

COMMERCE
ACCOUNTANCY (055)

Assignment-2

Chapter-1 Financial Statements of a Company

Objective Type Questions:

1. Shares on which the company has not called the entire nominal value is shown in the Note to Accounts on Share Capital under Subscribed Capital as:
(a) Subscribed and fully paid up (c) Subscribed but not fully paid-up
(b) None of the above (d) Any of the above
2. Debentures redeemable after 10 years of issue are shown as:
(a) Long term Borrowings (c) Other Long-term Liabilities
(b) Short term Borrowings (d) Other Short term Borrowings
3. Securities Premium Reserve is shown on the Equity and Liabilities part of the Balance Sheet under the head:
(a) Reserves and Surplus (c) Current Liabilities
(b) Share Capital (d) None of the above
4. Dividend is paid on :
(a) Authorised Capital (c) Issued Capital
(b) Subscribed Capital that is Paid-up (d) None of the above
5. Debentures are shown in the Balance Sheet under the head of:
(a) Other Long-term Liabilities (c) Current Liabilities
(b) Long term Borrowings (d) Long term Provisions
6. Interest on loan given by the Financial company is shown in the Statement of Profit and Loss as:
(a) Revenue from Operations (c) Other Income
(b) Any of the above (d) None of the above
7. Indicate the item which appears as Short-term Provision:
(a) Provision for Expenses (c) Interest Accrued but not due
(b) Employees Provident Fund (d) None of the above
8. Salaries paid to office staff is shown in the Statement of Profit and Loss under:
(a) Cost of Materials Consumed (c) Other Expenses
(b) Employees Benefit Expenses (d) Any of the above

Answer the following questions:

1. What are Financial Statements?
2. Define Statement of Profit and Loss/Income Statement.
3. Define Balance Sheet.
4. Name two sections of a company's Balance Sheet.
5. List the major heads under which the 'Equity and Liabilities' are presented in the Balance Sheet of a company as per Schedule III, Part I to the Companies Act, 2013.

6. List any three items that can be shown as 'Contingent Liabilities' in a company's balance sheet.
7. Classify the following items under Major Head and Sub-head (if any) in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013:
 - (i) Capital Work-in Progress
 - (ii) Provision for Warranties
 - (iii) Income received in Advance
 - (iv) Capital Advance
8. Name the sub-heads under the head
 - (a) 'Shareholders Funds' and
 - (b) 'Non-current liabilities as per Schedule III, Part 1 of the Balance Sheet.
9. How would you show the following two items in a company's Balance Sheet as at 31st March, 2018 as per the requirement of Schedule III, General Reserve (Since 31st March, 2019) Rs. 3,00,000, Statement of Profit and Loss (Debit Balance) for 2019-20 Rs. 2,00,000.
10. List any three items that can be shown under the heading 'Reserves and Surplus' in a company's Balance Sheet.

Assignments should be neatly done in any copy or loose sheets.

Kindly study (Volume III) **Chapter 2: Financial Statements Analysis and Chapter 3: Tools of Financial Statement Analysis – (Comparative Statements only)** from Diksha app

You can refer to these links if you need additional help

<https://www.youtube.com/watch?v=V4fFTdLxFS8>