

* Balance Sheet

- It is an statement which show real financial position of a business in form of asset and liabilities on a particular date. Balance sheet is divided into two parts. The left hand side of the balance sheet is known as 'liability side' on which all payable amount of a business, outstanding expenses, pre received are recorded. The right hand of the balance sheet is known as 'Asset side' on which all property of a business, receivable amount, prepaid expenses and accrued income are recorded. Balance sheet must be tally.
- Following is the sepecimen of balance sheet.

- Fixed asset or liabilities
- Current asset or liabilities

• Order of permance

- In this case the first fixed asset and liability are recorded then current asset and liabilities recorded.

• Order of liquidity

- In this case the first current asset and liability are recorded then current asset and liabilities are recorded.

order of liquidity
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classmate

Date _____

Page _____

Balance sheet of

AS on 31-3-

order of Permanence

Liabilities

(₹)

ASSET

(₹)

Capital A/c

(+) Net profit

(+) Int. on capital

(-) Drawing

(-) Int. on drawing

(-) Net loss

Bank loan

Bank overd

Sundry creditor

Bills payable

Outstand exp.

Pre-received income

land & Building

Plant & machinery

Furniture & fixture

Investment

Goodwill, Copy right

Trade Mark, Patent

stock

Debtors

Bills receivable

Cash or bank bal

pre-paid exp.

Accrued income

xxx

fix
asset

Current
asset

fix
asset

Current
asset