

Unit – I

Accounts of Limited Company

Issue of Shares –

Company – An artificial person created by law.

Company is the form of organization emerged to remove main defects Or limitations of the partnership firm. i.e Shortage of funds, unlimited liability, huge capital, costly machinery & large scale production.

So Company adopted Principle of limited liability.

Shares – Share means share in the Share Capital of a company.

Types of Shares – Equity Shares & Preference Shares

.

Preference Shares –

1. Cumulative & Non-Cumulative
2. Redeemable & irredeemable
3. Participating & Non-Participating

Share Capital – Share Capital of Company is divided as under.

1. Authorised Capital
2. Issued Capital
3. Subscribed Capital
4. Called-up Capital
5. Paid-up Capital

Particulars	Note No.	Amount Rs.
Equity & Liabilities :		
1. Shareholder's Funds :		
(a) Share Capital :		
(i) Authorised Capital : 50,000 Equity Shares of Rs. 10 each		5,00,000
(ii) Issued Capital : Issued 30,000 Equity Shares of RS. 10 each		3,00,000
(iii) Subscribed Capital : Subscribed 25,000 Equity Shares of Rs. 10 each		2,50,000
(iv) Called-up & Paid-up Capital : 25,000 Equity Shares of Rs. 10 each, Rs. 7 per share called		1,75,000
Less : Calls in arrears		25,000
		<u>1,50,000</u>

Thank You