

# **Accountancy**

## **Company Accounts and Analysis of Financial Statements**

*Textbook for Class XII*



12128



राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्  
NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING

ISBN 978-93-5007-342-1

**First Edition**

March 2007 Phalguna 1928

**Reprinted**

October 2007 Kartika 1929

December 2008 Pausa 1930

January 2010 Magha 1931

January 2011 Magha 1932

January 2012 Magha 1933

**Revised Edition**

June 2015 Jyaistha 1937

**Reprinted**

December 2015 Agrahayna 1937

January 2017 Magha 1938

December 2017 Pausa 1939

February 2019 Phalguna 1940

January 2020 Phalguna 1941

PD 300T BS

© National Council of Educational  
Research and Training, 2007

₹ 120.00

Printed on 80 GSM paper with  
NCERT watermark

Published at the Publication Division  
by the Secretary, National Council  
of Educational Research and  
Training, Sri Aurobindo Marg,  
New Delhi 110 016 and printed at  
Aravali Printers & Publishers (P) Ltd.,  
A-129, Okhla Industrial Area, Phase-  
II, New Delhi-110 020

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## FOREWORD

The *National Curriculum Framework* (NCF), 2005, recommends that children's life at school must be linked to their life outside the school. This principle marks a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home and community. The syllabi and textbooks developed on the basis of NCF signify an attempt to implement this basic idea. They also attempt to discourage rote learning and the maintenance of sharp boundaries between different subject areas. We hope these measures will take us significantly further in the direction of a child-centred system of education outlined in the *National Policy on Education* (1986).

The success of this effort depends on the steps that school principals and teachers will take to encourage children to reflect on their own learning and to pursue imaginative activities and questions. We must recognise that, given space, time and freedom, children generate new knowledge by engaging with the information passed on to them by adults. Treating the prescribed textbook as the sole basis of examination is one of the key reasons why other resources and sites of learning are ignored. Inculcating creativity and initiative is possible if we perceive and treat children as participants in learning, not as receivers of a fixed body of knowledge.

These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time-table is as necessary as rigour in implementing the annual calendar so that the required number of teaching days are actually devoted to teaching. The methods used for teaching and evaluation will also determine how effective this textbook proves for making children's life at school a happy experience, rather than a source of stress or boredom. Syllabus designers have tried to address the problem of curricular burden by restructuring and reorienting knowledge at different stages with greater consideration for child psychology and the time available for teaching. The textbook attempts to enhance this endeavour by giving higher priority and space to opportunities for contemplation and wondering, discussion in small groups, and activities requiring hands-on experience.

The National Council of Educational Research and Training (NCERT) appreciates the hard work done by the textbook development committee

responsible for this book. We wish to thank the Chairperson of the advisory group in Social Sciences Professor Hari Vasudevan and the Chief Advisor for this book, Professor R.K. Grover, (Retd.) Director, School of Management Studies (IGNOU), New Delhi for guiding the work of this committee. Several teachers contributed to the development of this textbook; we are grateful to their principals for making this possible. We are indebted to the institutions and organisations which have generously permitted us to draw upon their resources, material and personnel. We are especially grateful to the members of the National Monitoring Committee, appointed by the Department of Secondary and Higher Education, Ministry of Human Resource Development under the Chairpersonship of Professor Mrinal Miri and Professor G.P. Deshpande, for their valuable time and contribution. As an organisation committed to the systemic reform and continuous improvement in the quality of its products, NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinement.

New Delhi  
20 November 2006

*Director*  
National Council of Educational  
Research and Training

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# **THE CONSTITUTION OF INDIA**

## **PREAMBLE**

**WE, THE PEOPLE OF INDIA**, having solemnly resolved to constitute India into a <sup>1</sup>**[SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC]** and to secure to all its citizens :

**JUSTICE**, social, economic and political;

**LIBERTY** of thought, expression, belief, faith and worship;

**EQUALITY** of status and of opportunity; and to promote among them all

**FRATERNITY** assuring the dignity of the individual and the <sup>2</sup>[unity and integrity of the Nation];

**IN OUR CONSTITUENT ASSEMBLY** this twenty-sixth day of November, 1949 do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

1. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Sovereign Democratic Republic" (w.e.f. 3.1.1977)
2. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Unity of the Nation" (w.e.f. 3.1.1977)

## ACKNOWLEDGEMENTS

The National Council of Educational Research and Training acknowledges the valuable contributions of the *Textbook Development Committee* which took considerable pains in the development and review of manuscript as well.

Thanks are due to Savita Sinha *Professor* under whose guidance the textbook was first brought out in the year 2007 as a follow up of the National Curriculum Framework 2005. The textbook has been reworked and updated at appropriate point of time as per the provisions of the Companies Act 2013. The contribution of Post Graduate Teachers of Commerce is duly acknowledged for bringing out this updated version of textbook and developing content for embedded QR Codes in all Chapters of the textbook.

The contribution of APC Office, Administration, Publication Division and Secretariat of NCERT are also duly acknowledged for bringing out the updated textbook of accountancy.

### NOTE

The recent accounting practices adopted in the presentation of corporate financial reporting as per the Companies Act 2013 has resulted in the updation of this textbook upto August 16, 2019.

NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinement of this volume.

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