Revised Edition

50th Golden Jubilee Edition

Advanced Accounts



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S. CHAND

ADVANCED ACCOUNTS

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First Edition 1960 Subsequent Editions and Reprints 1963, 64, 65, 66, 67, 68, 69, 70, 72, 73, 74 (Twice), 76, 77, 78, 80, 81 (Twice), 82, 83 (Twice), 84, 85, 86, 87, 88, 90, 92, 93, 94, 95, 96, 97 (Twice), 2000, 2001, 2002, 2003 (Twice), 2004, 2005, 2006, 2009, (With addition of Multiple Choice Questions) Revised Edition 2011, Reprint 2012

Revised Edition 2013

ISBN : 81-219-0278-1 **Code :** 07B 199

PRINTED IN INDIA

By Rajendra Ravindra Printers Pvt. Ltd., 7361, Ram Nagar, New Delhi -110 055
and published by S. Chand & Company Pvt. Ltd., 7361, Ram Nagar, New Delhi -110 055.

PREFACE TO THE EIGHTEENTH EDITION

I am privileged to present to the learned teachers and students a revised, updated and enlarged eighteenth edition of **'Advanced Accounts'**.

The following are the important features of the present edition of the book:

Effective from 1st April, 2011 Schedule VI of the Companies Act has been replaced by a totally new Schedule VI which consists of the new forms of final accounts along with detailed general instunctions for the preparation of final accounts. The new forms with instructions have been reproduced for the benefit of the readers in chapter 19 of the book. Further in all relevant illustrations and practical problems given in exercises, the final accounts of joint stock companies have been shown in the new forms.

Recently, a few changes have also been made in respect of accounts of banks. These changes also have been incorporated in chapter 26 on banks.

Chapter no. 30 (in the old edition) on 'Critism of Financial Statements' has been deleted as its contents have become redundant. The book has now only 31 chapters.

Also, in all practical questions and illustrations, dates have been changed to given the problems a contemporary look; wherever found desirable, the amounts have also been changed.

Thus, an attempt has been made to make the book more useful.

Errors which have come to my notice have also been rectified. Of course, there may still be many other errors which have escaped notice. I am greatly indebted to the teachers and students of the subject who have been kind enough to point out errors and send suggestions for improvement. I earnestly request them to continue to do so.

I hope this edition will be welcomed by the students and teachers of Accounting with as much warmth and generosity as was accorded to the previous editions.

My thanks are due to all those who have helped me in different ways in bringing out this edition. I am especially grateful to chartered accountant Ms. Santosh Maheshwari of Jodhpur, Rajasthan. She sent to me a copy of annual report of J.K. Cement Ltd. for 2011-12 from which I have used Cash Flow Statement as a specimen for the benefit of the students. She also told me how certain items were being treated by the joint stock companies and shown in their final accounts under the new format.

I am thankful to the management team and the editorial department of S.Chand & Company Pvt. Ltd., for the help and support and in the publication of this edition.

S.C. GUPTA

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PREFACE TO THE FIRST EDITION

The aim of this work is to present to the reader the whole range of Book Keeping and Accountancy in one volume with precision and system as well as adequate details necessary to make the book one of practical utility.

The book differs from many others already in existence in that it deals in a lucid manner with all modern methods of preparation and presentation of accounts, keeping in view the exacting requirements of several enactments, especially the Companies Act, 1956. The book is replete with illustrations which have been graded with a view to enabling the student to progress along from the easy to the more complex points. To facilitate recapitulation and a better grasp of the subject, a large number of test problems with answers have been given at the end of each chapter. Certain portions of more advanced and complex nature have been marked with asterisks and may be ignored by those who do not wish to go into complexities.

The book fully covers the syllabi of all the Indian Universities for the various Commerce Examinations, as also the syllabi of the Intermediate and Final Examinations conducted by the Institute of Chartered Accountants of India. Mistakes and deficiencies are likely to be noticed by the reader, and we shall be grateful if they are pointed out to us. Any other suggestions to further increase the utility of the book will be acknowledged and incorporated in the next edition.

We regret very much the sad and premature demise of our co-author, Shri V. Sahai, while the book was in the Press. He brought to bear upon the book his vast experience of practical accounts. His contributions had definitely enhanced the value of the work. We trust and believe that the blending of our academic and practical experience has made the book useful not only to the students, but also to the practising accountants.

We are thankful to Shri Ajit Singh Sabherwal, M.A., B. Com., who has helped us in many ways, especially in the preparation of the index.

M.C. SHUKLA
T.S. GREWAL

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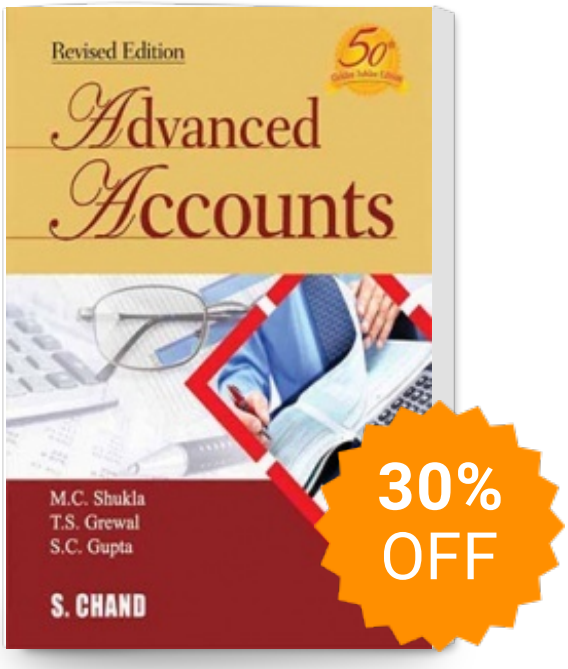
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Advanced Accounts



Publisher : SChand Publishing ISBN : 9788121902786

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