares @ ₹...)			

Stage 2		<p style="text-align: center;">When Shares are Allotted to the Applicants:</p> <p style="text-align: center;">Share Application & Allotment A/c Dr. (No. of Sh. Allotted x FV of Share) To Equity Share Capital A/c (Application money for...shares transferred to share capital.)</p>		

- Instead of Share Applications & Allotment A/c we should write ‘Equity Share Application & Allot A/c’

3.2 Issue of Shares at a Premium i.e. at a Rate More Than its Face Value

JOURNAL

	DATE	PARTICULARS	LF	Debit (₹)	Credit (₹)
Stage 1		<p style="text-align: center;">When Money is Received with Applications:</p> <p style="text-align: center;">Bank A/c (No. of Sh Applied x Rate per share) Dr. To Share Application & Allotment A/c (Application money received for shares @ ₹... including premium.)</p>			
Stage 2		<p style="text-align: center;">When Shares are Allotted to the Applicants:</p> <p style="text-align: center;">Share Application & Allotment A/c Dr. (No. of Sh Allotted X FV of Share) To Equity Share Capital A/c (No. of Sh Allotted X Rate of SPR) To Securities Premium Reserve A/c (Being app. money for...shares transferred to Share Capital and Securities Premium.) # SPR = Securities Premium Reserve</p>			

- Instead of Share Applications & Allotment A/c we should write ‘Equity Share Application & Allot A/c’
- In Stage 1 i.e. Receipt of Applications, amount of Securities Premium Reserve is included with the face value but it is credited to a newly opened ‘Securities Premium Reserve A/c’ in stage 2 i.e. at the time of allotment of shares.

Illustration 1- (Issue at Par) (Full Subscription)

Sun Ltd. invited application for 40,000 shares of ₹10 each Issue was fully subscribed and full amount was called and paid along with application. Pass necessary journal entries to record the issue of shares.

Solution:

Books of Sun Ltd.

Journal

DATE	PARTICULARS	LF	Debit (₹)	Credit (₹)
	Bank A/c (40,000 x 10) Dr. To Share Application & Allotment A/c (Application money received for 40,000 shares @ ₹10.)		4,00,000	4,00,000
	Share Application & Allotment A/c (40,000 x 10) To Equity Share Capital A/c (Application money transferred to Share Capital.)	Dr.	4,00,000	4,00,000

Illustration 2- (Issue at Premium) (Full Subscription)

Moon Ltd. invited application for 4,000 shares of ₹100 each which were to be issued at 25% premium. Issue was fully subscribed and full amount was called and paid along with application. Pass necessary journal entries to record the issue of shares.

Solution:

Books of Moon Ltd.

Journal

DATE	PARTICULARS	LF	Debit (₹)	Credit (₹)
	Bank A/c (4,000 x 125) Dr. To Share Application & Allotment A/c (Being application money received for 4,000 shares @ ₹125 each including premium @ ₹25.)		5,00,000	5,00,000
	Share Application & Allotment A/c (4,000 x 100) To Equity Share Capital A/c (4,000 x 25) To Securities Premium Reserve A/c (Being application money transferred to Share Capital Account and Securities Premium Account.)	Dr.	5,00,000	4,00,000 1,00,000

Illustration 3- (Issue at Premium) (Under Subscription)

Star Ltd. invited application for 40,000 shares of ₹10 each at 50% premium. Full amount was called with application. Company received applications for 36,000 shares.

Pass necessary journal entries to record the above.

Solution:

Books of Star Ltd.

Journal

DATE	PARTICULARS	LF	Debit (₹)	Credit (₹)
	Bank A/c (36,000 x 15) Dr. To Share Application & Allotment A/c (Application money received for 36,000 shares @ ₹15 each including premium @ ₹5 each.)		5,40,000	5,40,000
	Equity Share Application & Allotment A/c (36,000 x 10) Dr. To Equity Share Capital A/c (36,000 x 5) To Securities Premium Reserve A/c (Being application money on 40,000 shares transferred to share capital and balance was refunded.)		5,40,000	3,60,000 1,80,000

4. Procedure of Recording Shares Issued for Cash & Money is Received in Two or More Instalments.

Face Value or Nominal Value of shares along with Securities Premium (if any) can also be called in two or more instalments namely, Application; Allotment; First Call; Second Call etc.

The amount of money paid by investors with various instalment represents their contribution to share capital and should ultimately it is credited to Share Capital Account.

However, for the sake of convenience, initially accounts are opened for each instalment like,

- Share Application Account;
- Share Allotment Account;
- Share First Call Account;
- Share Subsequent Call Account.

Applications for Shares: In response to the invitation of the company investors apply for the shares and money received along with application is deposited with a scheduled bank in a separate account opened for the purpose.

Allotment of Shares: When minimum subscription is being received and certain legal formalities on the allotment of shares have been duly complied with, the directors of the company proceed to make the allotment of shares.

The allotment of shares implies a contract between the company and the applicants who now become the allottees and assume the status of shareholders or members.

Calls: Calls play a vital role in making shares fully paid-up and for realizing the full amount of shares from the shareholders.

In the event of shares not being fully called up till the completion of allotment, the directors have the authority to ask for the remaining amount on shares as and when they decide about the same.

It is also possible that the timing of the payment of calls by the shareholders is determined at the time of share issue itself and given in the prospectus.

⇒ Two points are important regarding the calls on shares.

1. The amount on any call should not exceed 25% of the face value of shares.
2. There must be an interval of at least one month between the making of two calls unless otherwise provided by the articles of association of the company.

The following points should be kept in mind while issuing the share capital for public subscription:

1. The application money should be at least 5% of the face value of the share.
2. Calls are to be made as per the provisions of the Articles of Association.

Please Note:

In Sample Journal Entries discussed further, all the instalments have been referred as Segments like, **APPLICATION SEGMENT**, **ALLOTMENT SEGMENT** & **CALL SEGMENT**.

In each segment we have to pass two journal entries. One for making that instalment due and the other for receiving payment.

In Application Segment Bank Entry is made first and Due/Transfer Entry later. Whereas, in all other segments, first we make an instalment due and then we receive money.

SAMPLE JOURNAL ENTRIES TO BE PASSED TO RECORD THE VARIOUS INSTALMENTS:

4.1 Suppose, Shares are issued at PAR:

JOURNAL

	Date	Particulars	L F	Debit (₹)	Credit (₹)
Application Segment Journal Entries to be passed when Application money is received and		<u>Application Money Received:</u> Bank A/c (No. of Sh Applied x Rate of Application) Dr. To Share Application A/c (Application money received for shares @ ₹...)			
		<u>Application Money Transferred to Share Capital:</u> Share Application A/c Dr.			

when it is credited to Share Capital A/c.		(No. of Sh Allotted X Rate of Applicaion) To Equity Share Capital A/c (Being application money on shares transferred to Share Capital Account.)			
<u>Allotment Segment</u> Journal Entries to be passed when Allotment money is made due and when it is received.		<u>Allotment Money Due:</u> Share Allotment A/c (Total Due) Dr. (No. of X Rate of Allot(FV)) To Equity Share Capital A/c (Being allotment money due on shares @ Rs.....)			
		<u>Allotment Money Received:</u> Bank A/c (Amount Realised) Dr. To Equity Share Allotment A/c (Being amount received on allotment from all except shares)			
		Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear)			
<u>First Call Segment</u> Journal Entries to be passed when Call money is made due and when it is received.		<u>First Call Money Due:</u> Equity Share First Call A/c Dr. (No. of Rate of Call (FV)) To Equity Share Capital A/c (Being _Call money due on shares @ Rs...)			
		<u>First Call Money Received:</u> Bank A/c (Amount Realised) Dr. To Equity Share First Call A/c (Being amount received on First Call from all except shares)			
		Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			
<u>Second & Final Call Segment</u> Same as First Call		Share Second & Final Call A/c Dr. (No X Rate of Call (FV)) To Equity Share Capital A/c (Being _Call money due on shares @ Rs...)			
		Bank A/c (Amount Realised) Dr. To Share Second & Final Call A/c			
		Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			

Illustration 4- Mercury Ltd. invited application for 10,000 shares of ₹100 each. Issue was fully subscribed. Amount was called as follows:

₹30 with application;

₹20 at the time of allotment;

Balance in two equal instalments

All instalments were duly called and paid. Pass necessary journal entries to record.

Books of Mercury Ltd.

JOURNAL

Date	Particulars	LF	Debit (₹)	Credit (₹)
	Bank A/c (10,000 x 30) Dr. To Share Application A/c (Being application money received for 10,000 shares @ ₹30.)		3,00,000	3,00,000
	Share Application A/c (10,000 x 30) To Equity Share Capital A/c (Being application money transferred to Share Capital Account.)		3,00,000	3,00,000
	Share Allotment A/c (Total Due) (10,000 x 20) To Equity Share Capital A/c (Being allotment money due on 10,000 shares @ ₹20 each.)		2,00,000	2,00,000
	Bank A/c (Amount Realised) Dr. To Equity Share Allotment A/c (Being amount received on allotment from all except shares.)		2,00,000	2,00,000
	Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 2,00,000 – 0 or 2,00,000			
	Equity Share First Call A/c (10,000 x 25) To Equity Share Capital A/c (Being First Call money due on 10,000 shares @ ₹25.)		2,50,000	2,50,000
	Bank A/c (Amount Realised) Dr. To Equity Share First Call A/c (Being amount received on First Call.)		2,50,000	2,50,000
	Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 2,50,000 – 0 or 2,50,000			
	Share Second & Final Call A/c (10,000 x 25) To Equity Share Capital A/c (Being Second & Final Call due on 10,000 shares @ ₹25.)		2,50,000	2,50,000
	Bank A/c (Amount Realised) Dr. To Share Second & Final Call A/c (Being amount received on Second & Final Call.)		2,50,000	2,50,000
	Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 2,50,000 – 0 or 2,50,000			

Illustration 5- Venus Ltd. invited application for 10,000 equity shares of ₹100 each. Issue was fully subscribed. Amount was called as follows:

₹30 with application;

₹20 at the time of allotment;

Balance with First & Final Call.

All the instalments were duly called and were paid with the following exceptions:

On 300 shares company didn't receive Allotment money;

On 500 shares it didn't get Call money;

Pass necessary journal entries to record the above transactions.

Books of Venus Ltd.

JOURNAL

Date	Particulars	LF	Debit (₹)	Credit (₹)
	Bank A/c (10,000 x 30) Dr. To Equity Share Application A/c (Application money received for 10,000 shares @ ₹30.)		3,00,000	3,00,000
	Equity Share Application A/c Dr. (10,000 x 30) To Equity Share Capital A/c (Application money transferred to Share Capital Account.)		3,00,000	3,00,000
	Equity Share Allotment A/c (Total Due) Dr. (10,000 x 20) To Equity Share Capital A/c (Allotment money due on 10,000 shares @ ₹20 each.)		2,00,000	2,00,000
	Bank A/c (Amount Realised) Dr. Calls-in-Arrears A/c (300 x 20)# Dr. To Equity Share Allotment A/c (Amount received on allotment from all except on 300 shares.) # Calls-in-Arrear A/c is debited to record the amount not received from defaulters.		1,94,000 6,000	2,00,000
	Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 2,00,000 – 6,000 or 1,94,000			
	Equity Share First Call A/c Dr. (10,000 x 50) To Equity Share Capital A/c (First Call money due on 10,000 shares @ ₹50.)		5,00,000	5,00,000
	Bank A/c (Amount Realised) Dr. Calls-in-Arrears A/c (500 x 50) Dr. To Equity Share First & Final Call A/c (Amount received on First & Final from all except on 500 shares.)		4,75,000 25,000	5,00,000

Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 5,00,000 – 25,000 or 4,75,000			
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4.2 Issue of Shares at PREMIUM [Full Subscription] (Premium Called with Allotment)

JOURNAL

	Date	Particulars	L F	Debit (₹)	Credit (₹)
Application Segment		<u>Application Money Received:</u> Bank A/c (No. of Sh Applied x Rate of Application) Dr. To Share Application A/c (Application money received for shares @ ₹...)			
		<u>Application Money Transferred to Share Capital:</u> Share Application A/c Dr. (No. of Sh Allotted X Rate of Application) To Equity Share Capital A/c (Application money on .. shares transferred to Share Capital Account.)			
Allotment Segment NOTE: If shares are issued at a premium and question is silent. By default Premium is called/paid with Allotment.		<u>Allotment Money Due with Premium:</u> Share Allotment A/c (Total Due) Dr. (No. of Sh.x Rate of Allot(FV)) To Equity Share Capital A/c (No. of Sh. x Rate of Premium) To Securities Premium Reserve A/c (Allotment money due on shares @ ₹... including premium @ ₹...)			
		<u>Allotment Money Received:</u> Bank A/c (Amount Realised) Dr. To Equity Share Allotment A/c (Being amount received on allotment from all except shares)			
		Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear)			
First Call Segment		<u>First Call Money Due:</u> Equity Share First Call A/c Dr. (No. of Rate of Call (FV)) To Equity Share Capital A/c (Being _Call money due on shares @ ₹..)			
		<u>First Call Money Received:</u> Bank A/c (Amount Realised) Dr. To Equity Share First Call A/c (Being amount received on First from all except shares)			
		Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			
Second &		<u>Second & Final Call Money Due:</u> Share Second & Final Call A/c Dr.			

Final Segment	Call	(No X Rate of Call (FV)) To Equity Share Capital A/c (Being _Call money due on shares @ ₹.. including premium @ ₹...)			
		Second & Final Call Money Received: Bank A/c (Amount Realised) Dr. To Share Second & Final Call A/c			
		Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			

Illustration 6- Earth Ltd. invited application for 20,000 equity shares of ₹50 each at 10% premium. Issue was fully subscribed. Amount was called as follows:

₹15 with application;

₹20 at the time of allotment (including premium);

Balance with First & Final Call.

All the instalments were duly called and were paid with the following exceptions:

On 200 shares company didn't receive Allotment money;

On 500 shares it didn't get Call money.

Pass necessary journal entries to record the above transactions.

Books of Earth Ltd.

JOURNAL

Date	Particulars	LF	Debit (₹)	Credit (₹)
	Bank A/c (20,000 x 15) Dr. To Share Application A/c (Application money received for 20,000 shares @ ₹15.)		3,00,000	3,00,000
	Share Application A/c Dr. (20,000 x 15) To Equity Share Capital A/c (Application money transferred to Share Capital Account.)		3,00,000	3,00,000
	Share Allotment A/c (Total Due) Dr. (20,000 x 15) To Equity Share Capital A/c (20,000 x 5) To Securities Premium Reserve A/c (Allotment money due on 20,000 shares @ ₹20 each including premium @ ₹5.)		4,00,000	3,00,000 1,00,000
	Bank A/c (Amount Realised) Dr. # Calls-in-Arrears A/c (200 x 20) Dr. To Equity Share Allotment A/c (Amount received on allotment from all except on 200 shares.)		3,96,000 4,000	4,00,000

# Calls-in-Arrear A/c is debited to record the amount not received from defaulters.			
Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 4,00,000 – 4,000 or 3,96,000			
Share First & Final Call A/c Dr. (20,000 x 20) To Equity Share Capital A/c (First Call money due on 20,000 shares @ ₹20.)		4,00,000	4,00,000
Bank A/c (Amount Realised) Dr. Calls-in-Arrears A/c (500 x 20) Dr. To Equity Share First & Final Call A/c (Amount received on First & Final from all except on 500 shares.)		3,90,000 10,000	4,00,000
Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 5,00,000 – 25,000 or 4,75,000			

4.3 Issue of Shares at PREMIUM [Full Sub.] (Premium along with all instalments)

JOURNAL

	Date	Particulars	L F	Debit (₹)	Credit (₹)
Application Segment NOTE: Securities Premium Reserve A/c is credited with Share Capital A/c in Due/Transfer Entry.		Bank A/c (No. of Sh Applied x Rate of Application Inc SPR) Dr. To Share Application A/c (Being application money received for shares @ ₹...)			
		Share Application A/c Dr. (No. of Sh Allotted X Rate of App. FV) To Equity Share Capital A/c (No. of Sh. x Rate of Premium) To Securities Premium Reserve A/c (Being application money on shares transferred to Share Capital Account and Securities Premium Res A/c.)			
Allotment Segment NOTE: Securities Premium Reserve A/c is credited with Share Cap. A/c in Due/Transfer Entry.		Share Allotment A/c (Total Due) Dr. (No. of X Rate of Allot(FV)) To Equity Share Capital A/c (No. of Sh. x Rate of Premium) To Securities Premium Reserve A/c (Being allotment money due on shares @ ₹... including premium @ ₹...)			
		Bank A/c (Amount Realised) Dr. To Equity Share Allotment A/c (Being amount received on allotment from all except)			
		Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear)			

First Call Segment NOTE: Securities Premium Reserve A/c is credited with Share Cap. A/c in Due/Transfer Entry.	Equity Share First Call A/c Dr. (No. of Rate of Call (FV)) To Equity Share Capital A/c (No. of Sh. x Rate of Premium) To Securities Premium Reserve A/c (Being _Call money due on shares @ ₹... including premium @ ₹...)			
	Bank A/c (Amount Realised) Dr. To Equity Share First Call A/c			
	Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			
II & Final Call Segment NOTE: SPR A/c is credited with Share Cap. A/c in Due/Transfer Entry.	Share Second & Final Call A/c Dr. (No X Rate of Call (FV)) To Equity Share Capital A/c (No. of Sh. x Rate of Premium) To Securities Premium Reserve A/c (Being _Call money due on shares @ ₹... including premium @ ₹...)			
	Bank A/c (Amount Realised) Dr. To Share Second & Final Call A/c			
	Bank (Amt. Realised) = Total Due – Unpaid (Calls-in-Arrear)			

Please Note: In a Question of Issue of Shares, number of Calls can be less than two or more than two.

Illustration 7 - Mars Ltd. invited application for issuing 2,00,000 equity shares of ₹10 each at a premium of ₹20 per share. The amount was payable as follows:

On application - ₹7 per share (including ₹ 5 premium);

On allotment - ₹13 per share (including ₹ 10 premium);

On First & Final Call – Balance which is, ₹ 10 (including ₹5 premium)

Applications for 1,80,000 shares were received. Shares were allotted to all the applicants.

Yogesh, a shareholder holding 5,000 failed to pay the allotment money.

Yogesh & another shareholder Samyesh holding 2,000 shares did not pay the call.

Pass necessary journal entries to record the above transactions.

Books of Mars Ltd.

JOURNAL

Date	Particulars	LF	Debit (₹)	Credit (₹)
	Bank A/c (1,80,000 x 7) Dr. To Share Application A/c (Application money received for 1,80,000 shares @ ₹7.)		12,60,000	12,60,000
	Share Application A/c Dr.		12,60,000	

(1,80,000 x 2) To Equity Share Capital A/c (1,80,000 x 5) To Securities Premium Reserve A/c (Application money transferred to Share Capital Account & Securities Premium Reserve Account.)			3,60,000 9,00,000
Share Allotment A/c (Total Due) Dr. (1,80,000 x 3) To Equity Share Capital A/c (1,80,000 x 10) To Securities Premium Reserve A/c (Allotment money due on 1,80,000 shares @ ₹13 each including premium @ ₹10.)		23,40,000	5,40,000 18,00,000
Bank A/c (Amount Realised) Dr. Calls-in-Arrears A/c (5,000 x 13) Dr. To Equity Share Allotment A/c (Amount received on allotment from all except on 5,000 shares.)		22,75,000 65,000	23,40,000
Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 23,40,000 – 65,000 or 22,75,000			
Share First & Final Call A/c Dr. (1,80,000 x 5) To Equity Share Capital A/c (1,80,000 x 5) To Securities Premium Reserve A/c (Call money due on 1,80,000 shares @ ₹10 including premium @ ₹5 per share.)		18,00,000	9,00,000 9,00,000
Bank A/c (Amount Realised) Dr. Calls-in-Arrears A/c (7,000 x 10 including Premium) Dr. To Equity Share First & Final Call A/c (Amount received on First & Final from all except on 7,000 shares.)		17,30,000 70,000	18,00,000
Bank (Amt. Realised) = Total Due– Unpaid (Calls-in-Arrear) Bank (Amt. Realised) = 18,00,000 – 70,000 or 17,30,000			