

STD. XII LMR

J.K. SHAH[®]
CLASSES

BOOK-KEEPING AND ACCOUNTANCY



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CLASSES
THE RANKERS FACTORY

FYJC to Final CA ↗

S.Y.J.C.
**BOOK KEEPING &
ACCOUNTANCY**

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SYJC – LAST MINUTE REVISION

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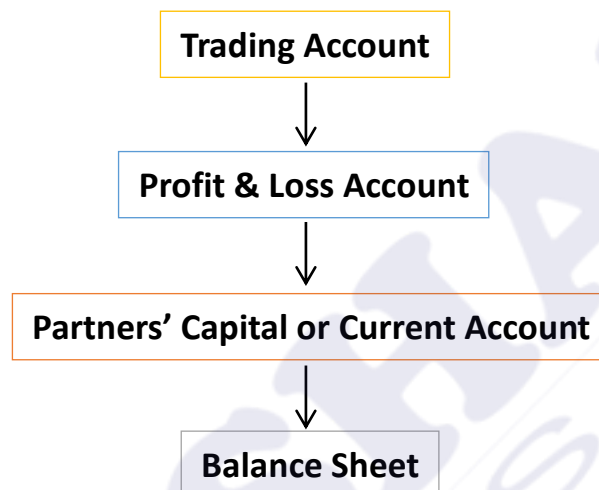
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CHAPTER 1**INTRODUCTION TO PARTNERSHIP AND
PARTNERSHIP FINAL ACCOUNTS**

Marks: Practical Question – 15

Objectives – 03 (with option)

Accounts to be prepared in order of closing:



Format (with frequently asked items):

Dr. Trading Account for the year ended on 31st March, _____ Cr.

Particulars	₹	₹		₹	₹
To Opening Stock		xxx	By Sales	xxx	
To Purchases	xxx		Less: Sales Return	xxx	xxx
Less: Purchase Return	xxx	xxx	By Closing Stock		xxx
To Wages		xxx	By Goods taken by partner		xxx
To Carriage Inward		xxx	By Goods distributed		xxx
To Royalty		xxx	By Goods lost		xxx
To Coal, Gas & Water		xxx			
To Factory Expenses		xxx			
To Gross Profit c/d (Bal. Fig.)		xxx			
		xxx			xxx

Dr. Profit & Loss Account for the year ended on 31st March, _____

Cr.

Particulars	₹	₹	Particulars	₹	₹
To Salaries		xxx	By Gross Profit b/d		xxx
To Rent, Rates & Taxes		xxx	By Interest Received		xxx
To Printing & Stationery		xxx	By Discount Received		xxx
To Insurance		xxx	By Commission Received		xxx
To General Expenses		xxx	By Dividend		xxx
To Bad Debts	xxx		By Interest on Investment or loan given		xxx
Add: Further Bad Debts	xxx				
Add: New R.D.D.	xxx				
	xxx				
Less: Old R.D.D.	-xxx	xxx			
To Electricity Expenses		xxx			
To Telephone Expenses		xxx			
To Carriage Outward		xxx			
To Audit Fees		xxx			
To Depreciation		xxx			
To Loss by fire / theft		xxx			
To Interest on Capital		xxx			
To Net Profit (Distributed to partners)		xxx	By Net Loss (Distributed to partners)		xxx
		xxx			xxx

Any expenses related with office, selling & distribution should be debited to Profit & Loss A/c.

Dr. Partners Capital on Current Account

Cr.

Particulars	A	B		A	B
To Drawings	xxx	xxx	By Balance b/d	xxx	xxx
To Interest on Drawings	xxx	xxx	By Interest on Capital	xxx	xxx
To Net Loss	xxx	xxx	By Salary / Commission	xxx	xxx
To Balance c/d	xxx	xxx	By Net Profit	xxx	xxx
	xxx	xxx		xxx	xxx

Balance Sheet As on 31st March, ____

Particulars	₹	₹		₹	₹
Partners' Capital A/cs.			Fixed Assets	xxx	
A	xxx		Less: Depreciation	xxx	xxx
B	xxx	xxx	Investment		xxx
Partners' Current A/cs			Closing Stock		xxx
A	xxx		Sundry Debtors		xxx
B	xxx	xxx	Bills Receivables		xxx
Sundry Creditors		xxx	Accrued Incomes		xxx
Bank Loan		xxx	Cash at Bank		xxx
Bank Overdraft		xxx	Cash in Hand		xxx
Outstanding Expenses		xxx			
		xxx			xxx

Debit balance in Partners' Current A/cs. Will appear in Assets side.

Frequently asked adjustments with effects:

S. No.	Adjustments	Effects		
		Trading A/c	P & L A/c	Balance Sheet
1	Closing Stock	Credit Side		Assets Side
2	Outstanding Expenses of Trading A/c	Add in Expenses		Liabilities Side
3	Outstanding Expenses of Profit & Loss A/c		Add in Expenses	Liabilities Side
4	Prepaid Expenses of Trading A/c	Loss from Exp.		Assets Side
5	Prepaid Expenses of Profit & Loss A/c		Less from Exp.	Assets Side
6	Bad Debts & R.D.D.		Debit Side	Less from Debtors
7	Depreciation		Debit Side	Less from Asset
8	Unrecorded Purchases	Add: in Purchases		Add: in Creditors
9	Unrecorded Sales	Add: in Sales		Add: in Debtors

Frequently asked adjustments related with Partners with effects:

Sr. No.	Adjustments	Effects	
		Trading P & L A/c	Capital or Current A/c
1	Goods taken for private use	Trading A/c Credit Side	Debit Side
2	Interest on Capital	P & L A/c Debit Side	Credit Side
3	Interest on Drawings	P & L A/c – Credit Side	Debit Side
4	Salary / Commission to Partner	P & L A/c – Debit Side	Credit Side

Frequently asked hidden adjustments with effects:

Sr. No.	Adjustments	Effects	
		Trading P & L A/c	Balance Sheet
1	Interest on Investment	P & L A/c Credit Side	Asset
2	10% Bank Loan	P & L A/c Debit Side	Add in Bank Loan
3	15% Investments	P & L A/c – Credit Side	Add in Investments
4	Advertisement for 3 years	Less from Advertisement	Asset Side

Bhool Na Jana:

1. Closing Stock always valued at Cost Price or Market Value whichever is **LOWER**.
2. Interest on Drawings always charged at half of given rate.
3. In absence of any information, Profit Sharing Ratio is **EQUAL**.
4. Bad Debts and R.D.D. should be deducted from Debtors after all adjustments on Debtors such as Unrecorded Sales, Dishonors of Bills Receivable etc.

Key to Solve this Question:

1. Question should be completed within 30-35 minutes.
2. You can draw the format, (at least ruling) before getting question paper, if time permits you.

CHAPTER 2**ACCOUNTS OF NOT FOR PROFIT CONCERNS****Weightage: 13 Marks****Practical question 12 Marks****Objectives 1 Mark****Meaning of Non Profit concern:**

Not for Profit organisations refer to the organisations that are used for the welfare of the society and are set up as charitable institutions which function without any profit motive. Their main aim is to provide service to a specific group or the public at a large.

Final Accounts for a Non Profit Concern:

1. Receipts and payments account.
2. Income and Expenditure Account.
3. Balance Sheet.

Receipts and Payments Account

1. It is a Real Account in Nature.
2. It is prepared at the end of an accounting period.
3. It is a summary of cash book.

SPECIMEN:**Dr****Cr**

Receipts	R.no	L.F	Amount	Payments	V.no	L.F.	Amount
To Balance b/d			xxx	By Balance b/d (Bank O/D)			xxx
To Revenue receipts			xxx	By Revenue Expenses			xxx
To Capital receipts			xxx	By Capital Expenses			xxx
To balance c/d (Overdraft)			xxx	By Balance c/d			xxx
			xxx				xxx

Examples of Revenue Receipts:

- Subscriptions from Members.
- Interest on Investments.
- General donation.
- Profit on sale of assets.
- Sale of scrap or old newspapers.
- Government grants (if received for general purpose)

Examples of Capital Receipts:

- Entrance Fees.
- Legacies.
- Special Donations.
- Life Membership fees.
- Government Grants (if received for special or specific purpose)

Examples of Revenue Expenses

- Office and administrative expenses like salary, Rent, Printing and stationary etc.
- Expenses incurred to achieve primary objectives of organisations like charity, Medical expenses etc.
- Interest on loan

Examples of Capital Expenses

- Purchase of Fixed Assets.
- Investments Made by the organisation.

Income and Expenditure Account

1. It is a Nominal Account in Nature.
2. It is prepared on Accrual Basis.
3. It is prepared at the end of an Accounting Period.

SPECIMEN:

Dr			Cr		
EXPENSES	₹	₹	INCOME	₹	₹
To revenue expenses		xxx	By Revenue Receipts		xxx
To Surplus		xxx	By Deficit		xxx
		xxx			xxx

Balance Sheet

LIABILITIES	₹	₹	ASSETS	₹	₹
Capital Fund	xxx		Fixed Assets		xxx
Add: Surplus	xxx		Currents Assets		xxx
Less: Deficit	(xxx)	xxx	Any other capital expenditure		xxx
Any other Capital Receipts		xxx			
		xxx			xxx

Frequently asked Adjustments

Adjustments	First Effect	Second Effect
Outstanding Expenses Current year	Add to the respective expenses on expenditure side in Income and expenditure Account.	Balance sheet Liability. Current year
Prepaid Expenses Current year	Subtract from the respective expense on expenditure side in income and expenditure account.	Balance Sheet Asset. Current year
Outstanding income Current year	Add to the respective income on income side in Income and Expenditure Account.	Balance Sheet Asset. Current year
Pre Received Income / Income received in Advance Current year	Subtract from the respective income on the income side in income and expenditure Account.	Balance Sheet Liability. Current year

Bhool Na Jana:

In case in the question details regarding the opening stock, Closing stock and purchases of stationery during the year are given, then stationery consumed has to be posted on the Expenditure side of Income and Expenditure Account. It is to be calculated as follows:

Opening stock of stationery	xxx
Add: Purchases of stationery during the year	xxx
Less: Closing stock of stationery	(xxx)
Stationery Consumed	xxx

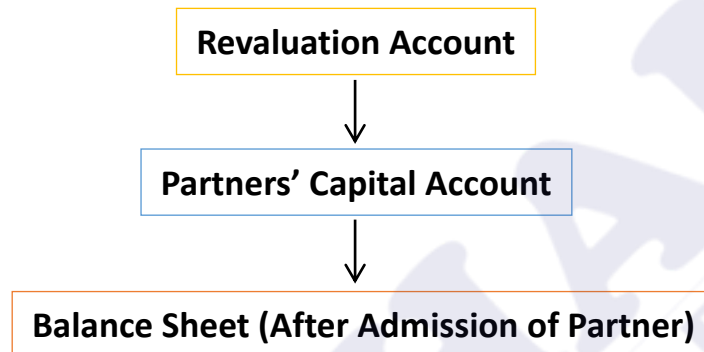
*Same treatment is to be given for Sports Material consumed, Medicines/Drugs Etc.

CHAPTER 3**ADMISSION OF PARTNER**

Marks: Practical Question – 10

Objectives – 03 (with option)

Accounts to be prepared in order of closing:



Calculation of New Profit Sharing Ratio

Example 1:

A & B are partners sharing profits and losses in the ratio of 2:1. They decided to admit C for one-fourth share in future profit. Calculate their new PSR.

Solution

Let Future Profit be ` 1 = $\frac{1}{4}$

Therefore; Remaining Profit = $1 - \frac{1}{4} = \frac{3}{4}$

New PSR of Old Partner = Old PSR = Remaining Profit

$$\text{A's Share} = \frac{2}{3} \times \frac{3}{4} = \frac{6}{12}$$

$$\text{B's Share} = \frac{1}{3} \times \frac{3}{4} = \frac{3}{12}$$

$$\text{C's Share} = \frac{1}{4} \times \frac{3}{3} = \frac{3}{12}$$

Therefore, New PSR

= 6 : 3 : 3

i.e. 2 : 1 : 1

Accounting Entries**Distribution of accumulated balance****General Reserve**

General Reserve A/c Dr.
To Old Partners' Capital/Current A/c.
(Old PSR)

Profit & Loss A/c. (Cr.)

Profit & Loss A/c. Dr.
To Old Partners' Capital/Current A/c.
(Old PSR)
Reverse Entry for Debit balance in P & L

When New Partner bring Capital

Cash / Bank A/c Dr.
To New Partner's Capital A/c

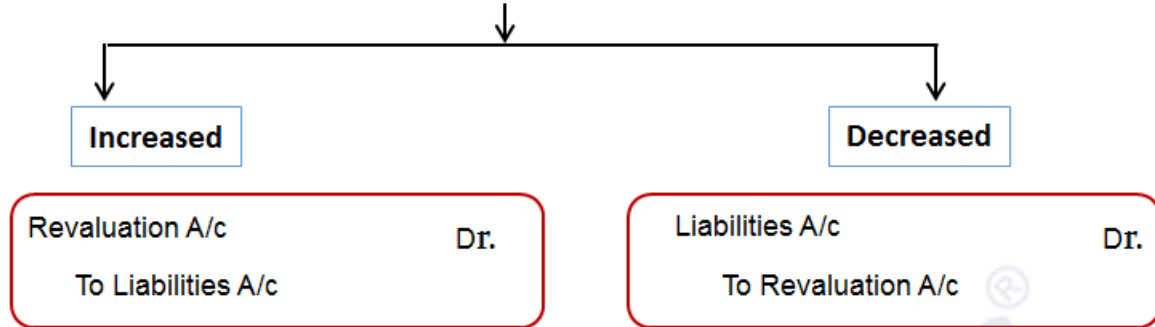
Revaluation of Assets & Liabilities**Revaluation of Assets****Appreciation**

Assets A/c Dr.
To Revaluation A/c

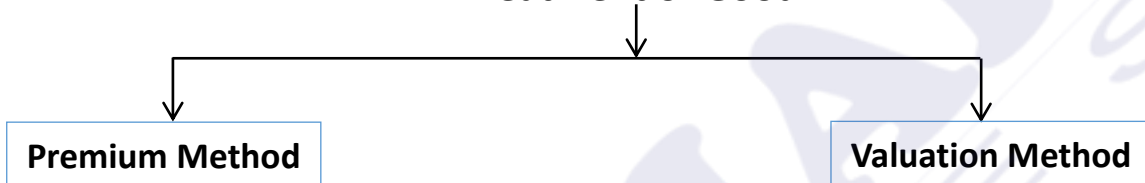
Depreciation

Revaluation A/c Dr.
To Assets A/c

Revaluation of Liabilities



Treatment of Goodwill



When new partner bring Cash

Cash/Bank A/c.	Dr.
To Goodwill A/c.	
Goodwill A/c.	Dr.
To Old Partners' Capital/Current A/c.	
(Sacrifice Ratio)	

When Goodwill raised

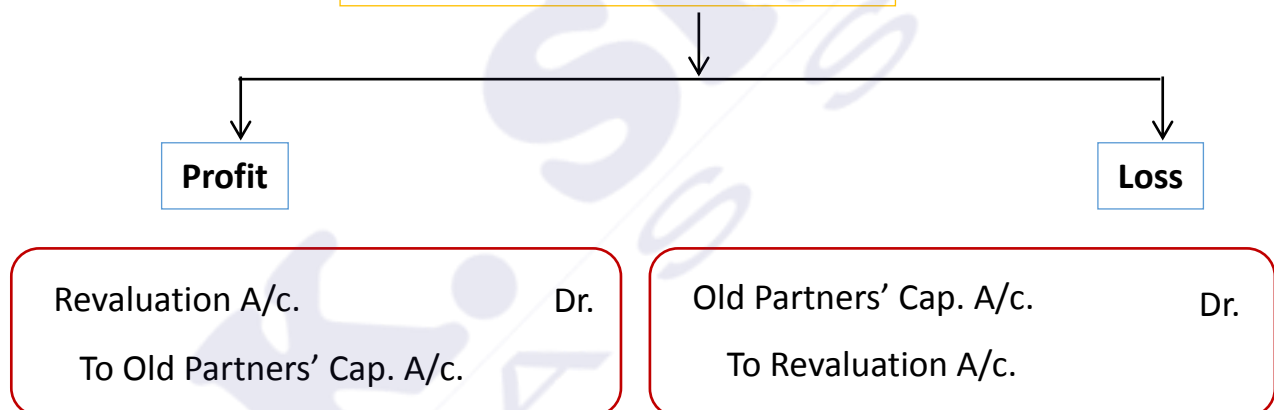
Goodwill A/c.	Dr.
To Old Partners' Capital/Current A/c.	
(Old PSR)	

When new partner bring Cash & Withdrawn by old partners.

Cash/Bank A/c.	Dr.
To Goodwill A/c.	
Goodwill A/c.	Dr.
To Old Partners' Capital/Current A/c.	
(Sacrifice Ratio)	
Old Partners' Capital/Current A/c.	
To Cash/Bank A/c.	

When Goodwill raised & written off

Goodwill A/c.	Dr.
To Old Partners' Capital/Current A/c.	
(Old PSR)	
All Partners' Capital/Current A/c.	Dr.
To Goodwill A/c.	
(New PSR)	

Profit or Loss on Revaluation A/c.**Bolo Na Jana:**

1. Sacrifice Ratio = Old Ratio = New Ratio
2. In case of revaluation method of goodwill, no need to calculate Sacrifice Ratio.
3. In absence of any information, Profit Sharing Ratio of old partners is **EQUAL**.
4. When capital of all partners after admission to be adjusted in new PSR then first write closing balance in capital and then difference should be adjusted as per instruction in question.

Key to Solve this Question

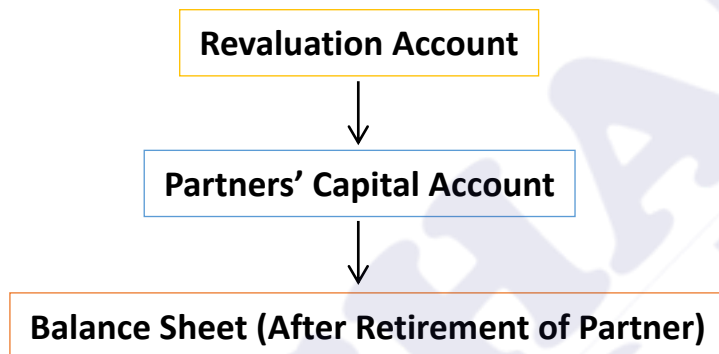
1. Question should be completed within 20-25 minutes.
2. Prepare Cash Account & Goodwill Account as a working note.

CHAPTER 4**RETIREMENT OF PARTNER**

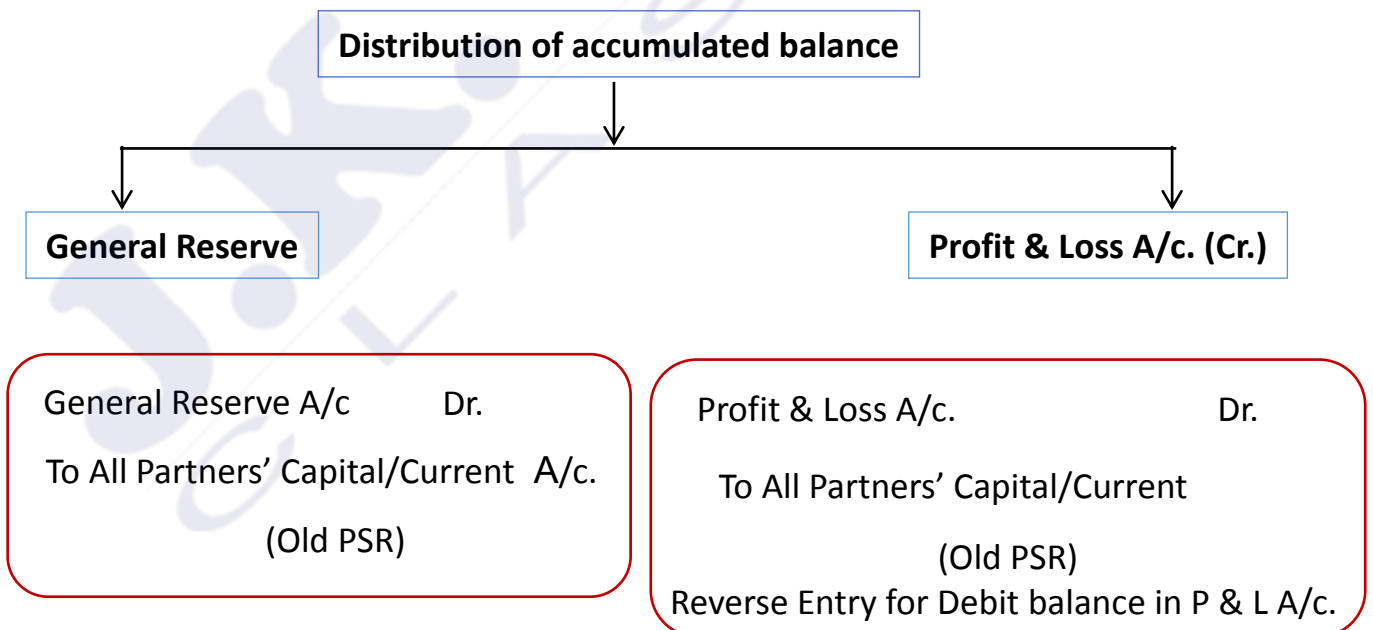
Marks: Practical Question – 10

Objectives – 03 (with option)

Accounts to be prepared in order of closing:



Accounting Entries



Revaluation of Assets & Liabilities**Revaluation of Assets****Appreciation**

Assets A/c Dr.
To Revaluation A/c

Depreciation

Revaluation A/c Dr.
To Assets A/c

Revaluation of Liabilities**Increase**

Revaluation A/c Dr.
To Liabilities A/c

Decrease

Liabilities A/c Dr.
To Revaluation A/c

Treatment of Goodwill

Firm's Total Goodwill

When Goodwill raised

Goodwill A/c.	Dr.
To All Partners' Capital Current A/c.	

When Goodwill w/ff

Continuing Partners' Capital A/c.	Dr.
To Goodwill A/c.	
(New PSR)	

Retiring Partner's Share

When Goodwill raised

Goodwill A/c.	Dr.
To Retiring Partners Capital A/c.	

When Goodwill w/ff

Continuing Partners' Capital A/c.	Dr.
To Goodwill A/c.	
(Gain Ratio)	

Profit or Loss on Revaluation A/c.

Profit

Revaluation A/c.	Dr.
To All Partners' Cap. A/c.	

Loss

All Partners' Cap. A/c.	Dr.
To Revaluation A/c.	

Settlement of Retiring Partner's Capital

Retiring Partner's Capital A/c.	Dr.
To Cash/Bank A/c. (If paid)	
To Retiring Partner's Loan A/c. (If not paid)	

Bhool Na Jana:

1. **Gain Ratio = New Ratio = Old Ratio**
2. In case of total firm's goodwill, no need to calculate Gain Ratio.
3. In absence of any information, to calculate New PSR, just remove share of Retiring Partner.
4. When Continuing Partners decided to maintained their Reserves in books then only Retiring Partner's share of Reserve should be credited to his/her account.

Key to Solve this Question:

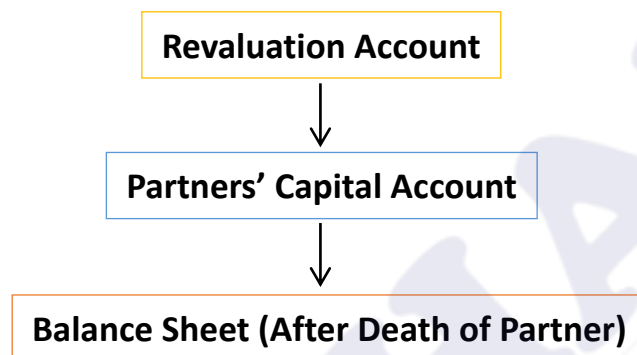
1. Question should be completed within 20-25 minutes.
2. Prepare Cash Account & Goodwill Account as a working note.

CHAPTER 5**DEATH OF PARTNER**

Marks: Practical Question – 10

Objectives – 03 (with option)

Accounts to be prepared in order of closing:



Accounting Entries: (Same as Retirement of Partner)

Bhool Na Jana:

1. **Gain Ratio = New Ratio = Old Ratio**
2. In case of total firm's goodwill, no need to calculate Gain Ratio.
3. In absence of any information, to calculate New PSR, just remove share of Deceased Partner.
4. When partner died in between the accounting year

Adjustment	1 st Effect	2 nd Effect
Drawing	Cap A/c – Dr.	C/Bk - Cr.
Int. on Drawing	Cap A/c – Dr.	P/L susp - Cr.
Int. on Cap.	Cap A/c – Cr.	P/L susp - Dr.
Salary	Cap A/c – Cr.	P/L susp - Dr.
Share of profit	Cap A/c – Cr.	P/L s susp - Dr.

Key to Solve this Question:

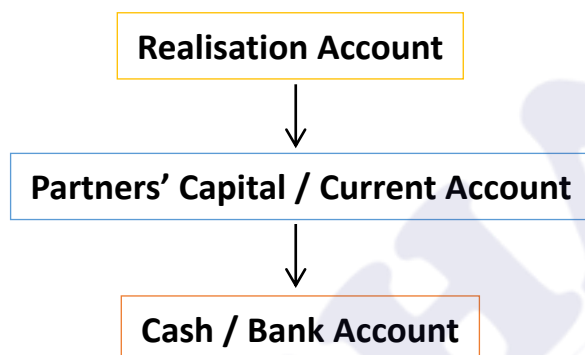
1. Question should be completed within 20-25 minutes.

CHAPTER 6**DISSOLUTION OF PARTNERSHIP FIRM**

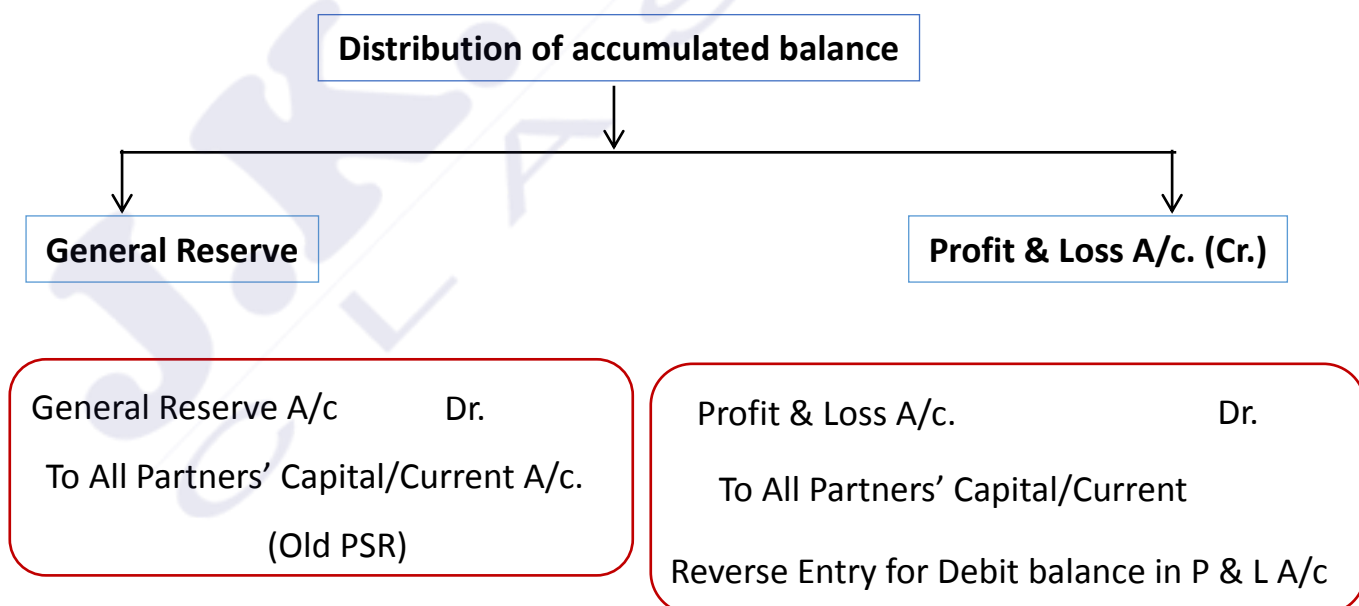
Marks: Practical Question – 10

Objectives – 03 (with option)

Accounts to be prepared in order of closing:



Accounting Entries:



Transfer Stage

Transfer of Assets & Liabilities

Assets

Realisation A/c. Dr.
To Assets A/c.

Liabilities

Liabilities A/c. Dr.
To Realisation A/c.

Realisation Stage

Realisation of Assets & Settlement of Liabilities

Assets

Cash/Bank A/c. (If sold) Dr.
Partner's Capital A/c. (If takeover)
To Realisation A/c.

Liabilities

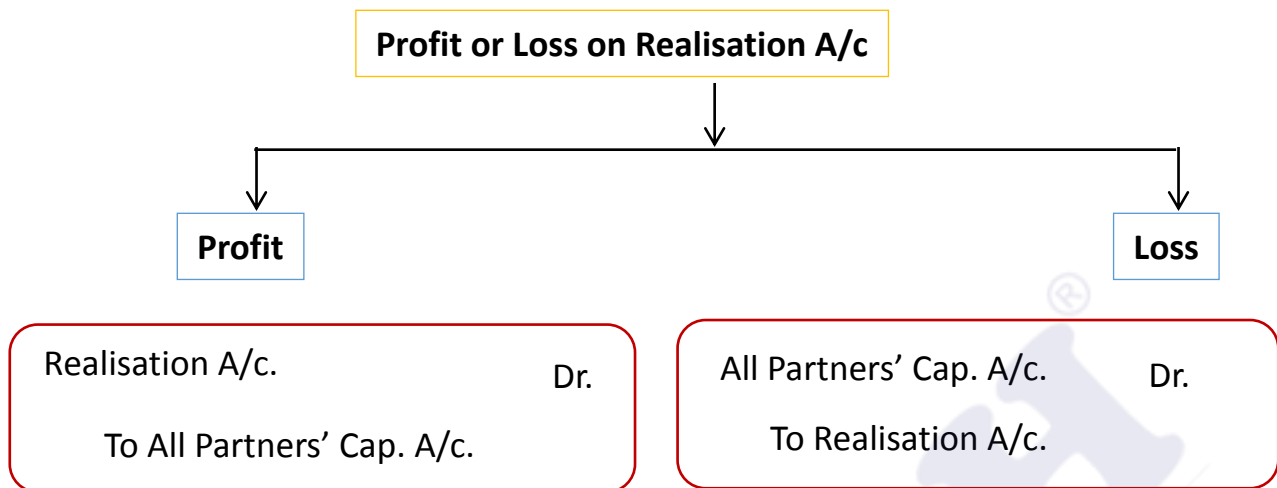
Realisation A/c. Dr.
To Cash/Bank A/c. (If paid)
To Partner's Capital A/c. (If takeover)

Settlement of Partner's Loan

Partner's Loan A/c. Dr.
To Cash/Bank A/c.

Payment of Realisation Expenses

Realisation A/c. Dr.
To Cash/Bank A/c.

**Bhool Na Jana:**

1. In case of insolvency of ONE partner, deficiency of insolvent partner shared by solvent Partner in their PSR.
2. In case of insolvency of ALL partners, 'Deficiency A/c.' should be opened and ultimate deficiency should be borne by creditors.
3. In case of insolvency of ALL partners,. Cash A/c. should be closed first before closing of partners' capital account.

Key to Solve this Question:

1. Question should be completed within 20-25 minutes.

CHAPTER 7**BILL OF EXCHANGE****Weightage:** 16 Marks

Practical question 10 Marks

Specimen of a bill 5 Marks

Objectives 1 Mark

Definition of bill of exchange:

"An instrument in writing containing an unconditional order, signed by the maker, directing a certain person, to pay on demand or at a future date a certain sum of money only, to the order of a certain person, or to the bearer of the instrument."

Parties to the bill of exchange:

1. **Drawer:** - Drawer is the person or a party who draws a Bill of Exchange. He is also known as maker of bill of exchange.
2. **Drawee:** - Drawee is a person or a party to whom the bill of exchange is drawn. Drawee is the person who accepts the bill.
3. **Payee:** The Payee is a person or a party to whom the bill is made payable.

Specimen of a bill:

<u>BILL OF EXCHANGE</u>		
<div style="border: 1px solid black; width: 100px; height: 30px; margin-bottom: 10px; text-align: center; line-height: 30px;">STAMP</div> <div style="border: 1px solid black; width: 100px; height: 50px; margin-bottom: 10px; text-align: center; line-height: 50px;">Amount in figures</div>	<div style="text-align: right; padding-right: 10px;"><u>Drawer's Name</u></div> <div style="text-align: right; padding-right: 10px;"><u>Drawer's address</u></div> <div style="text-align: right; padding-right: 10px;"><u>Date of bill drawn</u></div>	
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> _____ after date, pay Mr / Ms </div> <div style="display: flex; justify-content: space-between;"> (Period of bill) Name and address of payee) </div>		
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> Or his/her order, the sum of Rupees </div> <div style="display: flex; justify-content: space-between;"> (Amount in words) </div>		
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> Only for the value received. </div>		
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> (Drawee's Name) </div>	<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> (Accepted) </div>	<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> Sd/- </div> <div>(Drawer's Name)</div>
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> (Drawee's Address) </div>	<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> (Drawee's Name) </div>	
<div style="border-bottom: 1px solid black; display: flex; justify-content: space-between;"> (Date of Bill Accepted) </div>		

Proforma journal entries with respect to bills transactions in the books of drawer and drawee:

SR NO.	TRANSACTION	JOURNAL OF DRAWER	JOURNAL OF DRAWEE
1	For credit sale of goods by drawer to drawee	Drawee's A/c Dr. To Sales	Purchases A/c Dr. To Drawer's A/c
2	For receipt for bill duly accepted by drawee.	Bills receivable A/c Dr. To Drawee's A/c	Drawer's A/c Dr. To Bills payable A/c
3	If bill is retained till maturity by drawer and honoured by drawee.	Cash / Bank A/c Dr. To Bills Receivable A/c	Bills payable A/c Dr. To Cash/Bank A/c
4	If bill is discounted by the drawer.	Cash/Bank A/c Dr. Discount A/c Dr. To Bills Receivable A/c	No accounting entry
5.	If discount bill is honoured by drawee.	No accounting entry	Bills payable A/c Dr. To Cash/Bank A/c
6	If bill is endorsed by drawer.	Endorsee A/c Dr. To Bills Receivable A/c	No accounting entry
7	If the endorsed bill is honoured by drawee.	No accounting entry	Bills payable A/c Dr. To Cash / Bank A/c
8	If bill is sent to the bank for collection by drawer.	Bills sent to bank for collection A/c Dr. To bills receivable A/c	No accounting entry
9	If bill is sent to the bank for collection is honoured by drawee and bank charges are debited by the bank.	Bank A/c Dr. Bank charges A/c Dr. To Bills for collection A/c	Bills payable A/c Dr. To Cash / Bank A/c
10	If bill is retired by drawee	Cash/Bank A/c Dr. Rebated A/c Dr. To Bills Receivable A/c	Bills payable A/c Dr. To Cash/Bank A/c To discount A/c/ Rebate
11	If bill is dishonoured by drawee		
	1. If bill is retained by the drawer and dishonoured.	Drawee's A/c Dr. To bills receivable A/c	Bills payable A/c Dr. To drawer's A/c
	2. If discounted bill is dishonoured.	Drawee A/c Dr. To bank a/c	Bills payable A/c Dr. To drawer's A/c
	3. If endorsed bill is dishonoured.	Drawee A/c Dr., To endorsee's A/c	Bills payable A/c Dr. To drawer's A/c
	4. If bill sent to bank for collection is dishonoured	Drawee's A/c Dr. To bills send for collection A/c	Bills payable A/c Dr. To drawer's A/c

12	Renewal of bills of exchange by drawer:		
	1. Cancellation of first bill	Refer Entry No. 11	Bills payable A/c Dr To drawer's A/c
	2. Interest charged by drawer on unpaid balance.	Drawee's A/c Dr To interest A/c	Interest A/c Dr To drawer's A/c
	3. Part payment accepted by drawer from drawee	Cash/bank A/c Dr To drawee A/c	Drawer's A/c Dr To cash/bank A/c
	4. Receipt of new bill for balance amount due	Bills receivable A/c Dr To drawee's A/c	Drawer's A/c Dr To bills payable A/c
	5. (i) if new bill is send to bank for collection	Bills sent for collection A/c Dr To bills receivable A/c	No accounting entry Dr
	(ii) if new bill is honoured and bank charges debited by bank	Bank A/c Dr Bank charges A/c Dr To bills sent for collection A/c	Bill payable A/c Dr To cash/bank A/c
	6. If new bill is honoured by drawee	Cash/bank A/c Dr To bills receivable A/c	Bills payable A/c Dr To cash/bank A/c
13	For payment of noting charges:		
	1. For payment of noting charges by drawer	Drawee's A/c Dr To cash/bank A/c	Noting charges A/c Dr To Drawer's A/c
	2. For payment if noting charges by bank	Drawee's A/c Dr To bank A/c	Noting charges A/c Dr To Drawer's A/c
	3. For payment of noting charges by endorsee	Drawee's A/c Dr To endorsee's A/c	Noting charges A/c Dr To Drawer's A/c
14	Insolvency of drawee		
	1. If bill is dishonoured on insolvency of drawee.	Refer Entry No. 11	Bills payable A/c Dr To drawer's A/c
	2. For part of the amount due recovered in full settlement by drawer from the estate of drawee.	Cash/bank A/c Dr Bad debts A/c Dr To drawee's A/c	Drawer's A/c Dr To cash/bank A/c To deficiency A/c

CHAPTER 8**ACCOUNTS: ISSUE OF SHARES**

Weightage: 12 Marks

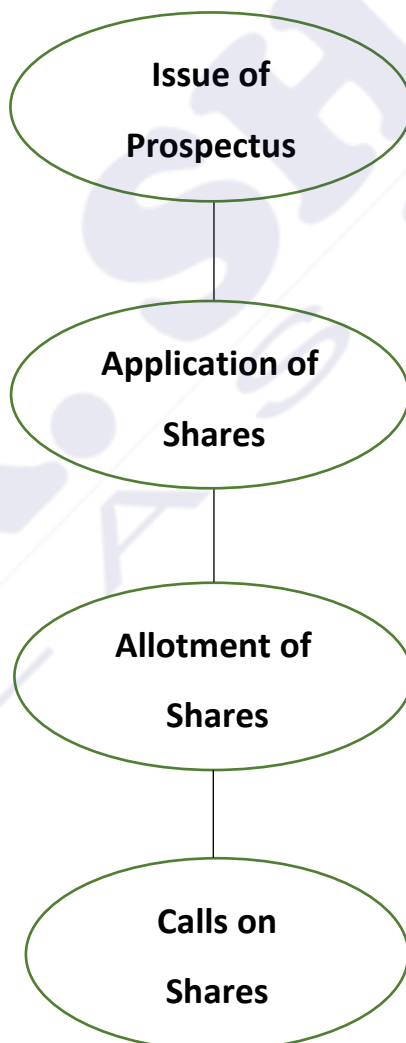
Practical Question 10 Marks

Objectives 2 Mark

Meaning of A Share:

A share is a share in the capital of the Company and includes Stock as well. Share capital means the capital raised by the company by issue of Shares. A Company can issue two types of Shares Equity Shares and Preference Shares.

Process of Issue of Shares by a Company:



Proforma Journal Entries:

SR NO	TRANSACTION	JOURNAL
1.	On receipt of Application Money	Bank A/c. Dr. To Share Application A/c.
2.	On transfer of Application Money to Share Capital	Share Application A/c. Dr. To Share Capital A/c.
3.	On Share Allotment due	Share Allotment A/c. Dr. To Share Capital A/c.
4.	On Allotment Money Received	Bank A/c. Dr. To Share Allotment A/c.
5.	On call Money Due	Share First/Second Call A/c. Dr. To Share Capital A/c.
6.	On call money received	Bank A/c. Dr. To share First / Second Call A/c.
7.	On Forfeiture of Shares	Share Capital A/c. (Called up amount) Dr. To Shares Forfeiture A/c. (Paid up amount) To Calls in arrears A/c. (unpaid amount)
8.	On Reissue of Forfeited Shares	Bank A/c. Dr. Shares Forfeiture A/c. (Discount on reissue) Dr. To Share Capital A/c.
9.	Transfer of Balance of Shares Forfeiture Account to Capital Reserve	Shares Forfeiture A/c. Dr. To Capital Reserve A/c.

IMPORTANT POINTERS

- In case of over subscription of shares, The company may Adopt any of the following options:
 - Refund all excess application money.
 - Allot Shares on Pro rata basis and adjust excess Application money received against allotment.
- Whenever shares issued at a Premium are forfeited and the premium amount is not received by the company then Securities Premium account shall also be debited in the Forfeiture journal entry with the amount of premium.

CHAPTER 9**ANALYSIS OF FINANCIAL STATEMENTS**

Weightage: 16 Marks

Practical question 8 Marks

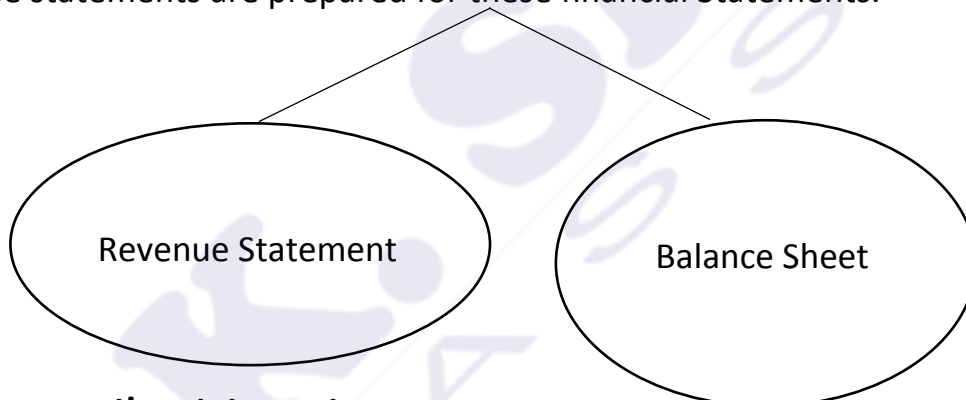
Objectives 2 Mark

Meaning of Financial Statements

Financial Statements are statements which are prepared by the business to find out profitability, efficiency, solvency, growth of business to judge the financial strength and status of the business.

TOOLS OF FINANCIAL STATEMENT ANALYSIS**COMPARATIVE AND COMMON SIZE STATEMENTS**

These statements are prepared for these financial Statements.

**A. Comparative statements**

Comparative statements shows financial data for two years placed side by side to facilitate comparison.

STEPS TO PREPARE COMPARATIVE STATEMENTS

- Enter the details of Assets and liabilities or Incomes and Expenses in the first Column.
- Enter the amounts of previous year's in second column.
- Record the amounts of Current Year's in the third year.
- Record the Absolute changes (i.e. difference between the column of current year and previous year) in fourth column.
- Record the percentage changes in the fifth column.

Formula for Percentage change= Absolute change/Previous year's amount *100.

B. Common size statements

Common size statements are those in which individual figures are converted into percentage to some common base.

STEPS TO PREPARE COMMON SIZE STATEMENTS

- Enter the number of items in Balance sheet and revenue Statement.
- Enter the Absolute amounts of different items of Assets and liabilities and incomes and expenses of previous year's balance sheet and revenue statement.
- Enter the Absolute amounts of different items of Assets and liabilities and incomes and expenses of current year's balance sheet and revenue statement.
- Enter the percentage relations of different items of balance sheet and revenue statements to the total Assets/liabilities and Sales respectively or previous year which are taken at 100%.
- Enter the percentage relations of different items of balance sheet and revenue statements to the total Assets/liabilities and Sales respectively or current year which are taken at 100%.

CASH FLOW STATEMENT

"Cash flow statement can be defined as a statement which summarises sources of cash inflows and uses for cash outflows during a particular period."

SPECIMEN OF A CASH FLOW STATEMENT

Particulars	Amount	Amount
<u>A. Cash Flows from operating Activities</u>		
Net Profit	xxx	
<u>Adjust Non-cash items</u>		
+Depreciation	xxx	
+interest paid	Xxx	
+Loss on sale of assets	xxx	
-Dividend/interest received	(xxx)	
-Profit on sale of Assets	(xxx)	
<u>Adjust working capital Changes</u>		
Add: Increase in Current liabilities	xxx	
Add: Decrease in Current Assets	xxx	
Less: Increase in Current Assets	(xxx)	
Less: Decrease in Current liabilities	(xxx)	
Cash Generated From Operations		xxx

B. Cash Flows from Investing Activities		
Add: Interest/Dividend received	xxx	
Add: Sale of Asset/Investment	xxx	
Less: Purchase of Asset/Investment	(xxx)	
Net Cash Flow from Investing Activities		xxx
C. Cash Flows from financing Activities		
Add: Issue of shares/Debentures	xxx	
Less: Redemption of debentures	(xxx)	
Less: interest paid	(xxx)	
Net Cash From Financing Activities		xxx
Add: Cash of Beginning (Opening balance of Cash and Bank)		xxx
Cash of the End (Closing balance of Cash and Bank)		xxx

RATIO ANALYSIS

Ratio is a mathematical number that measures the relationship between two accounting figures. It is also called as Financial Ratio.

Balance Sheet Ratio

Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Liquid Ratio

$$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

Revenue Statement Ratio

Gross Profit Ratio

$$\frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

Operating Profit Ratio

$$\frac{\text{Operating Profit}}{\text{Sales}} \times 100$$

* **Operating Profit – Sales – Operating Expenses**

Net Profit Ratio

$$\frac{\text{Net Profit before tax}}{\text{Sales}} \times 100$$

Operating Ratio

$$\frac{\text{Cost of goods sold + Operating Expenses}}{\text{Net Sales}} \times 100$$

Combined Ratio

Return on Investment

$$\frac{\text{Net Profit BT}}{\text{Capital Employed}} \times 100$$

Return on Capital Employed

$$\frac{\text{Net Profit Int. \& Tax}}{\text{Capital Employed}} \times 100$$

CHAPTER 10**COMPUTER IN ACCOUNTING**

Weightage: 3 - 5 Marks

Meaning of Computerised Accounting Systems

Computerised Accounting systems are software programs which help to store data/Information in the accounting system. The most important thing is that the company or firm prepares its reports as per Generally Accepted Accounting Principles (GAAP) under this system.

Features of Computerised Accounting Systems

Key: AI²M GST Q

1. Accuracy and Speed.
2. Immediate availability of Books of Accounts.
3. Integrated data and information.
4. Modern and integrated.
5. Grouping of accounts.
6. Security.
7. Transparency.
8. Quick Decision making.

Importance of Computerised Accounting Systems

Key: S²CA2M HR

1. Speed.
2. Systematic and up to date records.
3. Compact.
4. Automation.
5. Accuracy.
6. Multi user facilities.
7. High storage capacity.
8. Reduction in Cost.

HSC RESULT 19-20

Name	Percentage	Name	Percentage	Name	Percentage
Khushbu Mali	95.54	Netri Shah	93.23	Riya Mahyavanshi	92.31
Priyanka Udeshi	94.92	Sakshi Navin Shetty	93.23	Ayush Agrawal	92.31
Smruti Suresh Jagdale	94.92	Parth Patki	93.23	Gautam Bhavesh Shah	92.31
Nidhi Dhanani	94.77	Pratham Shah	93.08	Bhumit Mehta	92.31
Ishika Pravin Sanghavi	94.62	Prishita Shah	93.08	Saakshi Deepak Karia	92.31
Vansh Vora	94.46	Prachi Parkar	93.08	Palak Jaitly	92.31
Aishwarya Vijay Badhe	94.46	Pratishtha Pravin Shetty	93.08	Purna Rajen Vora	92.31
Khushi Vipul Darji	94.46	Pallavi Jha	93.08	Manasvi Patankar	92.31
Kushal Thakkar	94.46	Nameera Ahmed	93.08	Hetavi Shah	92.15
Sampreeth Jayantha Poojary	94.31	Shreya Bharat Jain	93.08	Bansi Madlani	92.15
Janahvi Bharat Dayare	94.31	Yashvi	93.08	Deeksha Kapoor	92.15
Kriti Khatri	94.31	Sakshi Kothari	92.92	Yash Nautiyal	92.15
Sindhu Umesh Gawde	94.31	Khushi Nayan Makadia	92.92	Shruti Jain	92.15
Dhruvi Sanghvi	94.31	Kashti Mehta	92.92	Mahek Payak	92.15
Gautami Taggerse	94.15	Kevin Patel	92.77	Raksha Shekhar Shetty	92.15
Sudhanshu Singh	94.15	Priyanshi Mihir Shah	92.77	Dev Shah	92.15
Komal Jitesh Gandhi	94.15	Prabhankit Shinde	92.77	Aditi Ashok Shetty	92.15
Vedika Mediboina	94.15	Krupa Bidye	92.77	Athira Vaipur	92.15
Sharvari Dilip Sawant	94.15	Prasham Gandhi	92.77	Jahnavi	92.15
Rashi Sanjay Jain	94.15	Nisha Surendra Rai	92.77	Manas Shetty	92.00
Saniya Kulkarni	94.15	Devank S. Mayekar	92.77	Neeraj Shah	92.00
Rochelle Menezes	94.15	Abhishek Dhuri	92.77	Yash Shah	92.00
Aditi Mogaveera	94.00	Shravani Wabekar	92.77	Yash Divyank Dhah	92.00
Arundatii Singh	94.00	Shreya Niranjan Borawar	92.77	Aditya Kandari	92.00
Yukta Sukerkar	94.00	Tithi Parmar	92.62	Isha Chotai	92.00
Megha J Hinduja	94.00	Kamlesh Suthar	92.62	Breanna Fernandes	92.00
Shreya Harlalka	93.85	Akshat Choudhary	92.62	Kashish Bhargava	92.00
Mansi Kadian	93.85	Khushal Parihar	92.62	Krishna Bharat Bhanushali	92.00
Sakshi Shankar Sudrik	93.85	Devanshi Kapadia	92.62	Keni Mehta	92.00
Ridhi Ajit Rikame	93.85	Amey Mhaskar	92.62	Khushi Kanodia	91.85
Rutika Vartak	93.69	Keya Trivedi	92.62	Shreya Tatke	91.85
Vaedik Khatod	93.69	Neer Shah	92.62	Pratyush Deepak Rajgor	91.85
Bhavya Bhandari	93.69	Yashvi Shah	92.62	Bhaktee Shah	91.85
Vidisha Shetty	93.69	Soham Angre	92.62	Bhargavraju Veerla	91.85
Parth Dubey	93.54	Ayush Ajay Sawant	92.62	Krupa Rakesh Gajre	91.85
Rohan Subramanian	93.54	Ankita Kewalramani	92.62	Swizal Gomes	91.85
Kervi Singhvi	93.54	Deepam	92.62	Heli Sanjay Dhruv	91.85
Diya Khaturia	93.54	Prasanna	92.62	Parth Upadhyay	91.85
Hetal Poonamchand Hingad	93.54	Prasanna Suresh	92.62	Vinit	91.85
Anushka M Dalvi	93.54	Hrishiha Raghu Poojari	92.46	Cheryl Andrade	91.85
Jay Singh	93.54	Devdas Ranjeet Patole	92.46	Yash Thakare	91.69
Saras Sali	93.54	Anannya Mhatre	92.46	Vitrag Singhi	91.69
Yashasvi Maheshwari	93.38	Sanskriti Shashikant Phavade	92.46	Radhika Dabholkar	91.69
Livya Noronha	93.38	Sanskar Maheshwari	92.46	Aastha Hari Chand	91.69
Ishita Kute	93.38	Neeti Vakharia	92.46	Dhruvi Desai	91.69
Khushi Agrawal	93.38	Payas Mehta	92.46	Rohit Baviskar	91.69
Khushboo Shah	93.38	Shobhit Maliwal	92.46	Bhinde Parth Mahendra	91.69
Khusha Shah	93.23	Leesha Gupta	92.46	Parth Mahendra bhinde	91.69
Deep Jayesh Gada	93.23	Nikunj Jain	92.46	Tanish Agarwal	91.69
Siddharth Manoj Sethia	93.23	Siddhant Hemant Avhad	92.46	Mokshitha Sherty	91.69
Aditya Kanal	93.23	Khushi Maheshwari	92.46	Sanchit Jain	91.69
Kosha Shah	93.23	Chaitra Billava	92.31	Samiksha Bhatt	91.69
Roshni Keshav Iddya	93.23	Hitakshi Mehta	92.31	Sejal Phapale	91.69
Neha Motwani	93.23	Smit Manish Fofaria	92.31	Isha Bathia	91.69
Parth Agarwal	93.23	Khushi Varaiya	92.31	Radhika Garg	91.69

HSC RESULT 19-20

Name	Percentage	Name	Percentage	Name	Percentage
Om Kedia	91.69	Swastik	90.92	Tanvi Rasal	90.46
Esha Trisom Sonkusale	91.69	Shayan Sadik Desai	90.92	Hatim Sonkachwala	90.46
Samarth	91.54	Khushi Rakesh Chordia	90.92	Meet Paresch Kanakia	90.46
Viraj Mehta	91.54	Krish Parmar	90.92	Meet Kanakia	90.46
Mangesh Gadewar	91.54	Vidhi Singh	90.92	Jaineel Dalal	90.46
Murtaza Saria	91.54	Saloni	90.92	Disha Biyani	90.46
Disha Mody	91.54	Shreya Reddy	90.92	Vishakha Ranga	90.31
Samma Naresh Kewlani	91.54	Diya Dedhia	90.92	Devesh Dilip Pimpale	90.31
Ayush Panchamiya	91.54	Shambhavi Pai	90.92	Khushi Vinod Bhanushali	90.31
Priya Rao	91.54	Vrunda Atul Mehta	90.77	Vini Desai	90.31
Kiara Xavier	91.54	Parikshit Vanjara	90.77	Pauravi Nitin Baikar	90.31
Hansika Gupta	91.54	Khushi Soni	90.77	Sharvari Deshpande	90.31
Deval Mehta	91.38	Esha Hingarh	90.77	Nisha Rajesh Rao	90.31
Nagesh Banne	91.38	Merill D'souza	90.77	Vanshita Vora	90.31
Ojas	91.38	Riya Patel	90.77	Sayed Mohammed Junaid	90.31
Tanaya	91.38	Poojan Sanghavi	90.77	Anish	90.31
Jhanvi	91.38	Maurya Borse	90.77	Shubham Vora	90.31
Aparna Ramanathan	91.38	Ashi Devang Dhruva	90.77	Harshit Kedia	90.31
Mahek Shah	91.38	Heena	90.77	Kirti Balu Hase	90.31
Niel Patade	91.38	Khush Agarwal	90.77	Deepal Vikas Gohel	90.31
Harshi Kothari	91.38	Siddhi Panchal	90.77	Deepal Gohel	90.31
Aryan Karnawat	91.38	Siddhi	90.77	Gautam Kothari	90.15
Ananya Akerkar	91.38	Tania	90.77	Preksha Patel	90.15
Aabeid Shaikh	91.38	Srivatsa Patil	90.77	Pratik Dattu Koakte	90.15
Shubham Modi	91.38	Rahul Medda	90.77	Sanika Shivaji Varal	90.15
Isha Shah	91.23	Nishi Jagdish Punmiya	90.77	Gandhali Sumukh Desai	90.15
Neeraj Kishore Udasi	91.23	Tanushree Yadav	90.77	Surabhi Sonar	90.15
Honey Waghele	91.23	Vedant Keluskar	90.77	Jainam Swayam Shah	90.15
Vanshita Devadiga	91.23	Nishtha Jain	90.62	Siddhi Tiwari	90.15
Kavish Garg	91.23	Krish Shah	90.62	Het Fariya	90.15
Mit Shah	91.23	Amisha Mehta	90.62	Nemin Doshi	90.15
Ayushi Dhruva	91.23	Fenil Soneji	90.62	Jeni Shah	90.15
Cheril Nitin Shah	91.23	Richa Pravin Naik	90.62	Hayyan Badamia	90.15
Mohak Savla	91.23	Jhanvi Joshi	90.62	Arushi Keniya	90.15
Bhakti Deshmukh	91.23	Smriti Jain	90.62	Roshan Jain	90.00
Kaivan Dhruval Doshi	91.23	Priya Mangesh Jagtap	90.62	Shruti Shetty	90.00
Shweta Lackdivay	91.23	Sakshi Kalpesh Shah	90.62	Ramnek Chhipa	90.00
Shreyas Badiger	91.08	Rajlaxmi Magadum	90.62	Riya Shirvaikar	90.00
Sneha Chavan	91.08	Devanshi Vira	90.62	Ayush Barbhaya	90.00
Sathvika Shetty	91.08	Kashish Singhania	90.62	Pranav	90.00
Ankita Joshi	91.08	Disha Shah	90.62	Riddhi	90.00
Mansi Lad	91.08	Vidhi	90.62	Sakshi Raut	90.00
Nitansh Shah	91.08	Kaushik K Bhartiya	90.62	Manjiri Parab	90.00
Shree Joshi	91.08	Krina Satra	90.62	Pal Shah	90.00
Zubiya Ansari	91.08	Vedant Shriyan	90.46	Yash Ganesh Khanolkar	90.00
Mitali Shetty	91.08	Krish Jain	90.46	Prasesh Mehta	90.00
Ashmita Devadiga	91.08	Lokesh M Jain	90.46	Disha Bucha	90.00
Vidhi Shah	91.08	Sanskar Agarwal	90.46	Tanish Dharmendra Parmar	90.00
Diya Chheda	91.08	Narayani Gaur	90.46	Palak Jain	90.00
Dimple Dangi	91.08	Jahnvi Shah	90.46		
Chandan Tiwari	90.92	Shreeya Deorukhkar	90.46		
Disha N Shah	90.92	Aryaa Punyarthi	90.46		
Gauri Ojha	90.92	Sneha Ashok Shinde	90.46		
Tanish Dharmi	90.92	Sneha Shinde	90.46		
Arishit Shetty	90.92	Yuvraj Abhaykumar Gandhi	90.46		