

Company Accounts - Issue of Shares

Journal Entries on Issue of Shares :

Journal Entries on Re-Issue of Forfeited Shares :

I At Par :

Bank A/c — Dr
To Share Capital A/c

II At Premium :

Bank A/c — Dr
To Share Capital A/c
To Securities Premium A/c

III At Discount :

Bank A/c — Dr
Share Forfeiture A/c — Dr
To Share Capital A/c

After the re-issue of forfeited shares, the balance left in share-forfeiture A/c must be transferred to Capital Reserve A/c.

The entry for transfer is :-

Share forfeiture A/c — Dr
To Capital Reserve A/c