BUSINESS ACCOUNTING (Theory)

UNIT - I

PART - A 2 MARK QUESTIONS

1. **What is meant by head office?**

   In other words, in order to maintain control over the distribution of goods and maintain customer satisfaction by eliminating the middlemen, big business houses operate their business through their branches. The original or main enterprise that opens these branches is known as head office.

2. **What is meant by branch?**

   A branch is a segment of a business. It is a chain of shops functioning in different localities under the control of the head office. The system of operating business at several places through one's own establishment s is called branch organization.

3. **What is dependent branch?**

   Dependent branches are branches, which don't maintain its own set of books. All records have to be maintained by the head office.

4. **What is Departmental Accounts?**

   Departmental Accounting refers to maintaining accounts for one or more departments of the company. Revenues and expenses of the department are recorded and reported separately. The departments are then consolidated into the accounts of the head office to prepare the financial statements of the company.

5. **Write a note on debtors system.**

   A method under which branch account is opened for each branch in the head office ledger. All transactions relating to that branch are recorded in this account. This system is suitable for the small size branches.

6. **What do you understand by 'Inter-Departmental Transfer.**

   Goods may be transferred from one department to another. Similarly, services of one department may be used by another department. In such cases, the transfer may be made at cost price or at usual selling price.

PART - B & C 5 & 10 mark questions

1. **Write the importance or significance of departmental accounting?**

Departmental accounts allow the firms to compare the performance of 1 department with another department. In addition, it helps an company to get ranking departments using their earning beliefs.

Easy to evaluate departmental growth

Departmental accounting helps an company to evaluate each departmental growth separately based on trading results over period of time. An endeavour may be made to push in the sales of the team which is getting maximum profit. To explain it further here is an illustration:

Decision making

Departmental accounting makes it simplier for management to make conclusions if they are having several product, they can in fact forecast the near future performance of something. More often than not decision includes some questions such as whether a product is profitable or not, if the product is not profitable if they should continue to produce that product or just eliminate it, what would be consequences of eliminating a product.

Easy to prepare departmental budget

Departmental budgeting facilitates an organisation to prepare budgets for every team. A budget ensures that an organisation can pay for costs for all products and don't have risk of going into arrears to keep business working. To construct an entire budget, an venture must learn how to set aside funds for each department and know how each department works concurrently to make up the full-scale plan.

2. What are the needs for Departmental accounting?

(i) To compare the results of each department with the results of previous years and ascertain trend.

(ii) To know the comparative results of different departments in the same year.

(iii) To assess the position of stocks in each department.

(iv) To identify areas of weakness for cost control and improvement of efficiency.

(v) To decide upon expansion, discontinuation and investment policies.

3. Explain the objectives of Departmental accounts?

Assessing Operational Efficiency: The main aim of departmental accounting is to assess the operational efficiency of each department separately. Each department prepare its own accounts and this leads to knowing its profitability position separately from others. Also the stock turnover ratio and other ratios are calculated separately that tells about its efficiency.

Open or Shut Department: Departmental accounting helps to know about the profit or loss incurred by each department. After analyzing the whole financial position of the department from its accounts, the decision can be taken whether to shut the department or not.

Inter-Departmental Comparison Is Possible: Departmental Accounting helps in comparing one department with the other. It highlights the positive points of each department. Inter-departmental comparison induces officials of departments to perform better.

Detailed Information About Concern: In departmental accounting, firstly accounts are made on the basis of the departments and then are consolidated to make accounts of company as a whole. By doing this, we can get detailed information about all the departments.

Improvement In Overall Profit Of The Business: The friendly rivalry among all the departments induces them to work in the best possible way. Efficiency at each department level leads to the efficiency of the whole company. This makes improvement in overall profit of the business.

Sound Planning And Budgeting: In departmental accounting, every department makes its budget at its own. It is easy for the officials to take decisions or plan about their future course of action. Thus, planning and budgeting at departmental level promotes sound planning for company also..

4. Explain the advantages of Departmental accounts?

(i) Ascertainment of Profit: Gross profit and net profit can be ascertained for each department separately on a reliable basis.

(ii) Comparative performance: The results of different departments can be compared in terms of profit, expenses, inventories, percentage of growth, return on investment etc.

(iii) Appraisal of personnel: Individuals responsible for improved results or decline in performance can be identified. This is useful in implementing incentive systems.

(iv) Remedial measures: Areas of poor performance can be identified for implementing remedial measures.

(v) Expansion and Diversification: Decisions to expand and diversify profitable lines of business become easier.

(vi) Policy formulation: Management policies towards inventories, extending credit, additional investment etc., are facilitated.

5. Distinguish between Branch Accounts and Departmental Accounts?

	DEPARTMENTAL ACCOUNTS	BRANCH ACCOUNTS
Location	Within the single premises	Different geographical area
Growth	Within same roof	Grow geographical
Accounting	All records maintain same premises	Head office maintained accounts
International operations	Confined a single places	Started any where in the world

6. State objectives of Branch Accounts

(i) To know the profit or loss of each branch separately.

(ii) To ascertain the financial position of each branch on a particular date.

(iii) To know the cash and goods requirements of the various branches

(iv) To evaluated the progress and performance of each branch.

(v) To calculate commission for payment to the managers, if based on profits of branch.

(vi) To know the profitability of each branch and type of business for expansion of the business.

(vii) To give concrete suggestions for the improvement in the working of the various branches

(viii) To meet the requirements of specific enactments as all branches of a company must keep the accounts for audit purposes.

7. Explain the features of Branch Accounts?

(1) The branch does not maintain its own set of books. But the head office maintain record of all transactions in respect of branch

(2) Goods are received from the head office. However, the outside purchases by branch are not allowed

(3) Goods are often supplied by head office at cost price. But sometimes they are sent at invoice price or loaded price

(4) All expenses of regular nature directly paid by head office through cheques

(5) All petty expenses at branch are paid by the branch manager from the petty cash received in advance from the head office

(6) Usually branch makes sales on cash basis. But in certain cases credit sales may be made with the authorization from the head office

(7) Cash received on account of cash sales and from debtors is duly remitted to head office or d deposited with a local bank in the account of head office

8.**Explain the advantages of branch accounts.**

(i) Knowledge of Profit or Loss: To know the profits/losses of the branches, branch accounts are prepared. By the consolidation of the profits and losses of the branches and head office itself, the profit/ loss of the whole business can be ascertained.

(ii) Control over Branches: Branch accounts help in controlling the activities of the branches and are helpful in assessing whether a particular branch is progressing or going downwards. Efforts man be made to control such branches which are showing discouraging position.

(iii) Fulfilment of Branch Requirement: Goods and cash needed by branches can be ascertained by preparing branch accounts and necessary arrangements can be made for the fulfilment of the branch requirement.

(iv) Knowledge of Assets and Liabilities: Branch accounts provide necessary information about the assets and liabilities of various branches.

(v) Legal Requirement: It is legal requirement to maintain branch accounts of various branches As per the provisions of Companies Act, a company is required to keep accounts for every branch and get them audited.

UNIT – II

PART – A **2 MARK QUESTIONS**

1. **Define instalment Purchase System.** According to J.B. Batliboi, Instalment Purchase System is a system under there is an agreement to purchase and pay by instalments, the goods which become the property of the Purchaser immediately when he receives the delivery of the same..
2. **What is instalment Purchase system?** Instalment payment system (also called the deferred instalments) is a system where the buyer is given the ownership as well as the possession of the gods at the time of signing the contract. The buyer has the facility to pay the price in instalments.
3. **What is cash price?**
   This is the retail price of the articles at which they can be purchased immediately for cash.
4. **Define Hire Purchase system.** According to the Act 1972 sec 2© Hire purchase agreement is an agreement under which goods are let on hire an under which the hire has an option to purchase them in accordance with the terms of the agreement.
5. **What is meant by Hire Purchase system?** A way of buying goods you do not pay the full price immediately but make regular small payments (instalment) until the full amount is paid.

PART – B & C **5 & 10 Mark questions**

1. **Explain the features of Hire purchase system?**

(1) There is an agreement between the seller (called, hire seller or hire vendor) and the buyer (called, hire purchaser or hirer) and this agreement is called, hire purchase agreement.

(2) Purchase price of the goods and services is paid in a number of agreed instalments (also called, hire).

(3) As the purchase price is not paid in one lump sum at the time of time of purchase, it (i.e., hire purchase) is a kind of credit purchase.

(4) Under the system of hire purchase, though the full amount is not paid at the time of purchasing , the seller hands over the goods to the buyer on signing the agreement.

(5) However, the legal ownership of the goods (i.e., title to the goods) remains with the seller and it is passed on to the hire purchaser only after the receipt of all instalments including the last instalment as per the agreement.

(6) As the title to the goods is not transferred from seller to buyer till the receipt of last instalment in accordance with the Provisions of the agreement.

(7) As already stated, the legal ownership of the goods sold on hire purchase system is not transferred to the buyer by the seller until the receipt of last instalment from the buyer.

(8) Similarly, the hire purchaser also has an option to terminate the agreement any time but before the payment of last instalment and return the good store the seller.

(9) When the agreement is terminated [either because the seller takes back the possession of the goods from the hire purchaser or because of hire purchaser returning the goods to hire vendor.

(10) The unique feature of hire purchase system is that the payment of every instalment is considered as the payment of hire charges by the hirer to the hire vendor till the payment of the last instalment.

2. **Explain the important terms the Hire Purchase System?**

(1) **Cash Price**: This is the retail price of the articles at which they can be purchased immediately.

(2) **Hire purchase price**: This is the total amount payable by the buyer, in agreed instalments for the foods purchased. This price includes cash price and interest.

(3) **Interest**: This is the additional amount apart from the cash price payable by the buyer as compensation for postponed payments.

(4) **Hire or instalment**: This is the amount payable by the buyer periodically. The instalments may be equal or different, depending on agreement.

(5) **Down payment**: This is the advance payable by the buyer while signing the hire purchase agreement.

(6) **Hirer**: The buyer of the goods on hire purchase basis.

(7) **Hire vendor or owner**: The seller of the goods on hire purchase basis.

3. **What are the difference between Hire Purchase and Instalment Purchase system?**

Sl. No	Basis/ Variable	Hire Purchase System	Instalment Purchase System
1.	Nature Of Contract	It is a hiring goods agreement.	It is an agreement of sale.
2.	Ownership	Ownership of goods is transferred after the payment of final installment.	Ownership of the goods passes to the buyer just signing the agreement.
3.	Right	The buyer can not sell, destroy or transfer the goods.	The buyer can sell, destroy or mortgage or transfer as his/her wish.
4.	Risk	All the risks are borne by the vendor before the payment of final installment.	All the risks are to be borne by the buyer from the date of agreement.
5.	Right Of Return	The buyer can return the goods before making the final installment.	The buyer can not return the goods to the seller.
6.	Repair And Maintenance	The liability of repair and maintenance lies with the seller provided that the buyer takes the utmost good care.	The buyer is responsible for repair and maintenance.
7.	Forfeiture of Installment Paid	In case of default in payment of installment, paid installment will be forfeited and treated as hire charges.	The act of forfeiture can not be activated.

4. **Write the difference between hire purchase and sale?**

Sl.	Variable	Sales	Hire Purchase
1.	Transfer of Ownership	ownership of goods is transferred from seller to buyer	Ownership of goods is transferred to the hirer on payment of last instalment by the hirer.
2.	Payment	If the payment is made in lump sum immediately on the finalization of sale transaction, it is called, cash sales.	payment is made in instalments
3.	Interest	Purchase price includes only cash purchase price	Hire purchase price includes not only the cash purchase price but also some portion towards interest for the instalments due.
4.	Non-payment	On non-payment of any sale consideration (i.e., selling price), the seller cannot take back the goods from the buyer.	On non-payment of any instalment, the seller can take back the goods from the hirer and repossess the goods sold under hire purchase system.
5.	Termination of Contract	Once the sale is completed, neither seller nor buyer can terminate the contract of sale (unless, it is genuine for damage of goods, etc).	Either the buyer or the seller can terminate the contract at any point of time before the payment of last instalment
6.	Insolvency	When the buyer becomes insolvent, the seller has to bear the risk of loss	When the hirer becomes insolvent, the seller can repossess the goods and need not undergo any risk of loss.
7.	Sales Tax	A sale is subject to levy of sales tax at the time of finalization of contract of sales	In the case of hire purchase, sales tax is levied at the time of transfer of ownership

5. **Write about the features or characteristics of instalment purchase system?**

1. Installment purchase system is just like an outright credit sale of goods.
2. The buyer makes the payment in different installment over a period of time as agrees upon in the agreement.
3. Under installment purchase system, the buyer gets the immediate possession as well as the ownership of goods.
4. The seller can not responses the good if the buyer made default in the payment of installment but he/she can sue against the buyer for the recovery of amount due.
5. In case of default in the payment of installment, the total amount of installments already paid by the buyer can not be forfeited.
6. Under installment system, the buyer can sell or mortgage the goods even before clearing all the installments.
7. Risk of goods/assets are to be borne by the buyer just after signing the agreement.
8. The buyer of the goods under installment purchase system has no right to return the goods to the seller.

UNIT - III

PART - A 2 MARK QUESTIONS

1.What is meant by Short workings?

The excess of Minimum Rent over the Actual Royalty is known as short-working. Therefore short-working will only arise when the Actual royalty is less than the Minimum Rent.

2.Write short note on debtors Ledger.

This is also known as 'Sales Ledger' or 'Sold Ledger'. It contains the accounts of trade debtors i.e., the customers to whom goods are sold on credit. The accounts of persons/firms who are not the buyers of goods from the business, are maintained in General Ledger.

3.Write a note an creditors Ledger.

This is also known as 'Purchase Ledger' or 'Bought Ledger'. It contains the accounts of trade creditors only i.e., persons or firms who have supplied goods on credit to the business. The accounts of persons/firms who are not suppliers of goods or raw-materials are maintained in the General Ledger.

4.What is meant by Royalty.

The term 'Royalty' is Amount payable made by one person to another for using the right by the lessee vested in the lessor Monopoly. For example, if X is the owner of coal mine, and instead of extracting the coal himself, he concedes this right to Y in return for amount calculated on the basis of coal extracted from the mine, such a payment is called 'Royalty'

5.Write short note on General ledger?

It contains all the real and nominal accounts as well as the personal' Incomplete Records accounts other than trade debtors and trade creditors. Thus accounts like furniture, machinery, goodwill, interest, salaries, capital, loan, salary outstanding etc. are maintained in this ledger.

6.What is meant by self balancing ledger?

Self-balancing system is a system whereby separate Trial Balance can be taken out from each ledger. "General Ledger Adjustment Account" will be maintained in each of the sales and bought ledger. It is the reverse of the Total Debtors Account in Sales Ledger and Total Creditors Account in Bought Ledger.

7.What is sectional balancing ?

The sectional balancing refers to a system under which only a section of the group of ledgers is self-balanced. If a firm which uses three ledgers viz., Debtors Ledger, Creditors Ledger and General Ledger, makes only one ledger self-balancing (normally the General Ledger) it will be called 'Sectional Balancing System'.

8.What is minimum rent?

Minimum Rent is also called 'Dead Rent' or 'Rock Rent' or Fixed Rent. As the name suggests, this is the minimum amount of rent which the lessee is required to pay to the lessor whether he has derived any benefit or not out of the right vested to him by the lessor.

9.What do you under stand sub-lease?

Sometime, landlord or lessor allows lessee to sublet some part of the mine or land as a sub-lessee. In this case, lessee will become lessor for sub lessee and lessee for main landlord.

UNIT -IV

PART - A **2 MARK QUESTIONS**

1.What is fire insurance claim?

A fire at a business place destroys assets such as building, Machinery, furniture, stock, etc. It destroys records also. Not only does it destroy the assets but also creates dislocation in the usual working of a business concern.

2.What is purpose of fire insurance? Write any three?

The fire insurance withholding program is designed to provide municipalities with some financial protection against the cost of cleaning up a damaged structure following a fire loss. Participating municipalities may be eligible to receive a portion of a policyholder's final settlement to be held in a specified escrow account until the structure is repaired, replaced, or demolished, at which time the escrow funds would be released by the municipality back to the property owner.

3.What is Salvage?

Fire may destroy some items of stock completely. Some other portion of stock may be damaged and some items of stock may not be affected at all.

4.What is sales or return?

Traders may sent goods to customers with the understanding that they can inspect the goods and decide to keep them or return them, within a specified time.

5.What is the formula to calculate claim under average clause?

Actual loss of stock = stock on the date of fire – salvage value.

$$\text{Claim to be lodged} = \frac{\text{Insured stock}}{\text{Stock on the date of fire}} \times \text{Actual loss of Stock}$$

6.Principles of Fire insurance:

1. **Valued policy**: When the agreed value of the subject matter is mentioned in the policy is named as valued policy. This value may not necessarily be the actual value of the property. In the event of toss by fire the insurer pays the admitted value of the property.
2. **Unvalued policy:** An unvalued policy in one in which the value of the subject matter is not declared at the time of policy taken. But in case of loss the value is computed by assessment. This is also called an open policy.
3. **Specific policy**: In case of specific policy, the property is insured for a definite sum. If there is loss, the stated amount will have to be paid to the policyholder. But the actual value of the subject matter is not considered in this respect. For examples if a policy is taken for Rupees 20,000 upon a building whose

actual value is Rs.1, 00,000and afire occurs causing the amount of loss Rs.20, 000. The insurance compan will pay the whole amount of loss of Rs.20, 000irrespective of the fact that the building was insured fo one-fifth of its value.

4. **Average policy**: An average policy is one which contains the average clause. This clause required the insurance company to pay only that portion of the loss which is borne by the insured amount to the actual value of the subject matter of the insurance.

5. **Floating policy:** A floating policy is that which covers the fluctuating risk of several goods lying in different localities for supply to various markets. Such a policy is usually taken out under one sum and one premium by the businessman whose goods are lying at docks and warehouses.

6. **Stock declaration policy**: This policy is taken for covering the stock where great fluctuations in the value can happen throughout the contract period. On such policy 75% of the premium has to be deposited in advance.

7. **Loss of profit policy**: Such type of policy covers the loss of profit which sustains as a result of fire. This policy is also known as consequential loss policy.

8. **Standard fire policy**: This policy is issued for compensation of all direct loss or damage caused by lighting and burning. Such policy also covers damages by earthquake, hair flood, explosion, cyclone and riot.

9. **Reinstatement policy**: Under this policy insurance company pays more than the actual value of the property destroyed by fire in order to cover the cost of replacement of the said property. It is also called as ―Replacement Policy‖. This type of policy is not very common in these days.

10. **Schedule Policy**: A schedule policy is one which insures many properties under collective terms and conditions, Details of the properties and their respective rates of premium are listed in one policy only for the convenience of the insured.

7. **Characteristic of fire insurance claim:**

1.Fire insurance is a contract of indemnity. The insurer is liable only to the extent of the actual loss suffered. If there is no loss there is no liability even if there is a fire.

2.Fire insurance is a contract of good faith. The policy-holder and the insurer must disclose all the material facts known to them.

3.Fire insurance policy is usually made for one year only. The policy can be renewed according to the terms of the policy.

4.The contract of insurance is embodied in a policy called the fire policy. Such policies usually cover specific properties for a specified period.

5.Insurable Interest: A fire policy is valid only if the policy-holder has an insurable interest in the property covered. Such interest must exist at the time when the loss occurs.

6.In case of several policies for the same property, each insurer is entitled to contribution from the others. After a loss occurs and payment is made, the insurer is subrogated to the rights and interests of the policy-holder. An insurer can reinsure a part of the risk.

7.Fire policies cover losses caused proximately by fire. The term loss by fire is interpreted liberally. Example: A women hid her jewellery under the coal in her fireplace. Later on she forgot about the jewellery and lit the fire. The jewellery was damaged. Held, she could recover under the fire policy.

8.Nothing can be recovered under a fire policy if the fire is caused by a deliberate act of policy-holder. In such cases the policy-holder is liable to criminal prosecution.

9.Fire policies generally contain a condition that the insurer will not be liable if the fire is caused by riot, civil disturbances, war and explosions. In the absence of any specific expectation the insurer is liable for all losses caused by fire, whatever may be the causes of the fire

UNIT – V PART – A 2 Mark Questions

1. **Who is a preferential creditors?**

   These are creditors who must be fully paid, though they have no specific security.

2. **What is the meaning of insolvent?**

   According to popular usage, an 'Insolvent' is one who is not able to pay his debts as and when they are due.

3. **Who is partly secured creditors?**

   The creditors whose loan is more than the realizable value of their security are termed as partly secured.

4. **What is fully secured creditors?**

   These creditors have securities whose realizable value is more than the loan and outstanding interest.

5. **Who is unsecured creditors?**

   All creditors who have no specific asset as security are shown under this list.

6. **Why do you prepare deficiency account?**

   This information will include a reconciliation of the position between the last set of published accounts and the statement of affairs, known as the deficiency account. Here we will look at how the deficiency account can be interpreted and how it can be used to explore whether wrongful trading has taken place on the part of the director.

7. **What is meant by Statement of Affairs?**

A Statement of Affairs (SOA) is a critically important document within the insolvency process that provides an overview of the company's assets and liabilities.

It gives gives the Insolvency Practitioner the opportunity to assess everything the company may own, as well as details of fixed or floating charges.

PART – B & C   5 & 10 Mark questions

1. Prepare the specimen of statement of affairs?

Gross Liabilities Rs.	liabilities	Rs.	Expected to rank Rs.	Assets	Book value	Estimated to produce Rs.
				Property as per list E.		
----------	Unsecured creditors as per list A			Cash in hand	-----	---------
				Cash at bank	-----	--------
-----------				Investments	-----	---------
		---		Stock	-----	--------
	Fully secured creditors as per list B			Machinery etc.,	-----	--------
	Less: Estimated value of security	----		Book debts as per list F1		
		----		Good	------	---------
----------	Less: Amount carried down to list C	----		Doubtful	------	---------
				Bad	------	---------
				Bills of exchange as per list G:	-------	---------
	Surplus as per contra	----		Surplus from securities in the hands of secured creditors as per contra		---------
	Partly secured creditors as per list C	----				------------
	Less: Estimated value of security	----	--------	Less: Preferential creditors as per list D as per contra		----------
-----------	Preferential creditors as per list D	----		Deficiency as explained in list H (bal.fig)		--------------
	Less: Deducted as per contra	----				
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2. What are the bases on which expenses are allocated among the department?

S.No	Expenses	Basis of Allocation
1.	Selling Expenses, Selling Commissions, Advertisement, Bad Debts, Carriage Outwards, Packing and Delivery Expenses, Godown Rent, Storage, Discount allowed, Travelling Salesmen's Salary and Commission, After Sale Service, Sales Managers Salary, Provision for Discount Allowed, Freight Outwards etc.	Turnover or Sales of each department.
2.	Discount Received, Carriage Inwards Provision for Discount on Creditors.	Purchase of each department.
3.	Rent, Rates, Taxes, Repairs to Building, Insurance, Maintenance or Depreciation of Building, Air Conditioning Expenses, etc.	Floor area occupied or Value of floor space
4.	Lighting, Electricity Charges. Heating etc. Insurance, Depreciation on Plant and Machinery, Fire.	Light Points/Floor Area Occupied Assets value of each department
5.	Insurance, Preliminary repairs to assets, Repairs and renewals etc.	
6.	Group Insurance Premium, Supervisors' Salary, Workmen Compensation Insurance, Contribution to ESI etc.	Direct wages of each department
7.	Canteen Expenses, Medical benefits, Labour and Welfare expenses or expenses relating to labour.	Numbers of workers
8.	Works Manager's Salary.	Time spent in each department
9.	Power.	Horse Power or Horse Power x Hours worked
10.	Insurance of Stock.	Average stock of each department

3. What is deficiency account? Prepare the specimen of deficiency account or contents?

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
Expenses of assets over liabilities (capital) on		....	Excess of liabilities over assets on		....
Net profit from carrying on business from .... To ....after deducting usual trade expenses		....	Net loss from carrying on business from.......to the date of adjudication		....
		....	Bad debts as per list F.		....
Income or profit from other sources.		....	Expenses incurred since......, other than usual business expenses i.e, Household expenses. (drawings)		....
Deficiency as per statement of Affairs			Other losses: Loss on realization of Assets:		

4. **Write the difference between Balance sheet and standard of affairs.**

Sl.No	Contents	Statement of affairs	Balance sheet
1.	Legal Basis	Provisions of insolvency act	Not based any act
2.	Periodicity	Who is adjudicated as insolvent	End of every accounting year
3.	Capital and profit or loss	Profit and loss for shown	They completely omitted
4.	Recording of assets	Individual values	Grouped values
5.	Recording of Liabilities	Liabilities individually	Four separate groups
6.	Lists	Not accompanied by any lists	List must be attached
7.	Deficiency	Does not shown	Separately explained
8.	Assets given as Security	All assets are shown assets side.	Assets are shown liabilities side
9.	Contra Entries	Does not shown contra items	Shown contra items