ΣXEMPLAR POINT PVT. LTD.

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CREATING AND SETTING EXAMPLES FOR FUTURE...

CLASS XII

ACCOUNTS

ASSIGNMENT ON

BALANCE SHEET

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I. Equity and Liabilities

1. Shareholders' Funds

(A). **Share Capital**

Less: Calls in Arrear ……

Add: Forfeited Share A/c ……

(B). **Reserve & Surplus:**

Less: Debit balance in Profit and Loss A/c **(Loss)** ...

Less: Fictitious Assets* ...

(C) Money Received Against Share Warrants

2. Share Application Money Pending Allotment

3. Non-Current Liabilities:

(A) Long-Term Borrowings:

(B) Deferred Tax Liabilities

(C) Other Long-Term Liabilities*

(D) Long Term Provisions **

4. Current Liabilities (Due within 12 months)

(A) Short-Term Borrowings

(B) Trade Payables*

(C) Other Current Liabilities

(D) Short Term Provisions**

II. Assets

1. Non Current Assets

A) Fixed Assets

i. Tangible Assets

ii. Intangible Assets

iii. Capital Work-in-Progress

iv. Intangible Assets Under Development

B) Non-Current Investments

C) Deferred Tax Assets (Net)

D) Long-Term Loans and Advances

E) Other Non-Current Assets

2. Current Assets:

(A). Current Investments

(B). Inventories

(C). Trade Receivables

(D). Cash and Cash Equivalents

(E). Short-Term Loans and Advances

(F). Other Current Assets

- ► S.S.N.C S.R.M L.D.O.L S.T.O.S
- ► F.N.D.L.O T.I.C.I C.I.T.C.S.O

Assets :-

I. Non-Current Assets: Non-current assets are those assets which are not current assets. These are sub-classified into: Fixed Assets, Non-Current Investments; Deferred Tax Assets (Net); Long-term Loans and Advances and Other Non-current Assets.

II. Current Assets: Current assets are those assets which are:

a) Expected to be realised in or intended for sale or consumption in normal Operating Cycle of the company; or
b) held primarily for the purpose of trading; or
c) expected to be realised within 12 months from the reporting date or closing date. (Reporting date is the date for which financial statements are prepared.); or
d) cash and cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

I. Non-Current Assets:

1) Fixed Assets:

a. Tangible Assets: These are the assets which have physical existence. Examples are building, machinery etc.

b. Intangible Assets: These are the assets which do not have physical existence. Example patents, trademark etc.

c. Capital work-in-progress: Capital work-in-Progress means expenditure incurred on construction or development of tangible assets not yet complete.

d. Intangible Assets under Development: Intangible assets under Development means expenditure incurred on development of intangible assets not yet complete.

2) Non-Current Investments: Non-current Investments are investments which are held not with the purpose to resell but to retain them. Non-current Investments are further classified into 'Trade investments" and "Other Investments". Non-current Investments are those investments that are invested to be held for a period of more than 12 months from the date of Balance Sheet or for a period that is more than the period of Operating Cycle.

a) Trade Investment is an investment made by a company in the shares or debentures of another company for the purpose of promoting its own trade or business. It is the Investment made for running business i.e. only for the purpose of business, not required if particular business does not exists.

For example investment in security deposit paid for taking dealership, purchasing NSC for opening business.
Let us take an example. You deal in cloth. For taking Raymond agency you have to give ₹ 1 cr. As security and Raymonds will give u 4% as interest. This investment is Trade Investment. While dealing in cloth business you invest in some other shares and bonds which are not related to business that's Non-Trade Investment.

b) Other Investment are those investments which are not trade investments.

3) Deferred Tax Assets (Net): It is the amount of tax on the temporary differences between the accounting income and taxable income. It is only a book entry and not an actual asset. It arises when accounting income is less than the taxable income. Deferred Tax Liabilities (Net) in one year may get converted into Deferred Tax Assets (Net) in the next year and vice versa.

4) Long-term loans and advances: Long-term Loans and advances are loans and advances given by the company that are expected to be received back in cash or kind in the form of an assets after 12 months from the date of Balance Sheet or after the period of Operating Cycle.

5) Other Non-current Assets: All non-current assets that are not shown or classified under the above heads are Other Non-current Assets.

II. Current Assets:

1) Current Investments: Current Investments are those investments which are held to be converted into cash within a short period, i.e, within 12 months from the date of purchase on investments.

2) Inventories: Inventories mean stock. It held for the purpose of trade in the ordinary course of business, for manufacturing or trading of goods are classified or shown as current assets because they are held with the purpose to convert them into Cash and Cash Equivale5nts within a short period. It is the tangible asset held

a. for the purpose of sale in the tangible asset held.
b. for the purpose of using it in the production of goods meant for sale or service to be rendered. In case of trading company, it comprises of stock of goods traded in .

In case of a manufacturing company, it comprises of raw materials, work-in-progress and finished goods. Inventories are valued at lower of cost or net realisable value, i.e., market value.

3) Trade Receivable: Trade receivables are the amounts receivable for sale of goods or services rendered in the normal course of business. It includes Bills Receivable and Sundry Debtors.

4) Cash and Cash Equivalents: It includes cash in hand and balances with bank.

5) Short-term Loans and advances: Short-term Loans and Advances are loans and advances given by the company that are repayable or adjustable within 12 months from the date of Balance Sheet or within the period of Operating Cycle.

6) Other Current Assets: All other current Assets that are not shown or classified under the above heads are shown as other Current Assets.

Liabilities :- Equity and Liabilities

I) Shareholders' Funds: Shareholders' Funds are the funds belonging to the shareholders of the company. They consist of Share Capital; Reserves and Surplus and Money received against Share Warrants.

II) Share Application Money Pending Allotment: It is a line item in between Shareholders' funds and non-current Liabilities. Amount received by the company towards share application and against which it will certainly allot shares is shown against Share Application Money Pending Allotment.

III) Non-current Liabilities: Non-Current Liabilities are defined in schedule III as those liabilities which are not current liabilities. These are sub-classified into: Long-term Borrowing; Deferred Tax Liabilities (Net); Other Long-term Liabilities and Long-term Provisions.

IV) Current Liabilities: Current Liabilities are those liabilities which are:

a. expected to be settled in company's normal operating Cycle; or

b. due to be settled within 12 months after the reporting date, (Reporting date is the date on which financial statements are prepared); or

c. held primarily for the purpose of being traded; or

d. there is no unconditional right to defer settlement for at least 12 months after the reporting date.

I) Shareholders' Funds:

1. Share capital: It is the amount received by the company as capital. It includes both equity share capital and Preference share capital.

a) Authorised Capital means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company.

b) Issued Capital means such capital as the company issues from time to time for subscription.

c) Subscribed Capital means such part of the capital which is for the time being subscribed by the members of a company.

2. Reserves and Surplus: Reserve means amount set aside out of profits and other surpluses, which are not earmarked in any way to meet any particular liability, known to exist on date of the Balance Sheet. Thus, reserves mean amount set aside out of profits and surpluses to meet future uncertainties.

3. Money Received against Share Warrants: Share Warrants are the financial instruments which give the holder the right to acquire equity shares at a specified date and at a specified rate. These are financial instruments which will be converted into Equity shares at a later date at a predetermined price.

III) Non-current Liabilities:

1. Long-term Borrowings: Long-term borrowings are the borrowings which are repayable after more than 12 months from the date of Balance Sheet or after the period of Operating Cycle.

2. Deferred Tax Liabilities (Net): It is the amount of tax on the temporary differences between the accounting income and taxable income. It is only a book entry and not an actual liability. It arises when accounting income is more than the taxable income.

3. Other Long-term Liabilities: They are the liabilities other than Long-term Borrowings of the company.

4. Long-term Provisions: They are the provision for liabilities that will be payable after 12 months from the date of Balance Sheet or after the period of Operating Cycle.

* Fictitious Assets such as unamortised expenses / losses like Underwriting commission ; Profit & Loss (Dr.) Expenses /loss & Discount on issue of debentures, Advertisement Suspense A/c; Expenses on issue of shares,

IV) Current Liabilities:

1. Short-term Borrowings: These are the borrowings that are repayable within 12 months of the date of Balance Sheet or within the period of Operating Cycle.
2. Trade Payable: These are the amounts payable for goods purchased or services taken in the normal course of business. It includes Bills Payable and Sundry Creditors.
3. Other Current Liabilities: These are short-term liabilities, other than short-term borrowings, trade payables and short-term provisions.
4. Short-term Provisions: These are provisions for liabilities that will be payable within 12 months from the date of Balance Sheet or within the period of Operating Cycle.

➔ Operating Cycle: An operating cycle is the time between the acquisition of assets for processing and its realisation into cash and cash equivalents. When the normal operating cycle cannot be identified, it is assumed to be a period of 12 months. Operating Cycle can be different for different businesses.

➢ Operating Cycle > Expected Time » Current Liabilities » Trade Payable (Creditor)
12 10 & 12 » Current Assets » Trade Receivable (Debtor)
[Expected Payment period is less than the period of Operating Cycle although it is payable before 12 months from the date of Balance Sheet]

➢ Operating Cycle < Expected Time » Non-Current Liabilities » Other long term Liabilities (Creditor)
12 15 » Non-Current Assets » long term loan & advances (Debtor)
[Expected Payment period is more than the period of Operating Cycle and after 12 months from the date of Balance Sheet.]

<u>CONTINGENT LIABILITIES AND COMMITMENTS</u> : Contingent Liability is a liability that becomes payable on the happening of an event. In case, the event does not happen, no amount is payable. Such liabilities are not accounted and are not shown in the Balance Sheet; they are disclosed by way of a note. This Liabilities are not included in the Total of the Liabilities Side. It may or may not arise because they are dependent on a happening in future. Examples of contingent liabilities are:

1) Liabilities in respect of Bills discounted: if the firm got its bills receivable discounted with bank, the primary liability will be that of the acceptor. If the acceptor does not pay, then it becomes firm's liability.
2) Guarantee for loan: If the firm has stood surety for a loan, it will be liable to pay the amount if the other person fails to meet his obligation.
3) Disputed Claims: if some other party has lodged a claim against the firm, the firm will be liable to pay if the claim succeeds.
   (i) Claim against the Co. not acknowledged as debt, Guarantees
   (ii) Uncalled liability on partly paid shares and other investments.
   (iii) Arrears of fixed cumulative dividends / Dividend not paid on Cumulative Prefernce Shares.
   (iv) Bills discounted but not matured.

Example:- Statement of Profit and Loss (Debit) 50,000; Discount on issue of Debentures 1,00,000 Debentures redeemed after 5 year

Solution:- Discount written off each year = $\frac{1,00,000}{5}$ = 20,000

► Reserves and Surplus		
A) Statement of Profit and Loss Opening Balance Less: Discount on issue of Debenture (Last yr.) 2019-20	(50,000) (20,000)	(70,000)
► Other Non-current Assets Unamortised Discount on Issue of Debentures (for future)	2021-24	60,000
► Other Current Assets Unamortised Discount on Issue of debentures (for current yr)	2020-21	20,000

SAI LTD..

BALANCE SHEET as per Part I of Schedule III to the Companies Act- 2013

as at 31-3-2020-21

Particulars	Note no.	Current Yr	Previous Yr
I. Equity and Liabilities			
1. Shareholders' Funds			
(A). Share Capital			
i Authorised Capital:			
..Equity Sh of ₹ ..each			
..Preference Sh of ₹ ..each			
ii Issued Capital:			
..Equity Sh of ₹ ..each			
..Preference Sh of ₹ ..each:			
iii Subscribed and fully paid:			
..Equity Sh of ₹ ..each			
..Preference Sh of ₹ ..each			
iv Subscribed but not fully paid-up:			
⊗….. Share of ₹ ..each, ₹…per share called up …1…			
Less: Calls in Arrear …2…			
(In case of shares not yet forfeited)			
By Directors and officers of the company			
By Others			
Add: Forfeited Share A/c …3…			
(In case of share not yet Reissued)			
(B). Reserve & Surplus:			
Securities premium Reserve, General Reserves, Subsidy Reserve			
Capital reserve, Retained Earnings, share options Outstanding A/c			
Capital Redemption Reserve, Debenture Redemption Reserve			
Revaluation Reserve, Sinking Funds, Proposed Reserves			
Profit & Loss A/c (Cr. Balance) **(Profit)**			
Less: Debit balance in Profit and Loss A/c **(Loss)**			
(C) Money received against share warrants			
2. Share Application money pending Allotment			
3. Non-Current Liabilities:			
(A) Long-Term Borrowings:			
Debentures, Mortgage, Bank loan, …6…			
Less: Debentures Suspense A/c …6…			
Bonds, Public deposits, long term loan, Secured / Unsecured			
(On Collateral Security of Debentures of ₹…..)			
(B) Deferred Tax Liabilities			
(Accounting Income is more than the Taxable income)			
(C) Other Long-Term Liabilities			
(Trade Payables after 12 months, advance received from customer*			
Premium on Redemption of Debentures / Preference shares)			
(D) Long Term Provisions (Short term Provisions after 12 months)			
(Encashment of employees earned leave or Gratuity payable on			
Retirement, Provision for warranties / Providend Fund,)			
4. Current Liabilities (Due within 12 months)			
(A) Short-Term Borrowings			
(Bank Overdraft, Loan repayable on Demand, Deposits for short period)			

(B) <u>Trade Payables</u> (Sundry Creditors & Bills Payable, Acceptances) **(C) <u>Other Current Liabilities</u>** Unclaimed Dividends, Unpaid Dividend, Outstanding Expenses, Calls in Advance, Income / Interest / Commission received in advance, Interest accrued but not due on borrowings / debentures, Interest accrued and due on borrowings / debentures, Share Application Money (Refundable), Current maturities of long-term debt, balances in Output GST Unpaid matured deposits / debentures and accrued thereon Interest on calls-in-advance, advance received from customer **(D) <u>Short Term Provisions</u> **** Provision for Taxation / Income Tax / Insurnace Provision for Employess or Staff Benefits / Pension scheme Pro. for Contingencies, Pro. for Doutful Debts*			
Total			
II. Assets **1. Non Current Assets** **A) Fixed Assets** **i) Tangible Assets:** Land & Buildings, Plant & Machinery, Equipment, Leaseholds, Computers, Livestock, Vehicles, Furniture & Fixtures, Office equipment, Less: Depreciation* **ii) Intangible Assets:** Goodwill, Brands, Trade mark, Computer software, Patents & other intellectual Property Rights, Services and Operating Rights, Mastheads and publishing titles, mining rights, copyrights, Recipes, Formulae, models and designs, Licenses and franchise **iii) Capital Work-in-Progress** (Cost of a self-constructed item of property & plant and equipment) tangible assets under construction **iv) Intangible assets under development:** Intangible assets under development (like Patents intellectual property rights which are being developed by the company) **B) Non-Current Investments (more than 1 yr.)** Investments in Property, Equity Instruments, Partnership firms, Government Bonds or Trust Securities, Share / Debentures / Bonds / Units / Mutual Funds of (Other Co.), Shares in listed / Quoted Companies **C) Deferred Tax Assets (Net)** (Accounting Income is less than the Taxable income) **D) Long-Term Loans and Advances** (Received back after 12 months) Ex. Security deposit for electricity and telephone, Long-term loans to employees, advance to suppliers or subsidiaries, deposit with customs authorities, Capital Advances] **E) Other Non-Current Assets** Unamortized Expenses / losses (written off after 12 months) Discount or Loss on issue of share & Debenture, Share issue Expenses, Insurance claim receivable, Incorporation Costs Long term Trade Receivables: after 12 months,			

2. Current Assets: (up to 1 year) **(A). Current Investments** (Saving for short time period up to 12 months, Short time investments, Marketable securities,) **(B). Inventories** Raw Material, Finished Goods, Goods in transit, Work in Progress, Stores and spares, Loose tools, Merchandise, Stock in Trade, goods acquired for trading **(C). Trade Receivables** (Sundry Debtors and Bills Receivables, Bill of Exchange) Less: Provision for Doubtful Debts* **(D). Cash and Cash Equivalents** Cash in hand, Cash at Bank, Cheques, Drafts in hand, **(E). Short-term Loans and Advances (within 12m)** (Advances recoverable in cash, Advances to Staff) **(F). Other Current Assets (written of within 12m)** Prepaid expenses or Insurance, Interest accrued on Investments Unamortised Discount on Issue of Debentures, Advance Taxes, Share issue Expenses, Income receivable, Accrued Income			
Total			

Note: A Footnote to the Balance Sheet is added to show separately the contingent liabilities.

Q1. What are the major heads in the Equity & Liabilities part and Assets part of the Balance Sheet as per Schedule III ?

Q2. Under what heads the following items are shown in the Balance Sheet of a Mukesh Sir Company:

1) Interest Accrued but not due on Debentures;
2) Advances recoverable in cash;
3) Interest Accrued on Investments;
4) Outstanding Insurance;
5) Depreciation on assets.
6) Surplus, i.e., Balance in Statement of Profit and loss (Dr.);
7) Deposits;
8) Shares in Quoted Companies;
9) Unclaimed Dividend;
10) Computer Software;
11) Government Securities;
12) work-in-progress;
13) Livestock;
14) Subsidy Reserve;
15) Calls-in-Arrears;
16) Bills of Exchange;
17) Discount on Issue of Debentures;

Value Based words:-

1. Provide employed opportunity ;
2. Support / Sympathy to friend / worker;
3. Equality
4. Recognising of talent;
5. Giving opportunity to young generation;
6. Secularism;
7. Empowering women entrepreneurship;
8. Promoting local culture;
9. Concern for environment;
10. Respecting the human value & human right;
11. Help them in pursing higher studies;
12. Improvement in public image of the company;
13. Social responsibility fulfilled;
14. Helping to needy person;
15. Environmental protection / Eco – Friendly / Pollution control;

Part – B [Financial Statement Analysis]

	Form of Question / Units	Very Short Ans.(1)	Short Ans.(4)	Long Ans. (6)	Total
1.	Analysis of Financial Statements	….	4 (3)	….	12 (3)
2.	Cash Flow Statement	1 (2)	….	6 (1)	8 (3)
	Sub Total (B)	1 × 2 = 2	4 × 3 = 12	6 × 1 = 6	20 (6)

☻ **FORMAT OF STATEMENT OF PROFIT AND LOSS (INCOME STATEMENT)**

for the years ended 31st March, 2021 and 2022

Particulars	Note No.	Previous Yr ₹	Current Yr ₹
I. Revenue from Operations (Net Sales)		I	S
II. Other Income		II	I
III. Total Revenue (I + II)		I + II = III	S + I = R
IV. Expenses:-			
a) Cost of Materials Consumed			
b) Purchases of Stock-in-Trade			
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade			
d) Employees Benefit Expenses			
e) Finance Cost			
f) Depreciation and Amortisation Expenses			
g) Other Expenses			
Total Expenses		IV	E
V. Profit before Tax (III – IV)		III – IV = V	R – E = P
Less: Income Tax			T
VI. Profit after Tax			P – T = N

1. Revenue from Operations: It is the revenue earned by the company from its operating activities, i.e..
(Operating Activities) business activities carried on by the company to earn profit.

Trading or manufacturing Co.:- Sale of Product / Services less sales returns, Operating Revenues Less: Excise duty

Other Co.:- Revenue from services rendered, Sale of scrap, trading commission, cash discount received, Less: E.D

Finance Co. :- Interest on loan, Dividend & fees earned, Profit / Gain from sale of share / Investment / securities

2. Other Income: It is the revenue earned by the company from the sources other than its operating activities.
Other Income (not from business operation):- Profit / Gain from sale of fixed assets, bad debts recovered, Interest / dividend / Rent received / Earned (By non-finance company), Excess provision written back, Refund of Tax, Sale of scrap

3. Cost of Materials Consumed: It is the aggregate of cost of raw materials and other materials used in manufacture of goods. Cost of Materials Consumed :-

Opening Inventory of Materials + Purchases of Materials – Closing Inventory of Materials

4. Purchase of stock – in - Trade: It means goods purchased for reselling. Total Purchases less Purchase return. If a company purchase paper for resale, it will be shown as 'Purchases of stock-in-Trade'. But, if paper is purchased for manufacturing copies, it will be shown under 'cost of Materials consumed'.

5. Change in Inventories of finished Goods, WIP and Stock-in-Trade: It is the difference between the opening inventories and closing inventories of finished goods, WIP and stock-in-Trade. It is shown separately in the Note to Accounts and one single amount on the face of the statement of Profit and Loss.
(Opening stock less Closing stock)

6. Employees Benefit Expenses: it mean payments made to and for the benefit of employees. They are the expenses incurred on the employees, say for wages, salaries, bonus, staff welfare and medical expenses, etc.

Indirect: Salaries & Wages, Medical Expenses, Employees compensation expenses.

Direct: wages, Bonus, Staff welfare expenses, Contribute to Provident Fund, leave encashment, Gratuity paid,

7. Finance Costs: They are the expenses of the company incurred on the borrowings, i.e, loans taken by it. **Interest** paid on loan / borrowings / Deposits / bank overdraft / Debentures, loan processing fees, commitment charges, Premium on redemption of debentures, unamortised or written off Loss / discount on issue of debentures, Commission paid for deposit mobilisation. **(*without Bank charges ➢other expenses)**

8. Depreciation and Amortisation: Depreciation is allocation of cost of fixed asset over its useful life.
In order words, it is the fall in the value of fixed assets due to its usage or afflux of time or obsolescence.
Amortisation is writing off of intangible assets. Depreciation on tangible Assets; Goodwill or patents etc amortised

9. Other Expenses: Expenses that do not fall in the above six classifications are shown as other expenses.

Direct or Indirect exp., Selling & Distribution expenses, office & Administration Exp., Advertisement, Telephone & Internet, Bank charges, Rent, Bad debts, Discount allowed, Repair, audit fees, Courier, carriage, Power and fuel, Provision for doubtful debts, promotion, Computer hiring charges, Insurance premium, Postage, Audit fees, Loss on sale of fixed assets / Investments. (*without Provision for Tax)

Q3. Under which head following revenue items of a non-financial company will be shown?

1) Sales; 2) Fee received for arranging loans; 3) Dividend received;
4) Profit on sale of building; 5) Revenue from services Rendered; 6) Refund of Income Tax;
7) miscellaneous income; 8) Sale of scrap; 9) Gain on sale on Investments;
10) Interest on Loans given; 11) Sale of miscellaneous items; 12) Interest earned;

[Ans. R.F.O. 1, 5, 8, & O.I. 2, 3, 4, 6, 7, 9, 10, 11, 12]

Q4. Calculate Cost of Materials Consumed from the following:
Opening Inventory of: Materials ₹ 3,50,000; Finished Goods ₹ 75,000; Stock-n-Trade ₹ 2,00,000;
Closing Inventory of: Materials ₹ 3,25,000; Finished Goods ₹ 85,000; Stock-in-Trade ₹ 1,50,000;
Purchases during the year: Raw material ₹ 17,50,000; Stock-in-Trade ₹ 9,00,000

(Ans. ₹ 17,75,000)

Q5. Calculate amount that will be shown in the Note to Accounts on Change in Inventories of Finished Goods, WIP and Stock-in-Trade:

Particulars	Opening Inventory	Closing Inventory
Finished Goods	5,00,000	5,50,000
Work-in-Progress	4,50,000	4,25,000
Stock-in-Trade	6,50,000	6,00,000

(Ans. ₹ 25,000)

Q6. From the following Information, Prepare Note to Accounts on Employees Benefit Expenses:
Wages ₹ 2,70,000; Business Promotion Expenses ₹ 50,000; Staff welfare Expenses ₹ 60,000;
Printing and Stationery Expenses ₹25,000; Salaries ₹ 3,60,000.

(Ans. ₹ 6,90,000)

Q7. From the following Information, Prepare Note to Accounts on Employees Benefit Expenses:
Wages ₹ 2,40,000; Business Promotion Expenses ₹ 50,000; Staff welfare Expenses ₹ 60,000;
Printing and Stationery Expenses ₹25,000; Salaries ₹ 3,60,000; Entertainment Expenses ₹ 15,000; Bonus ₹ 50,000; Gratuity Paid ₹ 1,20,000; Conveyance Expenses ₹ 25,000 & Medical Expenses ₹ 40,000

(Ans. ₹ 8,70,000)

Q8. From the following information, prepare Note to Accounts on Finance Costs:
Bonus ₹ 30,000; Interest paid to Bank ₹ 75,000; Commitment charges ₹ 15,000; Wages ₹ 10,000;
Loss on issue of Debentures written off ₹ 27,500; Interest on Debentures ₹ 58,000; Stock ₹ 25,000

(Ans. ₹ 1,75,500)

Q9. From the following information, prepare Note to Accounts on Finance Costs:
1) Interest paid on term loan ₹ 2,50,000; 2) Interest paid on Bank Overdraft ₹ 35,000;
3) Discount on issue of Debentures written off ₹ 10,000; 4) Interest received on fixed deposits ₹ 25,000;
5) Bank charges ₹ 9,500; 6) Interest paid on deposits ₹ 75,000;

(Ans. ₹ 3,70,000)

Q10. Under which line item (major head) of the statement of Profit and Loss of Non-financial company will the following be shown?

1) Carriage Outward; 2) Sale of goods; 3) Loss on sale of Vehicle;
4) Depreciation on Assets; 5) Sale of scrap; 6) Interest earned;
7) Patents written off; 8) Audit fees; 9) Rent for warehouse;
10) Staff welfare expenses; 11) Purchase of raw material; 12) Finished goods;
13) Fees received for arranging loan; 14) Loss on issue of Debentures written off.

➔ Objectives of Financial Statements.
➔ Importance / essential of Financial Statements.
➔ Interested Parties in Financial Analysis. (Internal & External Users)
➔ Any three advantages and Limitations of Financial Statement Analysis

Details for 20 marks:- Project file 4 Marks; Written Test 12 Marks; Viva 4 Marks