

# **UCCC&SPBCBA&SDHGCBCA&IT,**

## **UDHNA**

### **FYBCOM SEM-I**

#### **FINANCIAL ACCOUNTING-I**

##### **UNIT-3 Structure of Balancesheet (30%)**

###### **Contents:**

- i. Introduction, Meaning, Definition, Purposes/ Objectives of Preparation of Balance Sheet, Limitations of Balance sheet.
- ii. Coverage of Balance Sheet : Equity & Liabilities(Shareholder's funds, Share application money pending allotment, Non-Current Liabilities and Current Liabilities) and Assets ( Non-Current Assets and Current Assets), Contingent Assets and Contingent Liabilities

###### **Introduction:**

Financial statements are the basic and formal annual reports through which the corporate management communicates financial information to its owner and various other external parties which include investors, tax authorities, government, employees, etc. These normally refer to: (a) the balance sheet (position statement) as at the end of accounting period, and (b) the statement of profit and loss of a company. Now-a-days, the cash flow statement is also taken as an integral component of the financial statements of a company.

###### **Meaning & definition of balance sheet**

Balance sheet of a company is statement which shows the financial position of business at a particular point of time.

It is prepared and presented in the form prescribed in the Companies Act, 2013. Every company registered under the Act shall prepare its balance sheet, statement of profit and loss and notes to account thereto in accordance with the manner prescribed in the Companies Act, 2013 to harmonies the disclosure requirement with the accounting standards and to converge with new reforms.

**Objectives of preparing Balance sheet:**

- To provide information about economic resources and obligations of a business
- To provide information about the earning capacity of the business
- To abide by law./Legal Requirement.
- To judge effectiveness of management
- Information about activities of business affecting the society
- To disclose accounting policies

**Limitations of balance sheet:**

- Based on Historical Cost.
- Window dressing may be done
- Subjective
- Only quantitative information
- Personal bias
- Presentation of post dated transactions.

**Form and Content of Balance Sheet as per companies act 2013:**

| <b>Balance Sheet of XYZ Ltd. As on 31-3-</b>         |                 |                |                |
|--|-----------------|----------------|----------------|
| <b>Particulars</b>                                   | <b>Note No.</b> | <b>Amt(Rs)</b> | <b>Amt(Rs)</b> |
| <b>I Equity and Liabilities</b>                      |                 |                |                |
| <b>[1] Shareholder's funds</b>                       |                 |                |                |
| (a) Share capital                                    | 1               |                |                |
| (b) Reserves and Surplus                             | 2               |                |                |
| (c) Money received against share warrant             |                 |                |                |
| <b>[2] Share application money pending allotment</b> |                 |                |                |
| <b>[3] Non Current liabilities</b>                   |                 |                |                |
| (a) Long term borrowings                             | 3               |                |                |
| (b) Deferred tax liabilities (Net)                   |                 |                |                |
| (c) Other long term liabilities                      | 4               |                |                |
| (d) Long term provisions                             | 5               |                |                |
| <b>[4] Current liabilities</b>                       |                 |                |                |
| (a) Short term borrowings                            | 6               |                |                |
| (b) Trade Payables                                   | 7               |                |                |
| (c) Other current liabilities                        | 8               |                |                |
| (d) Short term provisions                            | 9               |                |                |
| <b>Total</b>   |                 |                |                |
| <b>II – Assets</b>                                   |                 |                |                |
| <b>(1) Non Current Assets</b>                        |                 |                |                |
| (a) Fixed assets                                     |                 |                |                |
| (i) Tangible assets                                  | 10              |                |                |
| (ii) Intangible assets                               | 11              |                |                |
| (iii) Capital work in progress                       |                 |                |                |
| (iv) Intangible assets under development             |                 |                |                |
| (b) Non-current investment                           | 12              |                |                |
| (c) Deferred tax assets (net)                        |                 |                |                |
| (d) Long term loans and advances                     | 13              |                |                |
| (e) Other non-current assets                         | 14              |                |                |
| <b>(2) Current assets</b>                            |                 |                |                |
| (a) Current investments                              | 15              |                |                |
| (b) Inventories                                      | 16              |                |                |

|                                   |    |  |  |
|-----------------------------------|----|--|--|
| (c) Trade Receivables             | 17 |  |  |
| (d) Cash and cash equivalents     | 18 |  |  |
| (e) Short term loans and advances | 19 |  |  |
| (f) Other current assets          | 20 |  |  |
| <b>Total</b>                      |    |  |  |

### **EXERCISE:**

Q1) Following particulars are shown in the balance sheet of which main head and sub-head as per Company Act, 2013 schedule III:

(1) Loose tools (2) Bills receivable (3) Debenture (4) Patent

Q2) Following particulars are shown in the balance sheet of which main head and sub-head as per Company Act, 2013 schedule III:

(1) Short-term loan from SBI (2) Computer Software (3) Live Stock

(4) Staff Provident Fund (5) Loan to Manager (6) Machineries

Q3) Arrange following items in the order of Liquidity:

(1) Provident Fund (2) Building Fund (3) Bank loan (2 years) (4) Bills Payable (5) Fixed Deposit (3 years) (6) Creditors (7) Outstanding expenses (8) Capital

Q4) As per scheduled - III of company Act - 2013 following particulars are which main Head and sub- head shown in balance sheet. (March 2023)

(1) Cash credit

(2) Debtors

(3) Office Tools

(4) Tax Provision

Q5) Classify the following assets into Tangible, Intangible and Other Non-Current Assets

1. Railway slidings

2. Goodwill

3. Patent

4. Land & Building

5. Advertisement Suspense A/C.

6. Cash
7. Development Expenditure
8. Furniture
9. Trademarks
10. Live Stock

Q6) State any four sub-headings that may be included under the main head of current assets as per schedule-III of the companies act, 2013. (MARCH-2024)

Q7) As per scheduled - III of company Act - 2013 following particulars are which main Head and sub- head shown in balance sheet.(APRIL 2025)

1. 10% Debentures
2. Employees profit sharing fund
3. Gratuity
4. Development expenses.

Q8) State the sub-headings under current assets as per schedule-III of the companies act, 2013. (April 2025)

Q9) From the following balances of Ronak Ltd. as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act, 2013.

| <b>Particulars</b>                             | <b>Amount</b> | <b>Particulars</b>             | <b>Amount</b> |
|--|---------------|--------------------------------|---------------|
| Equity Share Capital                           | 13,00,000     | 11% Red. Pref share capital    | 5,00,000      |
| Share forfeited Account                        | 50,000        | Call-in-arrears                | 55,000        |
| P & L Account                                  | 2,15,344      | Customers                      | 1,38,560      |
| Pre-paid Insurance                             | 25,000        | Machineries                    | 4,78,800      |
| Land-Building                                  | 8,77,485      | Bills receivable               | 44,600        |
| Unsold Goods                                   | 2,77,800      | Bank overdraft (for 12 months) | 2,45,100      |
| Interest Payable                               | 32,400        | General reserve                | 3,46,000      |
| Provident Fund                                 | 3,00,000      | Under writing commission       | 12,500        |
| Traders  | 92,560        | Proposed dividend              | 1,24,500      |
| Provision for Taxation                         | 55,000        | Cash                           | 1,57,167      |
| 11% Investment of Taral Ltd. (above 12 months) | 1,51,000      | Advances to manager            | 1,37,100      |
| 11% Bonds                                      | 3,11,000      | Licences & Franchises          | 5,66,444      |
| Computer Software                              | 5,00,000      |                                |               |

|                  |          |  |  |
|------------------|----------|--|--|
| Office Equipment | 1,50,448 |  |  |
|------------------|----------|--|--|

10) From the following balances of Manasi Ltd. as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act, 2013.

| Particulars                   | Amount    | Particulars            | Amount    |
|-------------------------------|-----------|------------------------|-----------|
| Land-Building                 | 15,54,970 | Debenture discount     | 12,500    |
| Mutual Fund                   | 1,68,000  | Plant-Machinery        | 3,75,000  |
| Interest accrued on borrowing | 32,400    | Debtors                | 1,38,520  |
| Advance payment of Insurance  | 25,000    | Cash                   | 1,57,160  |
| Proposed Dividend             | 82,000    | Stores & Parts         | 1,77,800  |
| Bank Overdraft                | 2,45,100  | Profit & Loss A/c(cr.) | 21,490    |
| Goodwill                      | 10,00,000 | Bills Receivable       | 44,600    |
| Advances to employee          | 1,50,000  | General Reserve        | 30,000    |
| Creditors                     | 92,560    | Equity share capital   | 26,00,000 |
| 12% Debentures                | 4,00,000  | Gratuity               | 3,00,000  |

Q11) From the following Trial Balance of Chandni as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act, 2013.

| Debit Balances               | Amount    | Credit Balances            | Amount    |
|------------------------------|-----------|----------------------------|-----------|
| Machinery                    | 18,00,000 | Share Capital              | 41,30,000 |
| Goodwill                     | 6,00,000  | Staff Provident Fund       | 16,00,000 |
| Investment in subsidiary co. | 23,00,000 | Capital redemption reserve | 4,40,000  |
| Profit & Loss A/c            | 1,40,000  | General reserve            | 3,80,000  |
| Bank Balance                 | 2,10,000  | Public deposits            | 18,00,000 |
| Stock of Finished Goods      | 2,40,000  | Creditors                  | 4,00,000  |
| Bills Receivable             | 80,000    | Bills payable              | 20,000    |
| Preliminary Expenses         | 78,000    | Short term loan from SBI   | 3,56,000  |
| Underwriting Commission      | 90,000    | Uncalled dividend          | 12,000    |
| Lease Assets                 | 32,00,000 |                            |           |
| Debtors                      | 4,00,000  |                            |           |
|                              | 91,38,000 |                            | 91,38,000 |

Q12) From the following balances of Heni Ltd. as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act, 2013.

| Particulars                          | Amount    | Particulars                  | Amount    |
|--------------------------------------|-----------|------------------------------|-----------|
| Equity Share Capital, each of Rs. 10 | 30,65,000 | 11% Red. Pref. share capital | 11,00,000 |

|                                   |           |                          |           |
|-----------------------------------|-----------|--------------------------|-----------|
| Machineries                       | 18,01,000 | Land-Building            | 27,95,000 |
| Licences & Franchises             | 21,00,000 | Share forfeited A/c      | 65,000    |
| Traders                           | 4,00,000  | Mutual Fund (Short-term) | 11,11,000 |
| Staff welfare fund                | 10,50,000 | Closing stock            | 6,22,999  |
| Bills receivable                  | 80,000    | Bills payable            | 58,500    |
| 9% Debentures                     | 18,00,000 | Customers                | 7,70,000  |
| Capital redemption reserve        | 4,40,000  | Loose-tools              | 35,000    |
| General reserve                   | 5,00,000  | Office Equipment         | 3,50,000  |
| Cash credit                       | 2,56,000  | Provision of taxation    | 3,00,000  |
| Uncalled Dividend                 | 6500      | Loan to Employee         | 3,20,000  |
| Gratuity                          | 7,01,000  | Proposed Dividend        | 3,00,000  |
| Advance payment of Insurance      | 15,000    | Call- in- arrears        | 30,000    |
| Profit & Loss A/c (Debit balance) | 12,001    |                          |           |

Q13) From the following balances of Mukti Ltd. as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act,2013.

| Particulars                    | Amount   | Particulars                | Amount   |
|--------------------------------|----------|----------------------------|----------|
| Equity Share Capital           | 7,50,000 | 8% Red. Pref share capital | 2,75,000 |
| Machineries                    | 9,00,000 | Mortgage Loan              | 1,55,000 |
| Loose-tools                    | 81,500   | General Reserve            | 2,07,500 |
| 11% Investment in Y Ltd.       | 1,22,500 | Creditors                  | 70,000   |
| Advertisement Suspense A/c     | 15,000   | Bills payable              | 14,250   |
| Stores & Spare-parts           | 50,100   | Creditors of expenses      | 18,000   |
| Accrued interest on investment | 25,500   | Cash credit                | 37,500   |
| Bank Balance                   | 11,500   | Employees' welfare fund    | 42,500   |
| Office equipment               | 2,40,300 | Provision for taxation     | 13,275   |
| Debtors                        | 95,000   | Computer Software          | 41625    |

Q14) From the following information of Mahavir Ltd. as on 31-03-2025, prepare Balance Sheet as per schedule-3 of Company Act,2013.

| Particulars                   | Amount   | Particulars                 | Amount   |
|-------------------------------|----------|-----------------------------|----------|
| General reserve               | 65,000   | National saving certificate | 20,000   |
| Land                          | 80,000   | Outstanding expenses        | 20,000   |
| Bills Receivable              | 13,600   | Debtors                     | 92,000   |
| Equity share capital          | 1,20,000 | Factory Building            | 1,70,000 |
| Workmen's profit-sharing fund | 22,000   | Cash Balance                | 24,550   |
| Capital Reserve               | 27,200   | Plant & Machinery           | 1,75,000 |

|                             |          |                                  |          |
|-----------------------------|----------|----------------------------------|----------|
| Closing stock               | 2,40,000 | Workers' compensation fund       | 65,000   |
| Investment Fluctuation Fund | 22,000   | Investment in Shares of Ram Ltd. | 30,000   |
| Bad debt reserve            | 2550     | Bills payable                    | 8000     |
| Provident Fund              | 36,000   | 15% loan from IDBI               | 3,55,000 |
| Goodwill                    | 8,000    | Furniture                        | 34,000   |
| Prepaid insurance premium   | 3400     | Public deposits                  | 80,000   |
| P & L A/c (credit balance)  | 35,800   | Creditors                        | 32,000   |

Q15) From the following information of AB ltd. calculate

(1) Reserves (2) Non-current liabilities (3) Current Liabilities

(4) Non-current Assets (5) Current Assets

| Particulars                | Amount   | Particulars                  | Amount |
|----------------------------|----------|------------------------------|--------|
| Share Capital              | 1,25,000 | Stock                        | 15,000 |
| Fixed Assets               | 3,10,500 | Bills receivable             | 15,000 |
| General Reserve            | 45,500   | Provident Fund               | 5500   |
| Loose-tools                | 7500     | Depreciation on Fixed Assets | 15,000 |
| Bank overdraft             | 5000     | Bad debt Reserve             | 1500   |
| Capital Reserve            | 5500     | Cash on hand                 | 14,000 |
| Debtors                    | 15,500   | Bank loan                    | 70,000 |
| Advertisement Suspense A/c | 7000     | Outstanding Expenses         | 7500   |
| Bills payable              | 12,000   | Provision for Taxation       | 7000   |
| Other loan                 | 10,000   | Loan of G.N.F.C              | 30,000 |
| Creditors                  | 14,000   | Workmen compensation Fund    | 12,000 |
| Public Deposit             | 25,000   | Calls in advance             | 10000  |

Q16) From the following particulars ascertain:

(i) Current Assets (ii) Current Liabilities

| Particulars             | Amount   | Particulars                   | Amount   |
|-------------------------|----------|-------------------------------|----------|
| Equity Share Capital    | 1,25,000 | Stock                         | 1,00,000 |
| Loan from H.D.F.C. Ltd. | 3,50,000 | Net profit                    | 75,000   |
| Creditors               | 2,00,000 | Loan from Mahesh (for 5 yrs.) | 1,50,000 |
| Debtors                 | 2,00,000 | Bills Receivable              | 75,000   |
| Unpaid tax              | 20,000   | Loose Tools                   | 30,000   |
| Bank balance            | 30,000   | Investment (Short term)       | 14,000   |
| Bills payable           | 50,000   |                               |          |

Q17) From the following balance of Surbhi Ltd. as on 31/3/25 prepare balance sheet as per Schedule III of Company Act, 2013.(VNSGU-MARCH 2023)

| Particulars                               | Rs.      | Particulars                               | Rs.      |
|---|----------|---|----------|
| Equity share capital<br>Each of Rs. 10)   | 8,00,000 | Profit and loss<br>A/C(credit)            | 16,800   |
| Staff Provident fund                      | 1,52,000 | Bank loan                                 | 80,000   |
| Gujarat State Finance<br>Corporation Loan | 1,52,000 | Public deposit                            | 1,20,000 |
| 10% Government loan                       | 40,000   | Calls in arrears                          | 8,000    |
| Furniture                                 | 56,000   | 15% Debenture                             | 2,00,000 |
| Cash on hand                              | 48,000   | Patent                                    | 12,000   |
| Closing stock<br>(finishing goods)        | 1,20,000 | Debenture reduction<br>reserve investment | 1,00,000 |
| Bank deposit                              | 48,000   | Prepaid insurance                         | 3,600    |
| Advance for customers                     | 40,000   | Bank current A/C                          | 68,000   |
| Security deposit                          | 32,000   | Stationary stock                          | 8,000    |
| Debenture redemption<br>Reserve           | 1,00,000 | Directors loan                            | 40,000   |
| Share forfeited A/C                       | 4,000    | Creditors                                 | 1,08,000 |
| Bills payable                             | 35,600   | Uncalled dividend                         | 11,200   |
| General Reserve                           | 1,00,000 | Land Buildings                            | 3,84,000 |
| Prepaid calls                             | 2,000    | 'A' Ltd.s share                           | 16,000   |
| Debtors                                   | 1,44,000 | Machinery                                 | 7,20,000 |
| Closing stock<br>(Raw material)           | 80,000   | Outstanding Interest<br>on investment     | 2,000    |
|   |          | Bills receivable                          | 40,000   |
|   |          | Loose tools                               | 32,000   |

Q18) From the following balances of Riddhi Ltd. As on 31-03-2025, prepare their Balance sheet as per schedule-3 of company Act, 2013(VNSGU -MARCH-2024)

| Particulars                | Rs.       |
|----------------------------|-----------|
| Machinery                  | 11,20,000 |
| Computer software          | 70,000    |
| Investment in Vishwesh Ltd | 89,800    |
| Loose tools                | 1,13,600  |

|                                |          |
|--------------------------------|----------|
| Advertisement suspenses A/C    | 9,600    |
| Spare-parts                    | 66,000   |
| Equity share capital           | 5,00,000 |
| Mortagage Loan                 | 1,75,000 |
| General reserve                | 6,60,500 |
| 12% pref. share capital        | 4,00,000 |
| Creditors                      | 90,000   |
| Bills payable                  | 55,000   |
| Accrued interest on investment | 20,000   |
| Cash in bank                   | 18,125   |
| Office equipments              | 4,80,000 |
| Debtors                        | 33,000   |
| Creditors of expenses          | 33,500   |
| Cash credit                    | 46,500   |
| Staff welfare fund             | 30,000   |
| Provision for taxation         | 29,625   |

Q19) From the following Information compute Share holders funds (VNSGU-MARCH 2024)

|                               |           |
|-------------------------------|-----------|
| Equity share Capital          | 10,00,000 |
| Preference share capital      | 5,00,000  |
| Workmen's profit sharing fund | 2,00,000  |
| Workmen's compensation fund   | 3,00,000  |
| Calls-in-Arrears              | 20,000    |
| Capital reserve               | 50,000    |
| P & LA/C (Dr.)                | 1,00,000  |
| General Reserve               | 2,00,000  |
| Calls in advance              | 10,000    |
| Share forfeiture A/C          | 5,000     |
| Provident fund                | 75,000    |
| Workmen's welfare fund        | 50,000    |

Q20) Calculate from the following balances: VNSGU-APRIL 2025

- i) Current assets
- ii) Current liabilities

|             |        |                         |       |
|-------------|--------|-------------------------|-------|
| P/L Account | 100000 | Prepaid equity dividend | 25000 |
| debtors     | 42500  | Provision for taxation  | 30000 |
| Creditors   | 30000  | Bills receivable        | 25000 |

|                        |       |                      |        |
|------------------------|-------|----------------------|--------|
| Closing stock          | 35000 | Bank balance         | 100000 |
| Bank overdraft         | 25000 | Cash credit          | 20000  |
| Investment(3 months)   | 50000 | Custom deposit       | 10000  |
| Corporate dividend tax | 5000  | Outstanding expenses | 5000   |
| Prepaid insurance      | 10000 | Goods in transit     | 20000  |

Q21) From the following balances find out noncurrent liabilities and noncurrent assets: VNSGU-APRIL 2025

| <b>Particulars</b>                | <b>Amount</b> |
|-----------------------------------|---------------|
| Loan to employee(above 12 months) | 500000        |
| Staff welfare fund                | 300000        |
| Provident fund                    | 250000        |
| Software                          | 320000        |
| Patent                            | 225000        |
| X ltd. Debentures                 | 100000        |
| HDFC Loan                         | 550000        |
| Motor car                         | 620000        |
| General reserve                   | 500000        |
| Land building                     | 2220000       |
| Advertisement suspense A/C        | 50000         |
| Government securities             | 335000        |
| Public deposits                   | 500000        |
| Rent on leasehold                 | 1500000       |
| Machinery                         | 1050000       |
| Share capital                     | 2500000       |
| Pension fund                      | 450000        |