



11. LISTED COMPANY

A listed company is a public company which has any of its securities listed in any recognised stock exchange.

12. UNLISTED COMPANY

An unlisted company is one whose securities are not listed on any recognised stock exchange for trading.

In the case of private companies shares are not listed in any stock exchange.

5. BOOKS OF ACCOUNT

Section 209 of the Companies Act, 1956 requires that:

- (a) Such books, as are necessary to give a true and fair view of the state of affairs of the company and to explain its transactions, are kept on accrual basis and according to the double-entry system of book-keeping.
- (b) Every company maintains proper books of account with respect to:
 - (i) all sums of money received and expended by the company and the matters in respect of which receipts and expenditure take place;
 - (ii) all sales and purchases of goods by the company;
 - (iii) all assets and liabilities of the company; and
 - (iv) utilisation of material or labour or other items of costs in cost accounting records, in case of manufacturing companies.

6. PREPARATION OF FINANCIAL STATEMENTS

Under Section 210 of the Companies Act, at the annual general meeting of a company, the Board of Directors of the company shall lay before the company:

- (a) a balance sheet as at the end of the period;
- (b) a profit & loss account for that period.

In case of a company not carrying on business for profit, an income and expenditure account shall be laid before the company at its annual general meeting instead of profit and loss account.

Section 211 along with Revised Schedule VI of the Companies Act, 1956 deals with the preparation and presentation of profit and loss account and the balance sheet. It requires that final accounts of a company shall give a true and fair view of the state of affairs of the company. Revised Schedule VI also prescribe the form in which profit and loss account should be prepared. It requires that statement of profit and loss should give a true and fair view of the profit and loss of the company for the financial year and should comply with the general instructions for preparation of statement of Profit and Loss of Revised Schedule VI.

Balance sheet of a company should be in form set out in Part I of Revised Schedule VI and Profit and Loss account should be in form set out in Part II of Revised Schedule VI. Details of items given in the Balance Sheet and Profit and Loss account is shown in the Notes to Accounts.

INTRODUCTION TO COMPANY ACCOUNTS

PART I – Form of BALANCE SHEET

Name of the Company.....

Balance Sheet as at

Name

Profit

(₹ in.....)

Particulars	Notes No.	Figures for the current reporting period	Figures for the previous reporting period	Parti
EQUITY AND LIABILITIES				
1 Shareholders' funds				I.
a Share capital				II.
b Reserves and Surplus				III.
c Money received against share warrants				IV.
2 Share application money pending allotment				
3 Non-current liabilities				
a Long-term borrowings				
b Deferred tax liabilities (Net)				
c Other long term liabilities				
d Long-term provisions				
4 Current liabilities				
a Short-term borrowings				
b Trade Payables				
c Other current liabilities				
d Short-term provisions				
Total				Tot V.
ASSETS				
1 Non-current assets				VI.
a Fixed assets				VII.
i Tangible assets				VIII.
ii Intangible assets				IX.
iii Capital Work-in-progress				X.
iv Intangible assets under development				
b Non-current investments				XI.
c Deferred tax assets (Net)				
d Long-term loans and advances				
e Other non-current assets				
2 Current assets				XII.
a Current investments				XIII.
b Inventories				XIV.
c Trade receivables				
d Cash and cash equivalents				XV.
e Short-term loans and advances				XVI.
f Other current assets				
Total				



PART II – Form of STATEMENT OF PROFIT AND LOSS

Name of the Company.....

Profit and loss statement for the year ended

(₹ in.....)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations		xxx	xxx
II. Other income		xxx	xxx
III. Total Revenue (I + II)		xxx	xxx
IV. Expenses:		xxx	xxx
Cost of materials consumed		xxx	xxx
Purchases of Stock-in-Trade		xxx	xxx
Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
Employee benefits expense			
Finance costs			
Depreciation and amortization expense			
Other expenses			
Total expenses		xxx	xxx
V. Profit before exceptional and extraordinary items and tax (III-IV)		xxx	xxx
VI. Exceptional items		xxx	xxx
VII. Profit before extraordinary items and tax (V - VI)		xxx	xxx
VIII. Extraordinary Items		xxx	xxx
IX. Profit before tax (VII- VIII)		xxx	xxx
X. Tax expense:			
(1) Current tax		xxx	xxx
(2) Deferred tax		xxx	xxx
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		xxx	Xxx
XII. Profit/(Loss) from discontinuing operations		xxx	Xxx
XIII. Tax expense of discontinuing operations		xxx	Xxx
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		xxx	Xxx
XV. Profit (Loss) for the period (XI + XIV)		xxx	xxx
XVI. Earnings per equity share:			
(1) Basic		xxx	xxx
(2) Diluted		xxx	xxx

INTRODUCTION TO COMPANY ACCOUNTS

SELF EXAMINATION QUESTIONS

- Which of the following statement is not a feature of a Company?
 - Separate legal entity
 - Common Seal
 - Perpetual Succession
 - Members have unlimited liability
- In a Government Company, the holding of the Central Government in paid-up capital should not be less than
 - 25%
 - 50 %
 - 51%
 - 75%
- Which of the following statement is true in case of a Foreign Company?
 - A Company incorporated in India and has place of business outside India.
 - A Company incorporated outside India and has a place of business in India.
 - A Company incorporated in India and has a place of business in India.
 - A Company incorporated outside India and also has a place of business outside India
- Public Companies should have a minimum paid-up capital of
 - ₹ 5 lakhs
 - ₹ 10 lakhs
 - ₹ 15 lakhs
 - ₹ 50 lakhs
- Private Company should have a minimum paid-up capital of
 - ₹ 1 lakhs
 - ₹ 5 lakhs
 - ₹ 10 lakhs
 - ₹ 50 lakhs
- Which of the following statements is not a feature of a private company?
 - Restricts the rights of members to transfer its shares
 - Prohibits any invitation to the public to subscribe its shares or debentures
 - Do not involve participation of public in general
 - Do not restricts on the number of its members to any limit.

ANSWERS

1. (d) 2. (c) 3. (b) 4. (a) 5. (a) 6. (d)