

Accounting for the

Capital

which has been set aside for the purpose of providing for the future needs of the company.

Capital is divided into two parts, viz. **paid up capital** and **reserves**.

Particulars	Paid up Capital		Reserves	
	Rs.	Paise	Rs.	Paise
Share Capital	100	000	100	000
Reserves	100	000	100	000
Total	200	000	200	000

Accounting for the Capital is done in the following manner:

1. **Share Capital** is divided into **paid up capital** and **reserves**.

2. **Share Capital** is divided into **paid up capital** and **reserves**.

3. **Share Capital** is divided into **paid up capital** and **reserves**.