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- 6.6 **ACCOUNTING PROCEDURE**
 - (A) *Simple Dissolution.*
 - (B) *Dissolution Under Insolvency Situation.*

Competency Statements

- ☐ *The Students are able to :*
- *Understand the meaning and Reasons of dissolution of partnership firm.*
- *Know the effects of dissolution of Partnership firm.*
- *Learn various accounting treatment for settlement of accounts.*
- *Learn accounting procedure under simple dissolution and insolvency of partner.*

6.1 Introduction :

Dissolution means to windup or to close down. When business relations among the partners in a Partnership Firm comes to an end, it is known as Dissolution of Partnership. When one or more partner/partners take decision to close the Partnership Firm, it is known as Dissolution of Partnership firm. When all partners decide to discontinue from partnership firm, it results in to dissolution of partnership. The relationship between partners is referred to as Partnership. While all the partners collectively are called firm. Dissolution of a firm is different from dissolution of partnership.

In short, dissolution of partnership may not include dissolution of the firm, but dissolution of the firm means dissolution of the Partnership.

Meaning and Definition :

Meaning - In Legal terms dissolution has multiple meaning. A word “DISSOLUTION” comes from the Latin word “DISSOLUTION”, means “A dissolving of something”. Dissolution is the last stage of closure of business.

Definition :

1. Indian Partnership Act 1932, Sec. 39, provides that, “The dissolution of the partnership between all the partners of a firm is called the dissolution of a firm.” It implies the complete breakdown of the relation of Partnership between all the partners.
2. “The act or process of ending an official organization or legal agreement.”
3. “The dissolution of partnership firm indicates the discontinuance function as a firm”.

6.2 Reasons For Dissolution of Partnership Firm :

1. By Voluntary act of partners themselves.
2. When the period (Duration) of partnership firm is expired.
3. Partnership can be dissolved after the completion of specific Venture for which it was formed.
4. Insolvency of all partners or all partners except one results in to dissolution.
5. Illegal or unlawful business activity results into dissolution.
6. Partnership at will can be dissolved by giving notice of 14 days.

In addition to the above circumstances, Honorable Court can order to dissolve the partnership on legal grounds. For example - Guilt of misconduct : Partner becomes of unsound mind, breach of agreement etc.

6.3 Difference Between Dissolution of Partnership and Dissolution of firm.

Basic of Comparison	Dissolution of Partnership	Dissolution of Firm.
Meaning	It may or may not involve dissolution of firm.	It implies dissolution of Partnership
Nature	The nature of Dissolution of Partnership is Voluntary	The nature of Dissolution of firm's voluntary or compulsory.
Continuation of Business	The business continues However the partnership is reconstituted	The Business discontinues completely.
Requirements	It requires revaluation of assets and liabilities for reconstitution of firm.	It requires realization of assets and liabilities for closure of the firm.
Final closure of Books	It does not require final closure of the books of accounts.	It necessitates final closure of the books of accounts.
Court Order	A court order cannot dissolves a Partnership.	A court order can dissolve a firm.

6.4 Accounting Treatment / Settlement of accounts on dissolution of firm :

When firm is dissolved all assets are realised and the proceeds from it, are to be paid for the liabilities of the partnership firm. According to Indian Partnership Act 1932 Sec. 48 the liabilities are paid as per the order given below.

- (a) Realisation (Dissolution) expenses to be paid first.
- (b) Outside liabilities (Third party liabilities) to be paid e. g. Sundry Creditors, Bills payable, Bank overdraft, Loan from others, Outstanding expenses etc.
- (c) After paying all outside liabilities, if there is any surplus cash available, to be paid for loans given by the partners to the firm. If all the partners' loan are not fully repaid due to insufficient funds, they are entitled to share proportionately.
- (d) If still surplus cash remains that should be distributed to the partners' capital in profit sharing ratio.

6.5 Accounting Procedure

The dissolution of partnership firm is to be studied under the following two heads.

- (A) SIMPLE DISSOLUTION.
- (B) DISSOLUTION UNDER INSOLVENCY SITUATION.

6.5 (A) SIMPLE DISSOLUTION.

When all partners of partnership firm are solvent and they decided to dissolve their firm due to any reason it is called as Simple Dissolution of Partnership Firm. Under simple dissolution of a partnership firm following accounts are opened in the books of a firm.

- 1) Realisation Account.
- 2) Partners Capital Account.
- 3) Partners Currents Account. (If capital method is fixed.)
- 4) Partners Loan Account (If necessary).
- 5) Cash or Bank Account.

- 1 Realisation Account :** While preparing Realisation account all Sundry assets and all third party liabilities are transferred. Realisation is the process of converting assets into cash. Assets realised are credited and liabilities settled are debited to this account. The purpose of this account is to show the gain (profit) or loss on realisation and is, therefore a Nominal Account. The account is closed by transferring the gain (profit) or loss on realisation to partners Capital / Current Account in their profit sharing ratio. The debit balance of Realisation A/c is Loss and credit balance is Profit.
- 2 Partners Capital Account :** Capital balance of all the partners appearing in the Balance Sheet should be shown on credit side or debit side to the respective partners capital account as “By Balance b/d” or “To Balance b/d”, also transfer Reserves, Accumulated Profits or losses, Realisation Profit or loss. After making all the adjustments the balance represents the amount due to partners or due from partner. The accounts are closed after the partners receive cash or pay cash.
- 3 Partners Current Account :** All Partners Current Account is opened, when fixed capital method is given. Current Account shows a Debit Balance or Credit Balance. At the end closing balances of Partners Current Account are transferred to Partners Capital Account.
- 4 Partners Loan Account :** Credit Balance of Partner’s Loan Account is not transferred to Realisation Account credit side but it is paid off through a separate account after payment of all the amounts owed to outsiders (third party) of the firm. However debit balance of Partners Loan should be debited to partners Capital / Current Account directly.
- 5 Cash / Bank Account :** Cash / Bank Account is opened in the books of firm. Debit balance of Cash / Bank appearing in the balance sheet asset side should be shown on cash / Bank Account debit side as “To Balance b/d”. After incorporating all the amounts to cash or Bank, the balance of this account must be equal to the amount due to the partners. All cash receipts in process of dissolution is debited and all payments made by firm are credited to cash / Bank A/c.

Accounting Entries To Close The Books Of Accounts -

On dissolution of partnership firm, the books of accounts are to be closed permanently, and Balance Sheet is to be prepared. If the Balance Sheet last drawn and the date of dissolution differs on the date of dissolution one fresh Balance Sheet is to be prepared for closing books of the partnership firm. If the date of dissolution and the date of Balance Sheet remains the same, one should not prepare a revised Balance Sheet. The procedure of simple dissolution may be divided into stages as under.

i) Transfer Stage :

Under this stage closing Balance Sheet’s all Assets. (Except cash / Bank debit balance, fictitious assets viz formation expenses, profit and loss A/c (Debit Balance, advertising suspense etc.) and all liabilities (except partner’s capital, partners loan and any undistributed profit etc.) are transferred to

Specimen Journal Entries of Dissolution of Partnership Firm

Transfer Stage

1. For TRANSFERRING Assets to REALISATION Account :

REALISATION A/c.Dr. (With the book VALUE or BALANCE Sheet VALUE)

To Assets A/c (INDIVIDUALLY)

(BAING TRANSFER of VARIOUS ASSETS AT book VALUE to REALISATION Account.)

2. For TRANSFERRING LIABILITIES to REALISATION Account :

All the LIABILITIES to third PARTIES ARE closed by TRANSFER to REALISATION Account.

Sundry Creditors A/c. Dr. At

Bills PAYABLE A/c Dr. Book

BANK OVERDRAFT A/c Dr. VALUES

Outsider's LOAN A/c (other THAN PARTNER) Dr.

OUTSTANDING Expenses A/c Dr.

To REALISATION A/c

(Being TRANSFER of LIABILITIES to REALISATION Account.)

3. For TRANSFER of ACCUMULATED Profit AND Reserves :

ACCUMULATED profits MEANS undistributed e. g. GENERAL Reserve, Reserve Fund, Profit AND loss A/c (credit BALANCE). It should be TRANSFERRED to PARTNERS CAPITAL Account or PARTNERS Current Account in their profit SHARING RATIO. The entry is :

GENERAL Reserve A/c Dr. (In Profit

Reserve Fund A/c Dr. SHARING

Profit AND Loss A/c. Dr. RATIO)

To ALL PARTNERS CAPITAL / Current A/c.

(Being ACCUMULATED Profit AND Reserves TRANSFERRED to ALL PARTNERS CAPITAL / Current A/c in their profit SHARING RATIO.)

4. For TRANSFER of ACCUMULATED Loss:

ACCUMULATED loss ARE the losses suffered by the PARTNERSHIP firm not distributed AMONG the PARTNERS e. g. Profit AND Loss A/c debit BALANCE such ACCUMULATED Loss is TRANSFERRED to PARTNERS CAPITAL Account or PARTNERS Current Account. The entry will be :

All PARTNER's CAPITAL / Current A/cDr.

To Profit AND Loss A/c (Debit BALANCE)

To Advertising Suspense A/c

(Being ACCUMULATED loss TRANSFER to ALL PARTNERS CAPITAL Accounts in their Profit SHARING RATIO.)

REALISATION / DISPOSAL STAGE

1. If the Assets ARE sold for CASH -

CASH / BANK A/cDr. (Selling Price)
 To REALISATION A/c.
(Being ASSETS sold for CASH.)

2. If the Assets ARE TAKEN over by ANY PARTNER -

PARTNER's CAPITAL / Current A/c.Dr. (Agreed VALUE)
 To REALISATION A/c.
(Being ASSETS TAKEN over by the PARTNER.)

3. For PAYMENT of LIABILITIES & For PAYMENT of REALISATION Expenses

A) For PAYMENT to outsiders LIABILITIES (Third PARTY) & REALISATION Expenses

REALISATION A/c.Dr. (ACTUAL PAYMENT.)
 To CASH / BANK A/c.
(Being third PARTY LIABILITIES PAID.)

B) If ANY PARTNER DISCHARGES ANY LIABILITIES of the firm & REALISATION Expenses

REALISATION A/c.Dr. (ACTUAL AMOUNT PAID)
 To PARTNERS CAPITAL / Current A/c.
(Being LIABILITY TAKEN over by A PARTNER.)

Note: If nothing is mentioned ABOUT PAYMENT of ANY LIABILITY by then it is PAID AT Book VALUE.

4. If commission is given to ANY PARTNER for REALISING ASSETS :

REALISATION A/c.Dr. (Agreed VALUE)
 To PARTNER's CAPITAL / Current A/c.
(Being commission PAID for REALISING the ASSETS)

5. If Any Contingent LIABILITY is PAID (i.e. LIABILITY not included in BALANCE Sheet) :

REALISATION A/c.Dr. (ACTUAL PAYMENT)
 To CASH / BANK A/c.
(Being contingent LIABILITY PAID.)

6. For PAYMENT of PARTNER's LOAN -

As per section 48 of the PARTNERSHIP Act 1932 PARTNERS LOAN SHALL be PAID AFTER MAKING the PAYMENT to third PARTIES. It should not be TRANSFERRED to REALISATION ACCOUNT, the LOAN due to A PARTNER is PAID AND the entry is :

PARTNER's LOAN A/c.Dr. (ACTUAL PAYMENT)
 To CASH / BANK A/c.
(Being REPAYMENT of PARTNER's LOAN.)

DISTRIBUTION STAGE

Under this STAGE first REALISATION ACCOUNT is closed AND the profit or loss on REALISATION ACCOUNT is TRANSFERRED to PARTNER'S CAPITAL / Current Account in their AGREED Profit SHARING RATIO. After MAKING ALL the ADJUSTMENTS RELATED to ALL PARTNERS PARTNER'S CAPITAL Account is closed by setting the BALANCE.

1 For Closing REALISATION Account : REALISATION Account is a NOMINAL Account; it is closed to find out profit or loss MADE / suffered on REALISATION of ASSET AND PAYMENT of outside LIABILITIES.

A) For TRANSFER of Profit on REALISATION Account :

If the credit side of the REALISATION Account is more THAN the debit side A Profit HAS been MADE AND should be TRANSFER to ALL PARTNERS CAPITAL / Current Account. The entry is :

REALISATION A/c.Dr. (In profit SHARING RATIO)

To All PARTNER'S CAPITAL / Current A/c.

(Being Profit on REALISATION TRANSFERRED to ALL PARTNERS CAPITAL / Current Account in their profit SHARING RATIO)

B) For TRANSFER of Loss on REALISATION Account :

If the debit side of the REALISATION Account is more THAN the credit side A Loss HAS been incurred AND the entry will be :

All PARTNER'S CAPITAL / Current A/cDr. (In profit SHARING RATIO)

To REALISATION A/c.

(Being loss on REALISATION TRANSFERRED to ALL PARTNERS CAPITAL / Current Account in their profit SHARING RATIO)

2 For Closing Current Accounts : Current Accounts of the PARTNERS (if ANY) should be closed by TRANSFERRING the BALANCE to CAPITAL Account of the PARTNERS. The entry is :

A) If Current Account shows Credit BALANCE :

PARTNER'S Current A/c.Dr.

To PARTNER'S CAPITAL A/c.

(Being TRANSFER of credit BALANCE to PARTNER'S CAPITAL ACCOUNT)

B) If Current Account shows Debit BALANCE :

PARTNER'S CAPITAL A/c.Dr.

To PARTNER'S Current A/c.

(Being TRANSFER of debit BALANCE to PARTNER'S CAPITAL ACCOUNT)

3 For Closing CAPITAL Account :

A) As the CAPITAL Accounts of the PARTNERS shows a debit BALANCE PARTNER should bring in CASH to settle his ACCOUNT with the firm. The entry is :

CASH / BANK A/c.Dr.

To PARTNER'S CAPITAL A/c.

(Being AMOUNT due from the PARTNER received)

B) If CASH PAID to PARTNER to settle the CAPITAL Account :

PARTNER'S CAPITAL A/c.Dr.

To CASH / BANK A/c.

(Being AMOUNT due to PARTNERS PAID AS FINAL settlement.)

PROFORMA OF REALISATION ACCOUNT

Dr.

REALISATION Account

Cr.

PARTICULARS	Amount	PARTICULARS	Amount
To Sundry Assets A/c. (TRANSFERRED ALL ASSETS, excluding CASH, BANK, Fictitious ASSETS, ACCUMULATED losses, debit BALANCE of PARTNERS CAPITAL / Current A/c. LOAN to PARTNER(S))	(Book VALUE)	By Sundry LIABILITIES A/c. (TRANSFERRED third PARTY LIABILITIES, excluding PARTNERS CAPITAL, Reserves, ACCUMULATED Profit, LOAN from PARTNER(S)).	(Book VALUE)
To Provision on Any LIABILITIES A/c. (Reserve for discount on creditors)	(Book VALUE)	By Provision on Any Assets A/c. (Reserve for Doubtful Dettis (R. D. D.))	(Book VALUE)
To CASH / BANK A/c. (DISCHARGE Sundry LIABILITIES)	(Agreed-VALUE)	By CASH / BANK A/c. (Received AMOUNT on REALISATION of ASSETS.)	(Re-ALISED VALUE)
To CASH / BANK A/c. (PAYMENT of unrecorded LIABILITIES.)	(Agreed-VALUE)	By CASH / BANK A/c. (Received AMOUNT from unrecorded ASSETS.)	(ACTUAL VALUE)
To CASH / BANK A/c. (PAYMENT of Dissolution / REALISA-tion Expenses.)	(Agreed-VALUE)	By PARTNERS CAPITAL / Current A/c. (Any Assets TAKEN over by A PARTNER recorded or unrecorded.)	(Agreed-VALUE)
To PARTNERS CAPITAL / Current A/c. (Any LIABILITY TAKEN over by A PARTNER.)	(Agreed-VALUE)	By PARTNERS CAPITAL / Current A/c. (Loss on REALISATION TRANSFERRED AT Profit SHARING RATIO.)	xxx xxx
To PARTNERS CAPITAL / Current A/c. (Profit on REALISATION TRANSFERRED AT Profit SHARING RATIO.)	xxx xxx		
TOTAL	xxx	TOTAL	xxx

PRACTICAL PROBLEM ON DISSOLUTION OF PARTNERSHIP FIRM

(Simple Dissolution)

1. **GANESH AND KARTIK ARE PARTNERS SHARING Profits AND Losses EQUALLY. They decided to dissolve the firm on 31st MARCH 2018. Their BALANCE Sheets WAS AS under :**

BALANCE Sheets AS on 31st March 2018.

LIABILITIES	Amount `	Assets	Amount `
Creditors	18,400	Building	88,000
Bills PAYABLE	5,600	Furniture	12,000
Reserve Fund	20,000	Debtors	32,000
CAPITAL A/c :		Stock	24,000
Genesh	40,000	Bills RECEIVABLE	4,000
KARTIK	80,000	CASH	4,000
	1,64,000		1,64,000

Assets were REALISED AS under :

Building ` 82,000, Debtors ` 22,000, Stock ` 20,000. Bills RECEIVABLE ` 3,200 AND GANESH AGREED to TAKE over Furniture for ` 10,000. REALISATION Expenses AMOUNTED to ` 2,000.

Show REALISATION A/c, PARTNERS' CAPITAL A/c AND CASH A/c.

(Ans : REALISATION Loss - ` 24,800, CASH A/c TOTAL ` 1,31,200,

Amount PAID to GANESH - ` 27,600 AND KARTIK ` 77,600)

2. **LEELA, MANDA AND KUNDA ARE PARTNERS in the firm 'JANKI Stores' SHARING Profits AND Losses in the RATIO of 3:2:1 respectively. On 31st MARCH 2018 they decided to dissolve the firm when their BALANCE Sheet WAS AS under.**

BALANCE Sheets AS on 31st March 2018.

LIABILITIES	Amount `	Assets	Amount `
Creditors	28,800	Building	1,02,000
Bills PAYABLE	21,600	MACHINERY	73,000
CAPITAL A/c's		Motor CAR	1,67,600
LEELA	2,27,160	Goodwill	45,600
MANDA	1,44,000	Investment	62,400
KUNDA	1,08,000	Debtors	30,600
		Stock	45,000
		BANK	3,360
	5,29,560		5,29,560

LEELA AGREED to TAKE over the Building AT ` 1,23,600. MANDA took over Goodwill, Stock AND Debtors AT Book VALUES AND AGREED to PAY Creditors AND Bills PAYABLE. Motor CAR AND MACHINERY REALISED ` 1,51,080 AND ` 31,680 respectively. Investments were TAKEN by KUNDA AT AN AGREED VALUE of ` 55,440. REALISATION expenses AMOUNTED to ` 6,800.

PASS NECESSARY Journal Entries in the books of 'JANKI Stores.'

Ans : (REALISATION Loss 50,000, Amount to LEELA - ` 78,560, MANDA - ` 56,533 AND KUNDA - ` 44,227.)

3. ASHA, USHA AND NISHA WERE PARTNERS SHARING Profits AND Losses in the RATIO of 2:2:1. The following is the BALANCE Sheet AS on 31st MARCH 2019.

BALANCE Sheets AS on 31st MARCH 2019.

LIABILITIES	Amount `	Assets	Amount `
CAPITAL Accounts :		MACHINERY	1,00,000
ASHA	1,20,000	Investment	48,000
USHA	40,000	Debtors	1,10,000
NISHA	40,000	Less : R. D. D.	6,000
GENERAL Reserve	12,000	Stock	40,000
Creditors	80,000	Profit AND Loss A/c	36,000
ASHA's LOAN A/c	16,000	BANK	8,000
Bills PAYABLE	28,000		
	3,36,000		3,36,000

On the ABOVE DATE the PARTNERS decided to dissolve the firm.

- Assets were REALISED AS under MACHINERY ` 90,000, Stock ` 36,000, Investment ` 42,000 AND Debtors ` 90,000.
- Dissolution expenses were ` 6,000.
- Goodwill of the firm REALISED ` 48,000.

PASS JOURNAL Entries to close the books of firm. :

(Ans : REALISATION Profit - ` 8,000, ASHA - ` 1,13,600, USHA - ` 33,600 AND NISHA - ` 36,800)

4. SHAILESH AND SHASHANK were PARTNERS SHARING Profits AND Losses in the RATIO of 3:2. Their BALANCE Sheet AS on 31st MARCH 2019 WAS AS follows :

BALANCE Sheets AS on 31st December 2019.

LIABILITIES	Amount `	Assets	Amount `
CAPITAL Account :		Building	7000
SHAILESH	10,000	PLANT	9,000
SHASHANK	6,000	Debtors	14,000
Current Account :		Stock	5,000
SHAILESH	3,000	BANK	6,000
SHASHANK	2,000		
Creditors	17,400		
Bills PAYABLE	2,600		
	41,000		41,000

The firm WAS dissolved on the ABOVE DATE AND the ASSETS REALISED AS under.

- PLANT ` 8,000, Building ` 6,000, Stock ` 4,000 AND Debtors ` 12,000.
- SHAILESH AGREED to PAY of the BillsPAYABLE.
- Creditors were PAID in full.
- Dissolution expenses were ` 1,400.

PREPARE REALISATION A/c, PARTNERS Current A/c, PARTNERS CAPITAL A/c AND BANK A/c

(Ans : REALISATION Loss - ` 6,400, BANK A/c TOTAL - ` 36,000.

Amount to SHAILESH ` 11,760 AND SHASHANK - ` 5,440)

(When one PARTNER BECAME Insolvent)

5. **SITARAM, GANGARAM AND RAJARAM ARE PARTNERS SHARING Profits AND Losses in the RATIO of 4:2:3. On. 1st April 2019 they AGREED to dissolve the PARTNERSHIP, their BALANCE Sheet WAS AS follows :**

BALANCE Sheets AS on 31st MARCH 2019

LIABILITIES	Amount `	Assets	Amount `
CAPTITAL :		Building	55,000
SITARAM	65,000	MACHINERY	25,000
GANGARAM	45,000	Furniture	12,000
RAJARAM	7,000	Investment	15,000
Reserve Fund	18,000	Bills RECEIVABLE	3,500
Profit AND Loss Account	5,400	Sundry Debtors	21,000
LOAN from TUKARAM	10,000	Stock	28,000
Sundry Creditors	12,000	CASH in HAND	5,500
Bills PAYABLE	4,600	CASH AT BANK	2,000
	1,67,,000		1,67,000

The ASSETS REALISED : Building ` 46,750 MACHINERY ` 18,550 Furniture ` 9,600; Investment ` 10,650 Bill RECEIVABLE AND Debtors ` 20,750; All the LIABILITIES were PAID off. The cost of REALISATION WAS ` 800. RAJARAM becomes BANKRUPT AND ` 1,100 only WAS recovered from his ESTATE.

Show REALISATION Account, BANK Account AND CAPITAL Account of the PARTNERS.

**(Ans : REALISATION Loss - ` 54,000, BANK - ` 1,14,900,
Amount PAID to SITARAM - ` 50,000, GANGARAM ` 37,500)**

(When Two PARTNERS become Insolvent)

6. **SHWETA, Nupur AND SANIKA ARE PARTNERS SHARING Profits AND Losses in the RATIO of 3:2:1. Their BALANCE Sheet AS on 31st MARCH 2019 WAS AS follows :**

BALANCE Sheets AS on 31st MARCH 2019.

LIABILITIES	Amount `	Assets	Amount `
CAPTITAL A/c		Sundry Assets	1,60,000
SHWETA	65,000	CASH AT BANK	5,000
Nupur	15,000	CAPITAL A/c : SANIKA	10,000
Sundry Creditors	95,000		
	1,75,000		1,75,000

The firm is dissolved AS on 31st MARCH 2019. Sundry Assets REALISED @ 60% of its book VALUE. REALISATION expenses ` 2000 PAID by SHWETA, Nupur AND SANIKA both ARE insolvent.

Nupur's PRIVATE ESTATE HAS got A SURPLUS of ` 3,000 AND THAT of SANIKA ` 8,000.

Show NECESSARY ledger ACCOUNTS to close the books of the firm.

**(Ans : REALISATION Loss - ` 66,000, BANK - ` 1,12,000, Deficiency of Nupur - ` 4,000,
SANIKA ` 13,000, Amount PAID to SWETA - ` 17,000)**

(When All PARTNER become insolvent)

7. Following is the BALANCE Sheet AS on 31st MARCH, 2019 of A firm HAVING Three EQUAL PARTNERS Priti, PRIYA AND PRACHI.

BALANCE Sheets AS on 31st MARCH 2019.

LIABILITIES	Amount `	Assets	Amount `
CAPITAL		MACHINERY	23,000
Priti	40,000	Furniture	16,000
PRIYA	35,000	Stock	47,000
PRACHI	25,000	CASH AT BANK	10,000
TRADE Creditors	50,000	Profit AND Loss Account	84,000
LOAN (secured by MACHINERY)	30,000		
	1,80,000		1,80,000

The firm WAS dissolved due to insolvency of ALL the PARTNERS. MACHINERY WAS SOLD for ` 18,000, while Furniture fetched ` 14,000, Stock REALISED ` 35,000. REALISATION expenses AMOUNTED to ` 2,000. Nothing could be recovered from PRIYA AND PRACHI, but ` 3,400 could be collected from Priti's PRIVATE ESTATE.

Close the books of ACCOUNTS of the firm.

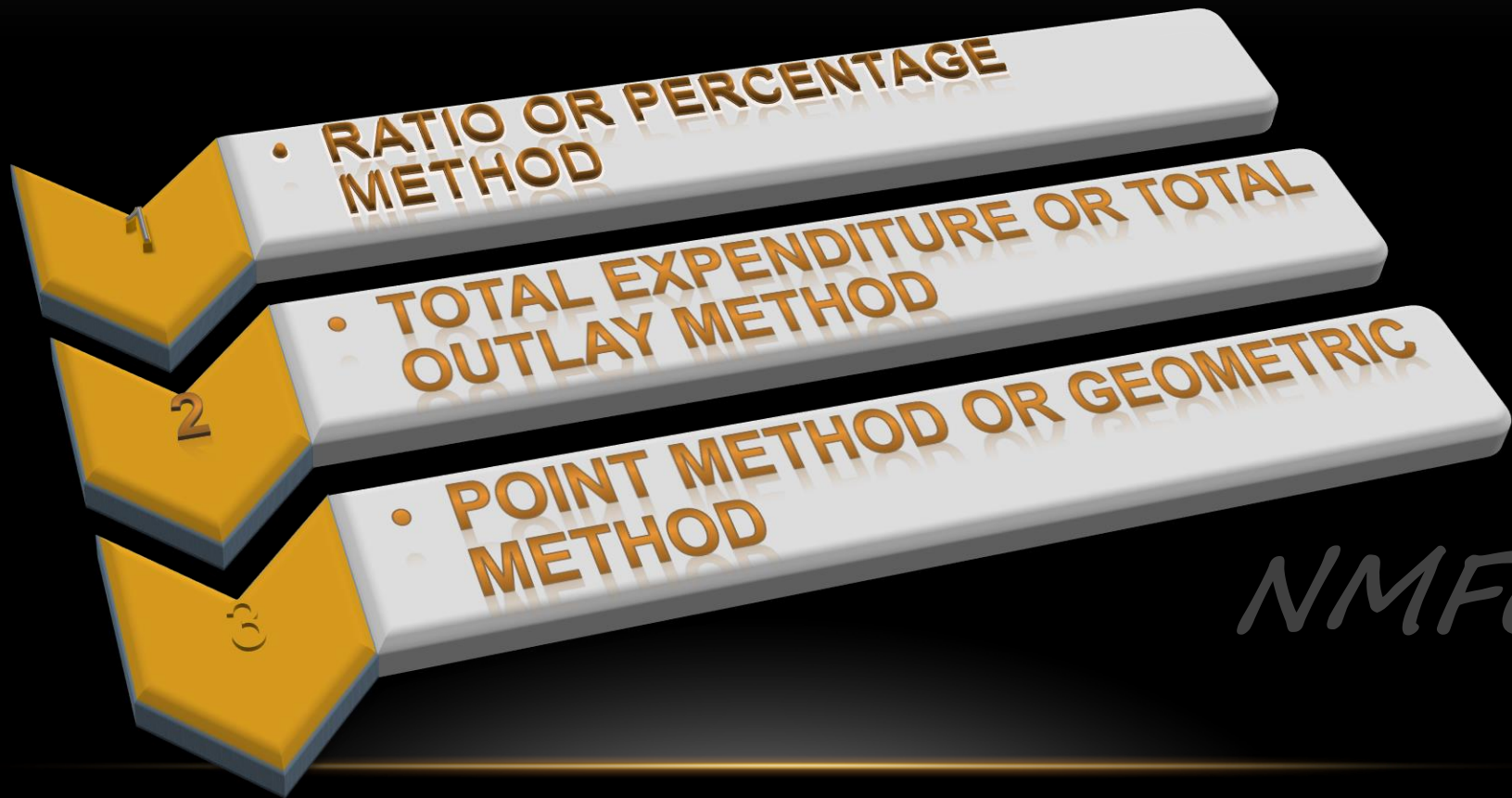
(Ans. : REALISATION Loss - ` 21,000, BANK - ` 80,400, Deficiency of Priti - ` 8,400, PRACHI ` 10,000)

ECONOMICS

Methods of measuring Price Elasticity of demand

NMFC

Methods of measuring Price Elasticity of demand



NMFC

1) RATIO OR PERCENTAGE METHOD

- Ratio method is developed by Prof. Marshall. According to this method, elasticity of demand is measured by dividing the percentage change in demand by the percentage change in price. Percentage method is also known as Arithmetic method.
- Price elasticity is measured as :

$$Ed = \frac{\text{Percentage change in Quantity demanded}}{\text{Percentage change in price}}$$

- Symbolically, $Ed = \frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$

- $Ed = \frac{\% \Delta Q}{\% \Delta P}$

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RATIO OR PERCENTAGE METHOD

EXAMPLE

	Price(Rs)	Demand(kg)
Original	20	10
New	25	09

Original Price, P = 20, New price, P = 25

$\Delta P = 5$ (Difference between new and original price)

Original Quantity Demanded, Q = 10, New demand = 9

$\Delta Q = 1$ (Difference between new and original quantity demanded)

$$\begin{aligned} \text{➤ } E_d &= \frac{\Delta Q}{Q} \times \frac{P}{\Delta P} \\ &= \frac{1}{10} \times \frac{20}{5} = 0.4 < 1 \end{aligned}$$

NMFC

$E_d < 1$ It means elasticity of demand is relatively inelastic.

2)TOTAL EXPENDITURE OR TOTAL OUTLAY METHOD

This method was developed by Prof. Marshall. In this method, total amount of expenditure before and after the price change is compared. Here the total expenditure refers to the product of price and quantity demanded.

$$\text{Total expenditure} = \text{Price} \times \text{Quantity demanded}$$

In this connection, Marshall has given the following propositions :

Cases	Price	Total Expenditure	Remarks	Relationship
Case-1	Falls	Increases	$E_d > 1$, Relatively elastic	Inverse
	Rises	Decreases		
Case -2	Falls	Remains same	$E_d = 1$, Unitary elastic	
	Rises	Remains same		
Case-3	Falls	Decreases	$E_d < 1$, Relatively inelastic	Direct
	Rises	Increases		

TOTAL EXPENDITURE OR TOTAL OUTLAY METHOD

EXAMPLE

Price in Rs. (P)		Quantity demanded in units (Q)	Total outlay (P×Q) Rs.	Elasticity of demand	remarks
A	10	6	60	Ed < 1	Relatively inelastic demand
	20	5	100		
B	30	4	120	Ed = 1	Unitary elastic demand
	40	3	120		
C	50	2	100	Ed > 1	Relatively elastic demand
	60	1	60		

GEOMETRIC OR POINT METHOD

- Prof. Marshall has developed another method to measure elasticity of demand, which is known as point method or geometric method.
- The ratio method and total outlay methods are unable to measure elasticity of demand at a given point on the demand curve.
- At any point on the demand curve, elasticity of demand is measured with the help of the following formula :

$$\text{Ed.} = \frac{\text{lower segment of demand curve}}{\text{upper segment of demand curve}}, \quad \text{Ed.} = \frac{l}{u}$$

Demand curve may be either

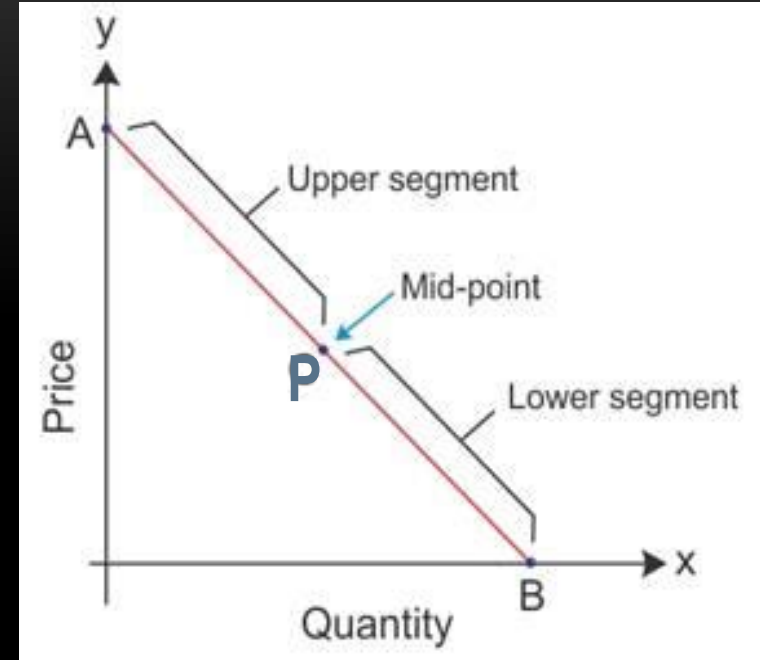
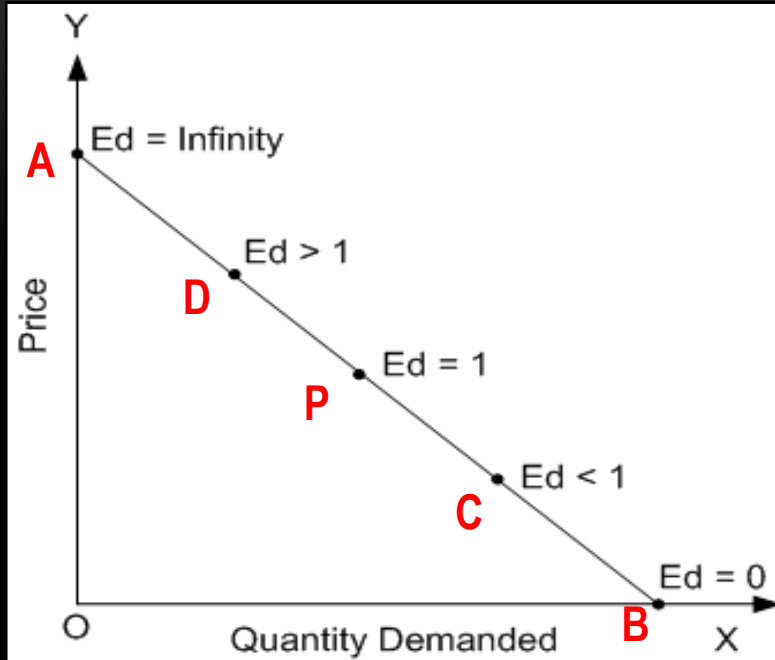


linear

non-linear

NMFC

LINEAR DEMAND CURVE



EXAMPLE

Let us assume that AB is a demand curve and its length is 8 cm. Point elasticity at various points on a linear demand curve can be measured as follows :

$$E_d = \frac{\text{lower segment of demand curve}}{\text{upper segment of demand curve}}, \quad E_d = \frac{l}{u}$$

LINEAR DEMAND CURVE

CASES	Ed.AT VARIOUS POINTS	$Ed. = \frac{l}{u}$	TYPES OF ELASTICITY OF DEMAND
1	P	$Ed. = \frac{l}{u} = \frac{PB}{PA} = \frac{4}{4} = 1$	UNITARY ELASTIC DEMAND
2	D	$Ed. = \frac{l}{u} = \frac{DB}{DA} = \frac{6}{2} = 3$	RELATIVELY ELASTIC DEMAND
3	C	$Ed. = \frac{l}{u} = \frac{CB}{CA} = \frac{2}{6} = 0.33$	RELATIVELY INELASTIC DEMAND
4	B	$Ed. = \frac{l}{u} = \frac{BB}{BA} = \frac{0}{8} = 0$	PERFECTLY INELASTIC DEMAND
5	A	$Ed. = \frac{l}{u} = \frac{AB}{AA} = \frac{8}{0} = \infty$	PERFECTLY ELASTIC DEMAND

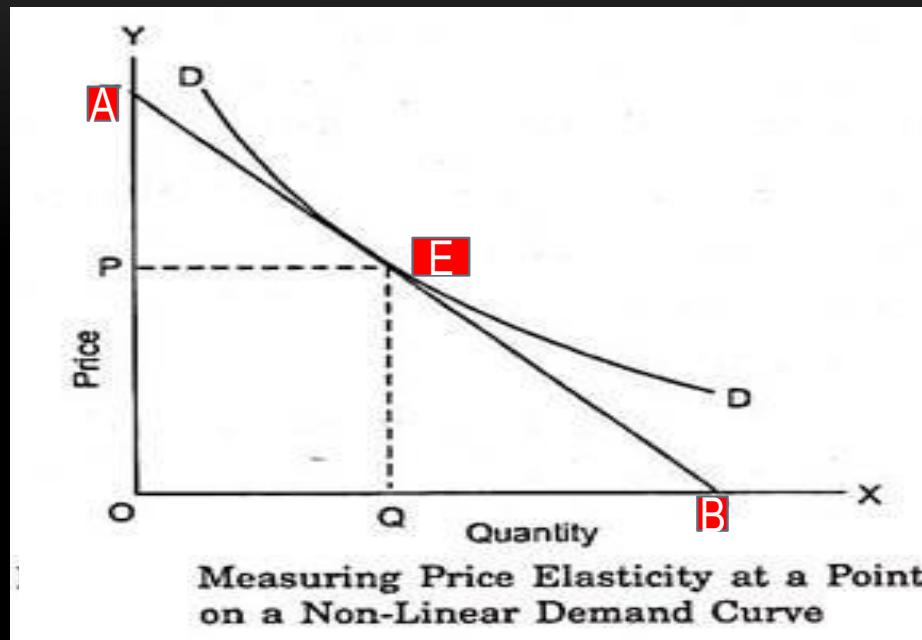
NON-LINEAR DEMAND CURVE

When the demand curve is non-linear i.e. convex to origin, to measure price elasticity of demand we have to draw a tangent 'AB' touching the given point on the demand curve and extending it to meet 'Y' axis at point 'A' and 'X' axis at point 'B'.

$$Ed. = \frac{\text{lower segment of the tangent below a given point}}{\text{upper segment of the tangent above a given point}}, \quad Ed. = \frac{l}{u}$$

NMFC

NON-LINEAR DEMAND CURVE



If

- CASE 1 $EB = EA$ ($E_d = 1$) - Unitary elastic demand
- CASE 2 $EB > EA$ ($E_d > 1$) - Relatively elastic demand
- CASE 3 $EB < EA$ ($E_d < 1$) - Relatively inelastic demand

ASSIGNMENT

Q. 1. Complete the following statements :

1) Price elasticity of demand on a linear demand curve at the X axis is

- a) zero b) one c) infinity d) less than one

2) Price elasticity of demand on a linear demand curve at the Y-axis is equal to

- a) zero b) one c) infinity d) greater than one

3) Demand curve is parallel to X axis, in case of

- a) perfectly elastic demand b) perfectly inelastic demand
c) relatively elastic demand d) relatively inelastic demand

4) When percentage change in quantity demanded is more than the percentage change in price, the demand curve is

- a) Flatter b) steeper c) rectangular d) horizontal

5) $E_d = 0$ in case of

- a) Luxuries b) normal goods c) necessities d) comforts

Q. 2. Give economic terms :

- 1. Degree of responsiveness of quantity demanded to change in income only.**
- 2. Degree of responsiveness of a change in quantity demanded of one commodity due to change in the price of another commodity.**
- 3. Degree of responsiveness of a change of quantity demanded of a good to a change in its price.**
- 4. Elasticity resulting from infinite change in quantity demanded.**
- 5. Elasticity resulting from a proportionate change in quantity demanded due to a proportionate change in price.**

Q. 3. Complete the correlation :

- 1) Perfectly elastic demand : $E_d = \infty$:: _____ : $E_d = 0$.
- 2) Rectangular hyperbola : _____ :: Steeper demand curve
: Relatively inelastic demand.
- 3) Straight line demand curve : Linear demand curve :: _____
: non linear demand curve.
- 4) Pen and ink : _____ :: Tea and Coffee: Substitutes.
- 5) Ratio method : $E_d = \frac{\% \Delta Q}{\% \Delta P}$:: _____ : $E_d = \frac{\text{lower segment}}{\text{upper segment}}$

ANSWER KEY

Q. 1. Complete the following statements :

- 1) a) zero
- 2) c) infinity
- 3) a) perfectly elastic demand
- 4) a) Flatter
- 5) c) necessities

Q. 2. Give economic terms :

- 1) Income elasticity of demand
- 2) Cross elasticity of demand
- 3) Price elasticity of demand
- 4) Perfectly elastic demand
- 5) Unitary elastic demand

Q. 3. Complete the correlation :

- 1) Perfectly inelastic demand
- 2) Unitary elastic demand
- 3) Curved demand curve (convex to origin)
- 4) Complimentary
- 5) Geometric method

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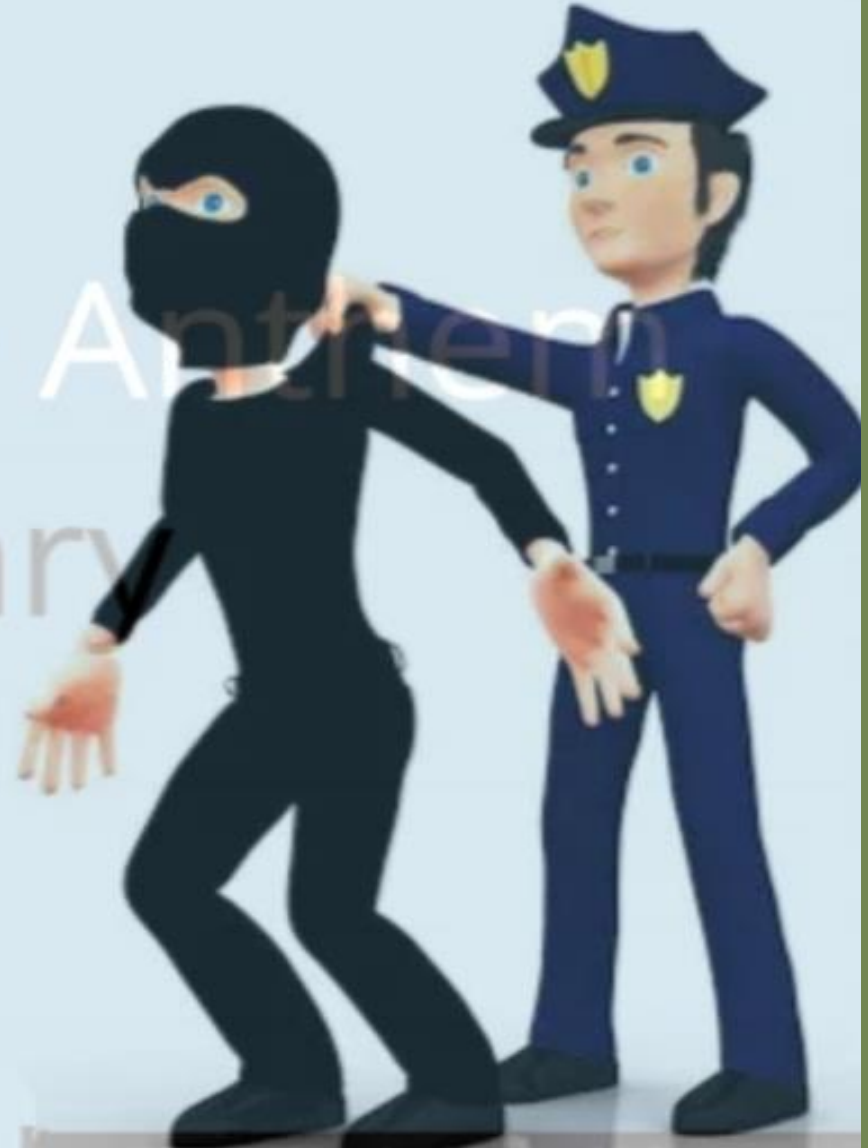
THANK YOU

ENGLISH

1.3

The Cop and the Anthem

by O. Henry

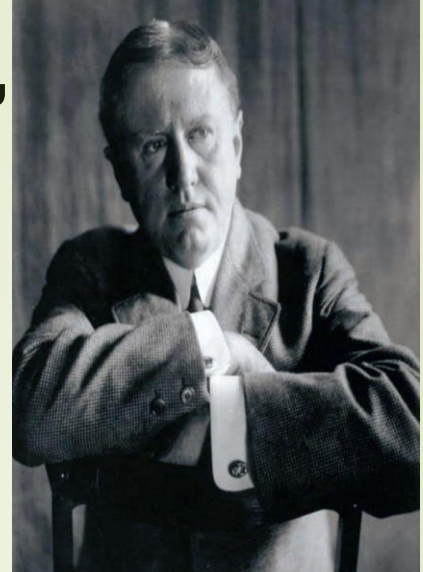


O'Henry (1862-1910) William Sydney Porter, an American writer is better known by his pen name O'Henry. He was a voracious reader since childhood. He started a humorous weekly, 'The Rolling Stone' and when the venture failed, he joined the 'Houston Post' as a reporter, columnist and occasional cartoonist.

The story, 'The Cop and the Anthem' is one of O'Henry's well known stories. To describe his style of writing, people have often used the term 'smile with tears' which implies his twisted way of thoughts and endings in almost every story.

In this story the main character, Soapy, is a vagabond and a person with criminal background. He makes different plans to re-enter the prison as he has no shelter to protect himself from the severe winter. The story` ends in an unexpected way. O'Henry has depicted Soapy's futile attempts to get arrested in a very humourous vein.

'The Cop and the Anthem' is about freedom and confinement. Initially Soapy feels that there is freedom (from miseries and worries) in confinement (prison). The notes of anthem transform him from within and he resolves to work hard. Soapy faces the irony of fate as the moment he realizes the real freedom lies in a virtuous life, he is taken into confinement.



The Cop and the Anthem

Soapy left his bench and **strolled** out of the square and across the level sea of asphalt, where Broadway and Fifth Avenue flow together. Up Broadway he turned, and stopped at a luxurious cafe.

Soapy had confidence in himself from the lowest button of his vest upward. He was shaven, and his coat was trim and his neat, black bow had been presented to him by a lady missionary on **Thanksgiving Day**. If only he could reach a table in the restaurant unsuspected, success would be his. The portion of him that would show above the table would raise no doubt in the waiter's mind. A roasted mallard duck, thought Soapy, would be about the thing with a bottle of wine and then some cheese, a cup of coffee and a cigar. One dollar for the cigar would be enough. The total would not be so high as to call forth any extreme of revenge from the cafe management; and yet the meat would leave him filled and happy for the journey to his **winter island**.

But as Soapy set foot inside the restaurant door, the head-waiter's **eye fell upon** his tattered trousers and **decadent** shoes. Strong and ready hands turned

him about and conveyed him in silence and haste to the side-walk and averted the **ignoble** fate of the menaced mallard.

Soapy turned off Broadway. It seemed that his route to the **coveted** island was not to be an easy one. Some other way of entering the **limbo** must be devised.

At a corner of Sixth Avenue electric lights and cunningly displayed wares behind plateglass made a shop window attractive. Soapy took a stone and dashed it through the glass. People came running round the corner, a policeman in the lead. Soapy stood still with his hands in his pockets, and smiled at the sight of brass buttons.

"Where's the man that done that?" inquired the officer **agitatedly**.

"Don't you think that I might have had something to do with it?" said Soapy, with a friendly voice, as one greets good fortune.

The policeman refused to accept Soapy even as a clue. Men who smash windows do not remain to chat with the police. They take to their heels. The policeman saw a man half-way down the block running to catch a car. With drawn club he joined in the pursuit. Soapy, with disgust in his heart, drifted along, twice unsuccessful.

On the opposite side of the street was a restaurant of no great pretensions. **It catered to large appetites and modest purses.** Its crockery and atmosphere were thick; its soup and **napery** thin. Into this place Soapy **betook** himself without challenge. At a table he sat and consumed beefsteak, flapjacks, doughnuts and pie. And then he told the waiter the fact that the minutest coin and himself were total strangers.

“Now, get busy and call a cop”, said Soapy. “And don’t keep a gentleman waiting.”

“No cop for you,” said the waiter, with a voice like butter cakes and an eye like the cherry in the Manhattan cocktail. “Hey, Con!”

Neatly upon his left ear on the **callous** pavement two waiters **pitched** Soapy. He arose, joint by joint, as

a carpenter’s rule opens, and dusted his clothes. Arrest seemed now but an **elusive** dream. The island seemed very far away. A policeman who stood before a drugstore two doors away laughed and walked down the street.

Soapy was seized with a sudden fear that some dreadful enchantment had **rendered** him immune to arrest. He was in a state of panic, and, when he came upon another policeman lounging grandly in front of a glittering theatre, **he caught at the immediate straw of ‘disorderly conduct’.**

On the sidewalk Soapy began to yell drunken gibberish at the top of his harsh voice. He danced, howled, raved and otherwise disturbed the skies.

The policeman merely **twirled** his club, turned his back to Soapy and remarked to a citizen :

“Tis one of them Yale lads celebratin the goose egg they give to the Hartford College. Noisy; but no harm. We’ve instructions to let them be.”

Disconsolate, Soapy stopped his unavailing racket. Would never a policeman lay hands on him? In his fancy, the island seemed an unattainable **Arcadia**. He buttoned his thin coat against the chilling wind.

In a cigar store he saw a well-dressed man lighting a cigar at the swinging light. He had set his silk umbrella by the door on entering. Soapy stepped inside, grabbed the umbrella and **sauntered** off with it slowly. The man at the cigar light followed hastily.

“My umbrella,” he said sternly.

“Oh, is it?” **sneered** Soapy, adding insult to petty **larceny**. “Well, why don’t you call a policeman? I took it. Your umbrella ! Why don’t you call a cop? There stands one on the corner.”

The umbrella owner slowed his steps. Soapy did likewise, with a **premonition** that luck would again run against him. The policeman eyed at the two curiously.

“Of course,” said the umbrella man “Well, you know how these mistakes occur if it’s your umbrella. I hope you’ll excuse me - I picked it up this morning in a restaurant if you recognize it as yours, why I hope you’ll”.

“Of course it’s mine,” said Soapy savagely.

The ex-umbrella man retreated. The policeman hurried to assist a tall **blonde** in an opera cloak across the street in front of a street car that was approaching two blocks away.

Soapy walked eastward through a street damaged by improvements. He hurled the umbrella angrily into an excavation. He muttered against the men who wear helmets and carry clubs. Because he wanted to fall into their clutches, they seemed to regard him as a king who could do nothing wrong.

At length Soapy reached one of the avenues to the east where the glitter and **turmoil** was but faint. He dragged himself toward Madison Square, for the homing instinct survives even when the home is a park bench.

But, on an unusually quiet corner, Soapy came to a standstill. Here was an old church, **quaint** and **rambling** and **gabled**. Through one violet-stained window a soft light glowed, where, no doubt, the organist loitered over the keys, making sure of his mastery of the coming **Sabbath** anthem. For there drifted out to Soapy’s ears sweet music that caught and held him transfixed against the **convolutions** of the iron fence.

The moon was above, full and radiant; vehicles and pedestrians were few; sparrows twittered sleepily in the eaves or a little while the scene might have been a country churchyard. And the anthem that the organist played cemented Soapy to the iron fence, for he had known it well in the days when his life contained such things as mothers and roses and ambitions and friends and **immaculate** thoughts and collars.

The conjunction of Soapy's receptive state of mind and the influences about the old church brought a sudden and wonderful change in his soul. He viewed with rising horror the pit into which he had tumbled, the degraded days, unworthy desires, dead hopes, wrecked faculties and base motives that made up his existence.

And also in a moment his heart responded thrillingly to this strange mood. A strong impulse moved him to

battle with his desperate fact. He would pull himself out of the **mire** and would make a man of himself again; he would conquer the evil that had enslaved him. There was time; he was young yet; he would **resurrect** his old eager ambitions and pursue them without **faltering**. Those solemn but sweet organ notes had set up a revolution in him. Tomorrow he would go into the roaring downtown district and find work. A fur importer had once offered him a place as driver. He would be somebody in the world. He would ----

Soapy felt a hand laid – on arm. He looked quickly around into the impassive face of a policeman.

“What are you doin’ here?” asked the officer.

“Nothin’,” said Soapy.

“Then come along,” said the policeman.

“Three months on the island,” said the Magistrate in the Police Court the next morning.

- O'Henry

1.3 The Cop and the Anthem Summary


Beginning

The short story "The Cop and The Anthem" by O. Henry is about a homeless man called Soapy who notices once in a cold night on his park bench that he has to try to do everything that is possible in order to get into prison for three months to survive the winter.

Attempts...

His first attempt to get there is to dine in an expensive restaurant and to tell the waiter afterwards that he cannot pay the bill. When Soapy goes into the restaurant the head waiter has him thrown out directly because of his outward appearance. For his second attempt he throws a stone into a shop window. But this attempt also fails because the policeman doesn't believe that a real "lawbreaker" would stay still waiting to let himself voluntarily be arrested and when the policeman sees a man running along the road he assumes that the running man must be the guilty person and pursues that man. In his third attempt Soapy eats in a restaurant and says afterwards that he can not pay the bill. But the waiter doesn't call the police and isn't interested in Soapy anymore... ..

And more attempts



When Soapy discovers a young woman near a policeman he sees his chance to get into prison. He walks towards the woman in order to harass her but she behaves as if she wanted to talk to Soapy at the same moment and hangs on to him so much that he must shake her off at the next corner. Because this attempt fails he behaves as if he were drunk in the proximity of a policeman. But the policeman ignores Soapy because all the policemen had been informed that the students from Yale are celebrating a party that night. Even his sixth attempt namely stealing a man's umbrella, fails because the man had stolen the umbrella from somebody else before.

End

When Soapy walks along the road he suddenly stops in front of a church. The atmosphere created by the light shining through the coloured windows of the church and also by the organ music to be heard on the road outside the church makes Soapy start thinking about his life. At the same moment as Soapy decides to start a new life a policeman comes towards him and arrests him because he is not allowed to stand there. Soapy is condemned to three months in prison as he had wanted it all the time!

ACTIVITIES:

Q1. A. Read the extract and complete the activities given below. (12)

Soapy left his bench and

..... and smiled at the sight of brass buttons.

(Textbook page no 28 & 29)

A1. Rewrite and state whether the following sentences are true or false. (02)

- i) Soapy had not confidence in himself from the lowest button of his vest upward.
- ii) Two dollar for the cigar would be enough.
- iii) Soapy turned off Broadway, it seemed that his route to the coveted island was not to be an easy one.
- iv) People came running round the corner, a policeman in the lead.

A2. Describe the situation when Soapy set foot inside the restaurant door. (02)

A3. Complete the following sentences with the help of given passage. (02)

- i) The portion of him that would.....
- ii) At corner of Sixth Avenue.....

A4. Personal response :

(02)

Write an incident in which you did something wrong and repented for it.

A5. Do as directed :

(02)

(Convert the following sentences into negative without changing their meanings)

(a) The policeman refused to accept Soapy even as a clue.

(b) Soapy stopped his unavailing racket.

A6.Match the words in A with their meaning in B from the extract : (02)

A

B

i) Strolled

a) border place between heaven and hell

ii) Decadent

b) dishonourable

iii) Ignoble

c) old and worn out

iv) limbo

d) walked in a leisurely way

Q1.B.. Language Study (Non textual).

(04)

B1. Do as directed :.

(03)

1. His approach took the enemy by surprise. (Choose the correct Question Tag from The following and rewrite)

a) Don't it ?

b) Did it ?

c) Didn't it ?

2. Your father will be coming back any time. (Choose the correct tense of the statement and write it)

a) Future continuous tense

b) Simple future tense

c) Present continuous tense

3. Everyone gathered at the gate of the garden .

(Frame a Wh- question to get the underlined part as an answer.)

B2. Spot the error and and rewrite the sentence correctly. (01)

Ram is a boy who ate a apple. (🍏)



*THANK
YOU*

осм

The background features a dark blue gradient with a subtle pattern of white stars and faint, light blue technical diagrams. These diagrams include concentric circles, dashed lines, and curved arrows, some of which are accompanied by numerical labels such as 140, 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, and 260.

CH:4 BUSINESS SERVICES

FEATURES OF BUSINESS SERVICES

NMFC
-OCM DEPT

CH:4 BUSINESS SERVICES


INTRODUCTION:

Services are intangible in nature; they are neither manufactured, transported nor stocked. Services cannot be stored for a future use hence they are produced and consumed simultaneously. Business services are those services which help in successful running of business. **They are intangible in nature, heterogeneous, inseparable, inconsistent, perishable in nature and require consumer participation.**

CH:4 BUSINESS SERVICES

MEANING:

Sometimes services are difficult to identify because they are closely associated with goods. No transfer of possession or ownership takes place when services are sold, and they cannot be stored or transported, services are instantly perishable, and they come into existence at the time they are bought and consumed.



Examples of Service Industries

- **Health Care**
 - hospital, medical practice, dentistry, eye care
- **Professional Services**
 - accounting, legal, architectural
- **Financial Services**
 - banking, investment advising, insurance
- **Hospitality**
 - restaurant, hotel/motel, bed & breakfast,
 - ski resort, rafting
- **Travel**
 - airlines, travel agencies, theme park
- **Others:**
 - hair styling, pest control, plumbing, lawn maintenance, counseling services, health club

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Usman Waheed

7

BUSINESS SERVICES

- **DEFINITIONS:**

"A service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product."- Philip Kotler

"Activities, benefits, or satisfactions which are offered for sale, or provided in connection with the sale of goods".- American Marketing Association

FEATURES OF SERVICES:

1) Intangibility:

A service is not a physical product that can be touched or seen. A service can be experienced by the buyer or the receiver. Services lack material form, and therefore they are intangible. Due to intangibility, services cannot be demonstrated like goods, and therefore service providers must create good impact on the customers by delivering quality services on time.

INTANGIBILITY EXAMPLE

✓ Mobile network providers like Vodafone , Airtel , Reliance , etc.



FEATURES OF SERVICES:

2) Inseparability:

Unique characteristic of services is that the service and the service provider cannot be separated. The presence of service provider is there at the time of delivering services to customers. In case of services production and consumption take place at the same time.

INSEPARABILITY EXAMPLE

- ✓ Taxi operator drives taxi, and the passenger uses it.
- ✓ The presence of taxi driver is essential to provide the service.

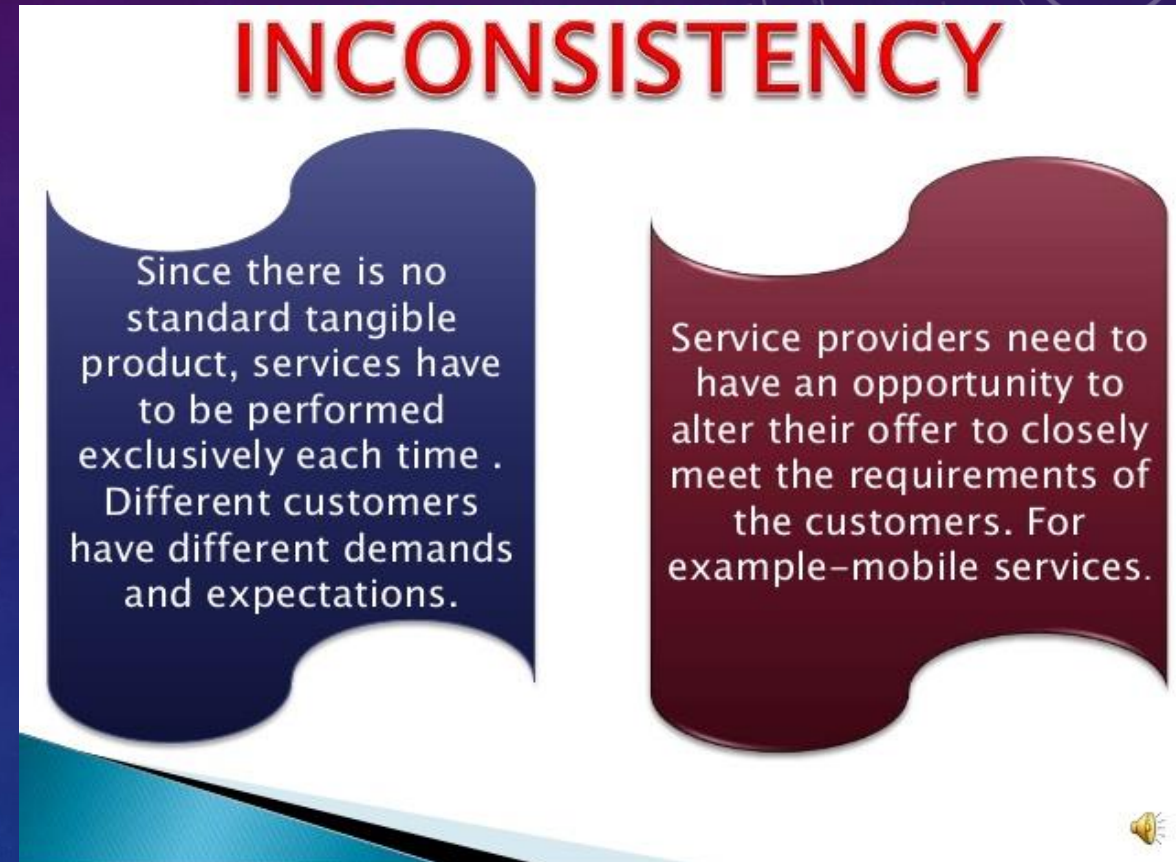


FEATURES OF SERVICES:

3) Inconsistency:

Services are heterogeneous. There can be no perfect standardization of services. Even if the service provider remains the same, the quality of the service may differ from time to time.

For example, same restaurant can give different experience to two different customers.



FEATURES OF SERVICES:

4) Perishability:

The production and consumption of services are inseparable because storage of services is not possible. Being an intangible transaction there can never be an inventory of services. Unlike goods, they cannot be stored for future sale.

For example,

the vacant seats of morning flight of an airline cannot be utilized in afternoon flight of the same airline.

PERISHABILITY

- Once a service has occurred it cannot be repeated in exactly the same way
- You cannot put service in the warehouse, or store in your inventory

EXAMPLES

- Restaurants
- Doctors treatment
- A movie or airline ticket



FEATURES OF SERVICES:

5) Non-transferability:

Unlike goods, all services are non-transferable in nature. The ownership of services cannot be transferred from service provider to customer.

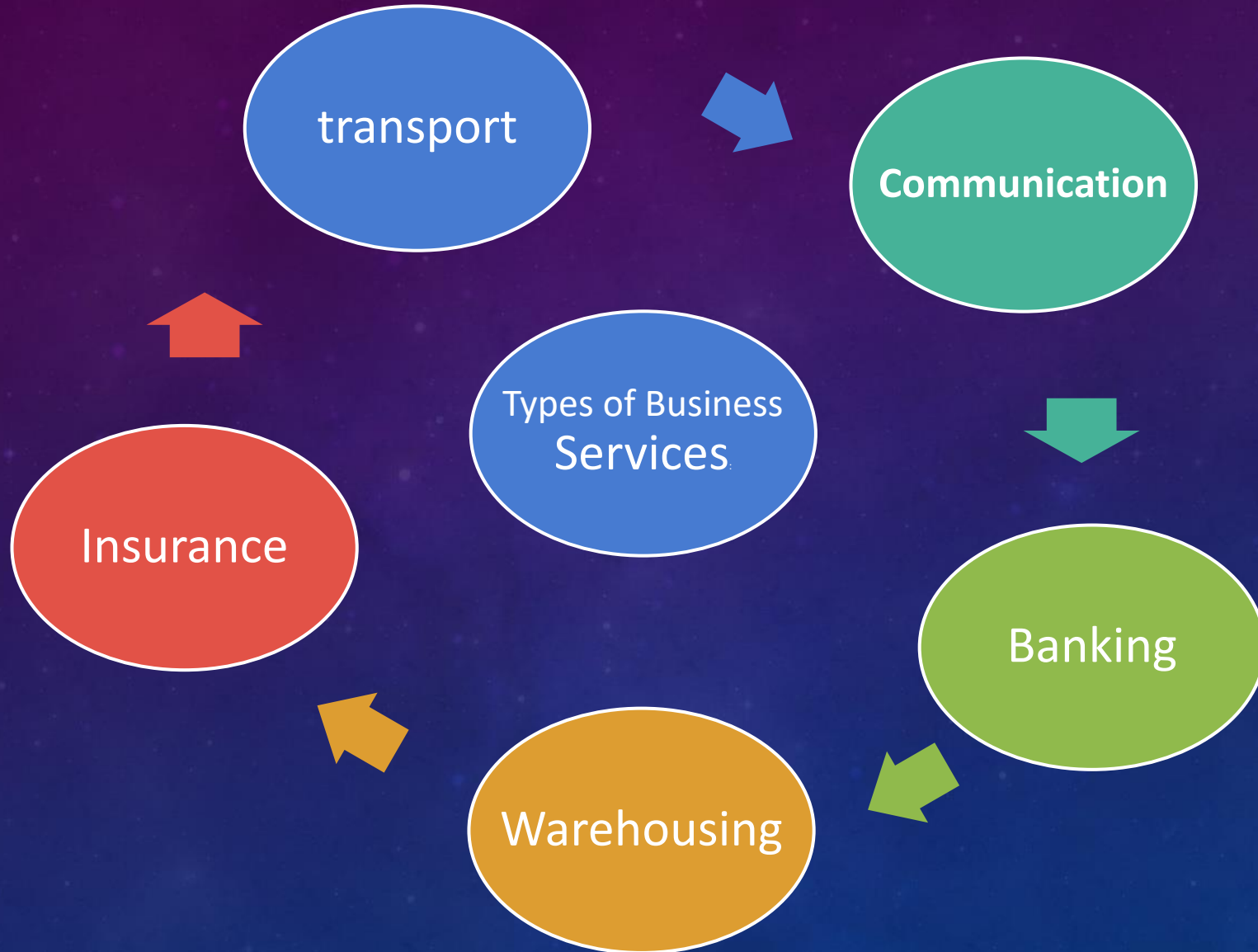
For example, a customer can book hotel room but the ownership of room remains with the hotelier.

FEATURES OF SERVICES:

6) Consumer participation:

For services, participation of consumer is equally important. Without the participation of consumer, services cannot be offered. The seller cannot offer service without the presence of customer vice-versa customer cannot accept service, unless the seller is present to offer a service.

For eg . Customer should be present at salon for getting the services.



CH : 4 BUSINESS SERVICES

BANKING : TYPES

NMFC- OCM DEPARTMENT

BANKING

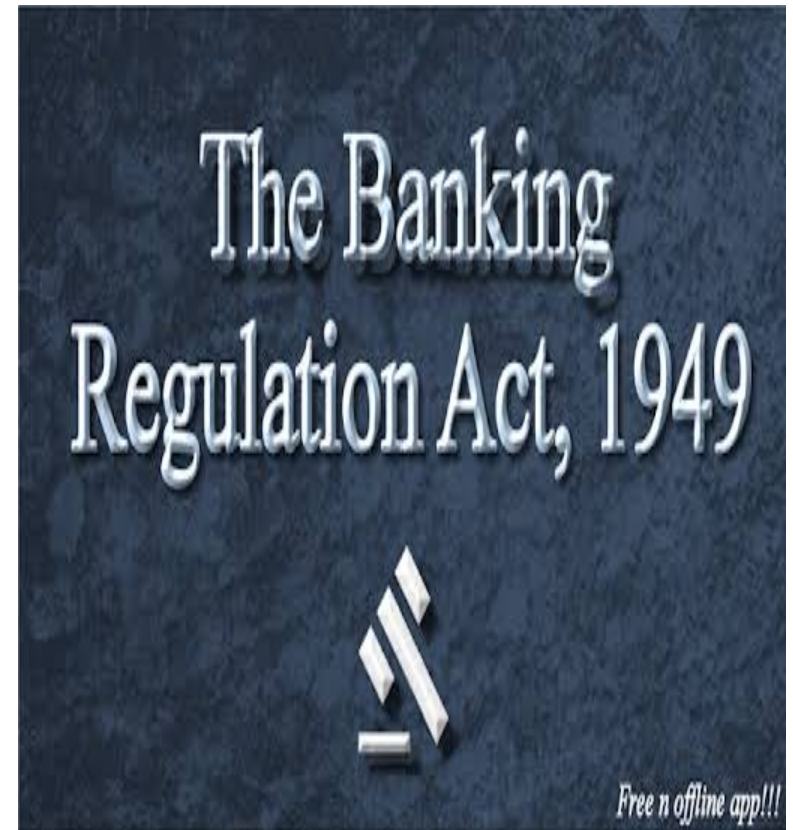
- The term Bank comes from the French word 'Banco' which means a 'bench'. In earlier days, money-lenders used to display coins of different currencies in big heaps or benches or tables for the purpose of lending or exchanging.
- Meaning :A bank is a financial institution which deals with deposits and advances and other related services. Bank provides various services related to money or financial requirements of consumers.



BANKING

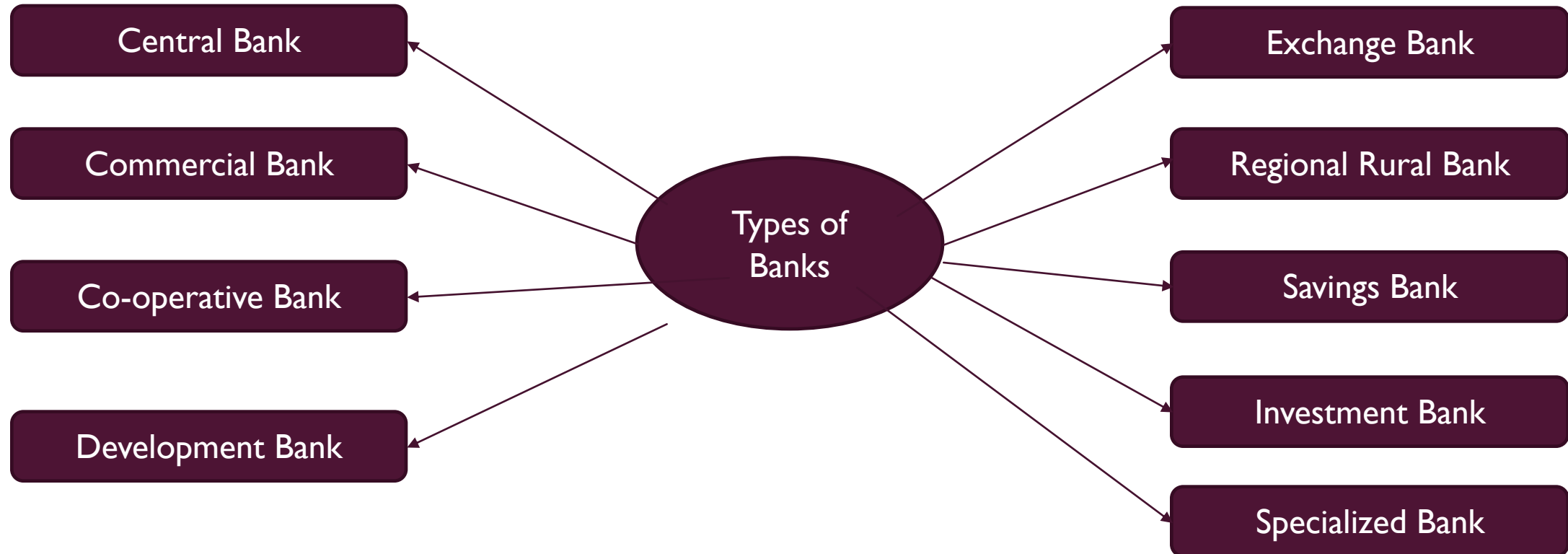
■ **Definition:**

As per The Indian Banking Regulation Act, 1949 banking company means "any company which transacts the business of banking in India" and the word banking has been defined as "accepting for the purpose of lending or investment of deposits of money from public, repayable on demand or otherwise, and withdrawable by cheque, draft and order or otherwise. "



TYPES OF BANKS:

- There are several types of banks as follows:



TYPES OF BANKS:

I. Central Bank :

The central bank is the apex financial institution in banking industry in the country. Every country has their own central bank. In India, The Reserve Bank of India (RBI) is the central bank. The RBI was established in 1945 under the Reserve Bank of India Act, 1944. Some functions of RBI are as follows:

- 1) Frames monetary policy
- 2) Issues currency notes
- 3) as a banker to the Government
- 4) Acts as a banker's bank to commercial and other banks in India.



TYPES OF BANKS:

2) Commercial Bank:

The commercial banks play an important role in economic and social development of a country. Commercial banks performs important functions such as: Primary Functions i.e. accepting of deposits and lending of money and Secondary Functions i.e. agency functions and utility functions. In India, commercial banks are divided into three groups:

a) Public sector banks where majority of capital is held by government such as Bank of India, State Bank of India etc.

b) Private sector banks are owned by group of individuals such as AXIS bank, HDFC bank etc.

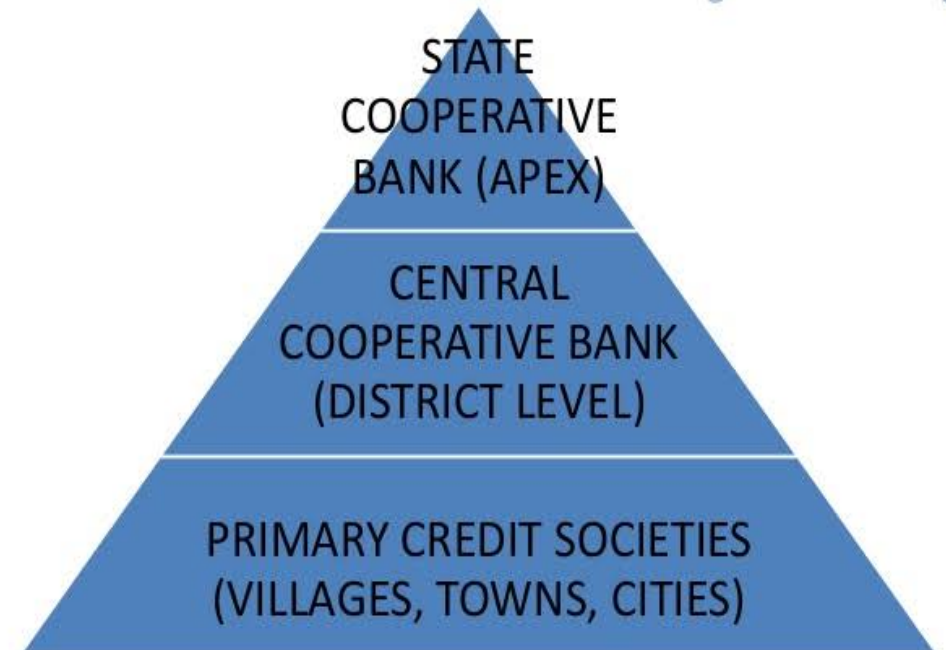
c) Foreign banks are those banks which are established outside India but these banks have branches in India such as Citi bank, HSBC, Standard Chartered etc.

TYPES OF BANKS:

3) Co-operative Bank:

In India, co-operative banks are registered under Indian Co-operatives Societies Act and regulated under Banking regulation Act. Co-operative banks are popular in semi-urban and rural areas. The main aim of co-operative bank is to provide credit to economically backward people, farmers and small scale units.

SHORT TERM COOPERATIVE CREDIT STRUCTURE (STCCS)



TYPES OF BANKS:

Generally, the co-operative bank works at three different levels:

- a) **Primary Credit Societies:** Primary Credit Co-operative society's work at village level. They collect deposits from members and common public. They also get funds from the State Co-operative Bank and District Co-operative Banks for the purpose of lending.
- b) **District Central Co-operative Bank:** These banks operate at district level. They obtain deposits from the public at the district level and also get funds from the State Co-operative Bank for the purpose of lending.
- c) **State Co-operative Bank:** This bank operates at state level. They provide funds to central co-operative bank and primary credit societies as required. State co-operative bank also performs function of monitoring over district bank and credit cooperative societies.

TYPES OF BANKS:

4) Industrial Development Banks:

These are financial institutions that provide medium and long term funds to the business firms. Examples of development bank are Industrial Finance Corporation of India (IFCI), State Finance Corporation (SFC), Maharashtra State Finance Corporation (MSFC) etc. Some functions of development bank are as follows:

- i) Provision of medium and long term funds to business units for the purpose of expansion and modernisation.
- ii) Underwriting of shares issued by public limited companies.
- iii) Purchase of debentures and bonds.



TYPES OF BANKS:

5) Exchange Banks:

The exchange banks as well as large commercial banks facilitates foreign exchange transactions. Examples of exchange banks are Barclays Bank, Bank of Tokyo etc. Some functions of exchange bank are as follows:

- i) Financing foreign trade transactions.
- ii) Issue of letter of credit (LC).
- iii) Discounting of bills of exchange.
- iv) Remittances of dividend, interests and profits etc.

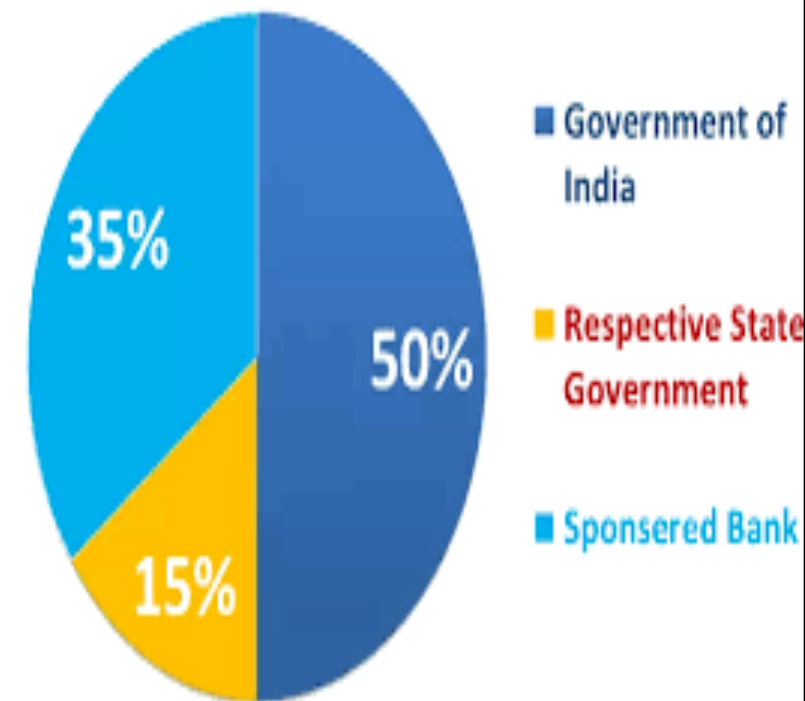


TYPES OF BANKS:

6) Regional Rural Bank:

Regional Rural Banks (RRBs) were established in 1975. These banks are sponsored by large public sector banks. The capital of RRB is contributed by Central Government 50%, State Government 15% and Sponsored Banks 35%. RRBs mobilise deposits primarily from rural and semi-urban areas and provide loans and advances mostly to small and marginal farmers, agricultural laborers and rural artisans.

Shareholding in Regional Rural Banks



TYPES OF BANKS:

7) Savings Bank:

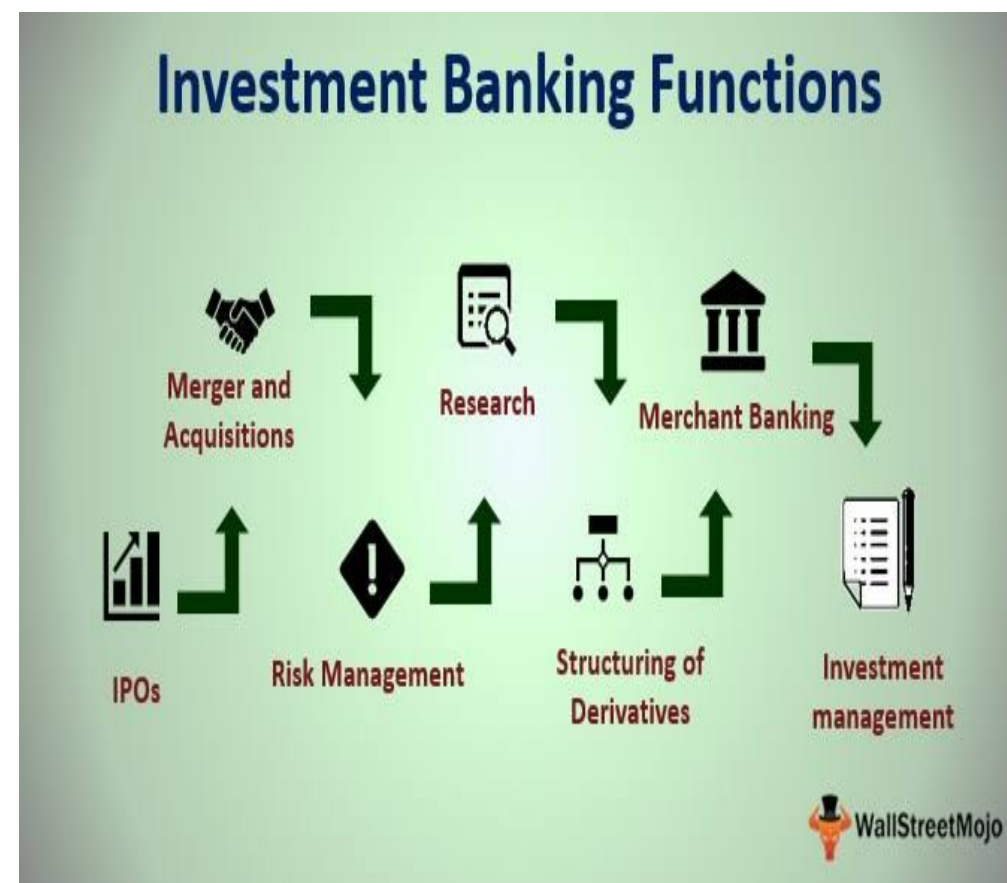
The main objective of savings bank is to encourage savings of the people, especially in rural areas. Examples of such banks include postal saving bank, commercial banks and cooperatives banks.



TYPES OF BANKS:

8) Investment Bank:

These banks provide financial and advisory assistance to their customers. Their clients generally include business firms and government organisations. Investment banks facilitate mergers and acquisitions by undertaking research and providing advice on investment decisions. Generally, investment banks do not directly deal with general public.



TYPES OF BANKS:

9) Specialised Banks:

These banks cater to the requirements and provide overall support for setting up business in specific areas:

i) Export and Import Bank (EXIM):

This bank provides financial assistance to exporters and importers and functions as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade.



Exim

Export-Import Bank of India

TYPES OF BANKS:

9) Specialised Banks:

ii) Small Industries Development Bank of India (SIDBI):

Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament, acts as the principal financial institution for promotion, financing and development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities.



TYPES OF BANKS:

9) Specialised Banks:

iii) National Bank for Agriculture and Rural Development (NABARD):

It is an apex institution for financing agricultural and rural sector. NABARD provides both short term and long term credit through regional rural banks. It is concerned with policy planning and operations relating to agricultural credit and credit for other activities in rural India. It provides finance to financial institutions and not to the individuals.



राष्ट्रीय कृषि और
ग्रामीण विकास बैंक
(नाबार्ड)
NATIONAL BANK FOR
AGRICULTURE & RURAL
DEVELOPMENT
NABARD

NEW MODELS OF BANKING:

1) Small Finance Banks –

Small finance banks are a type of niche banks in India. These are banks with a small finance bank license and provide basic banking service of acceptance of deposits and lending. The aim behind these banks is to provide financial inclusion to sections of the economy not being served by other banks such as small business units, small and marginal farmers, micro and small industries and unorganised sector entities. Existing non-banking financial companies (NBFC), microfinance institutions (MFI) and local area banks (LAB) can apply to become small finance banks. These banks can be promoted either by individuals, corporate, trusts or societies.

Small Finance Banks



NEW MODELS OF BANKING:

- They are established as public limited companies in the private sector under the Companies Act, 1956. They are governed by the provisions of Reserve Bank of India Act, 1934, Banking Regulation Act, 1949. There is no territorial restrictions for these bank. They were set up with the twin objectives of providing an institutional mechanism for promoting rural and semi urban savings and for providing credit for viable economic activities in the local areas.

10 APPLICANTS APPROVED FOR SMALL FINANCE BANKS

Au Financiers (India) Ltd., Jaipur	
Capital Local Area Bank Ltd., Jalandhar	
Disha Microfin Private Ltd., Ahmedabad	
Equitas Holdings P Limited, Chennai	
ESAF Microfinance and Investments Private Ltd., Chennai	
Janalakshmi Financial Services Private Limited, Bengaluru	
RGVN (North East) Microfinance Limited, Guwahati	
Suryoday Micro Finance Private Ltd., Navi Mumbai	
Ujjivan Financial Services Private Ltd., Bengaluru	
Utkarsh Micro Finance Private Ltd., Varanasi	

NEW MODELS OF BANKING:

■ Objectives of small finance banks :

- i) provision of savings for unserved and underserved sections of the population, and
- ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganised sector. Examples are Jana Small Finance Bank, AU Small Finance Bank, Equitas Small Finance Bank etc.

Small Finance Banks



Major Focus



Unorganized sector



Financial Inclusion



Farmers



Small Industries

NEW MODELS OF BANKING:

2) Payment bank

It is a new model of banking. It is conceptualised by the Reserve Bank of India. The main aim is to offer financial services to small businesses and low income people. It is like any other bank as it can carry out most of the banking functions such as remittance services, mobile banking, ATM cards, net banking etc. But, it is not allowed to issue loans and credit cards. Similarly, it can accept the demand deposits only up to Rs. 1 lakh. Indian Post Payment Bank, Airtel Payment Bank, Paytm Payment Bank etc are some of the examples of active payment banks to the date.

6 PAYMENT BANKS OF INDIA



THE END



IT

INFORMATION TECHNOLOGY SYJC

CHAPTER NO.5

Database Concept Using LibreOffice Base



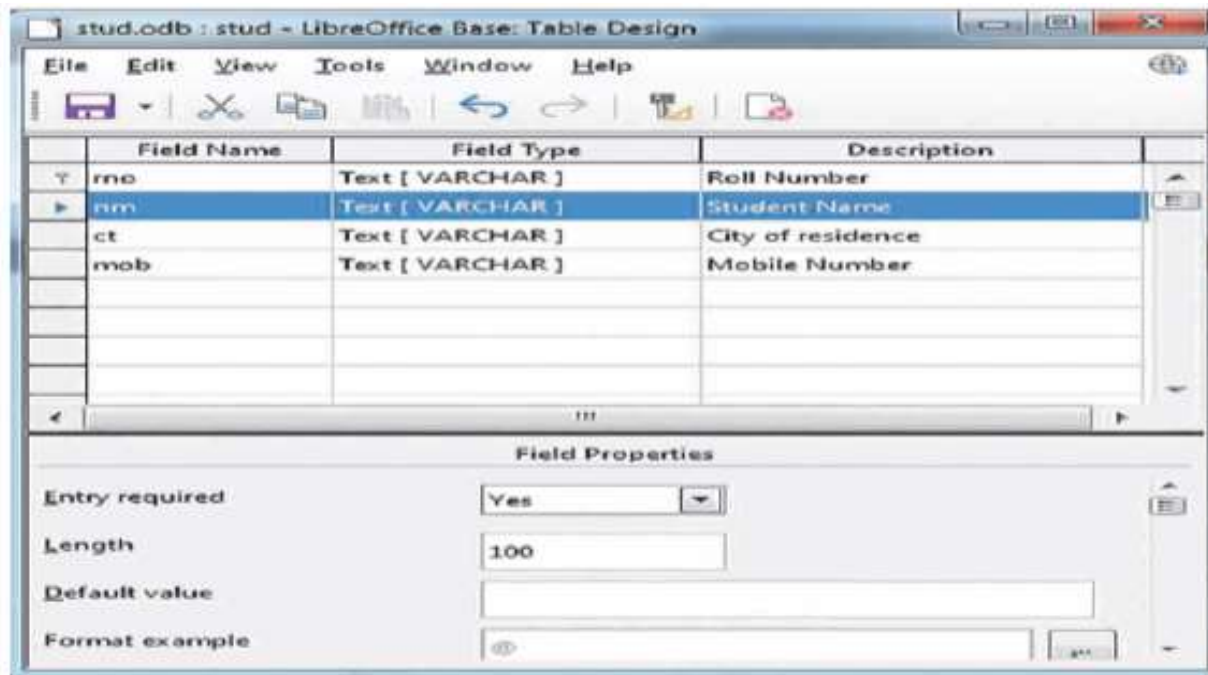
STEPS TO CREATE TABLE

1. Open a database and from left pane click on 'Tables' icon
2. From right pane click on 'Create table in Design View'
3. A window will appear on the screen, type 'Field Name'
4. Select 'Field type' (field type means type of data to be stored in that field e.g. 'Name' Field should have 'Text' as a Field Type)
5. In next column type the description about the field.
6. In the bottom section in 'Field Properties' select 'Yes' for 'Entry required' property.
7. You can set default value and for numeric field types you can set




STEPS TO CREATE TABLE

8. Right click on the small button present on the left side of the field name which is decided as primary key and select 'primary key' option.
9. Click on 'Save' icon to save the table, type name for the table, Click on 'ok'.



INSERTING RECORD IN THE TABLE

1. Open a database , from left pane click on 'Tables' icon.
2. In the right pane from bottom part double click on the name of Table in which data is to be inserted.
3. A window will appear on the screen, type data under each field and complete one record, in this way add some records.
4. Click on 'Edit Data'  icon to make edit mode off, a window will appear.
5. Click on 'Yes' icon and click on 'close' button.



QUERY CREATION

Query is the question asked within the database environment which is used to retrieve record from the table.

- 1.** Open a database , from left pane click on 'Queries' objects.
- 2.** From right pane click on 'Use Wizard to Create Query' (Wizard means step by step instructions provided by the computer to complete a task.)
- 3.** Select name of 'Table' and shift fields from 'Available fields' list to 'Fields in the query' list by clicking on arrow button and click on 'Next' button.
- 4.** Select a field for sorting the records, select the order ascending/ descending then click on 'Next' button.

QUERY CREATION

5. In next step the user has to select search condition (more than one search conditions can also be selected) select the field, select the condition, type value for condition then click on 'Next' button.
6. If you want to replace original field names with some new field names in the output of the query, then type aliases for each field and click on 'Next' button
7. Type name for the query and Click on 'Finish' button.

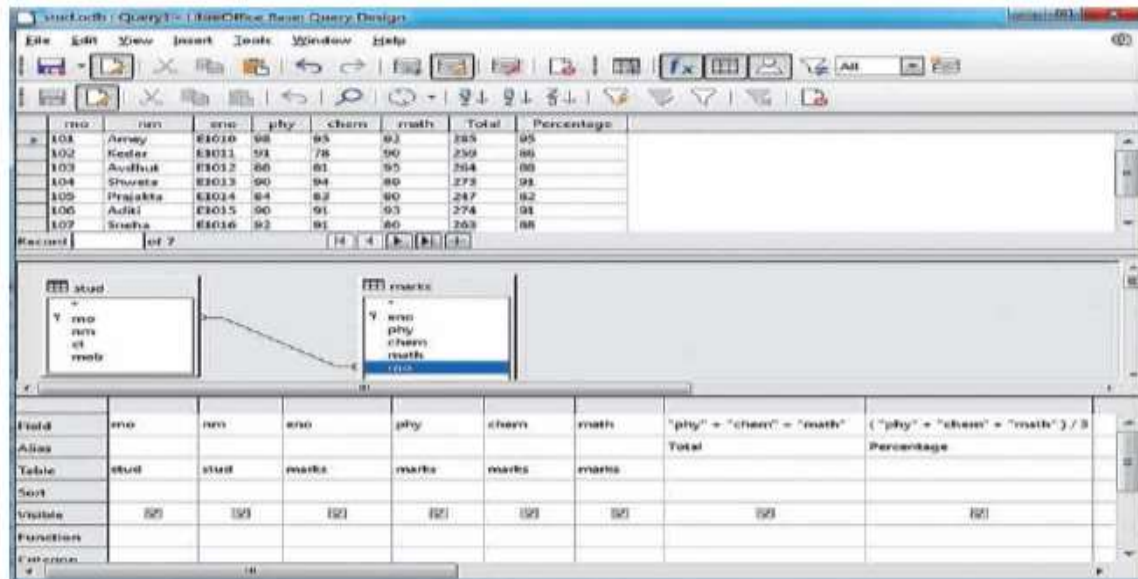


CREATE QUERY IN DESIGN VIEW

1. Open any saved database, click on 'Queries' object and in right pane click on 'Create Query in Design View' option.
2. From Add Table window select table and click on add button. Take two tables which have at least one common field. Drag the common field from first table to second table. A line will be displayed as a link between these two tables as they have one common field for joining. Close the add table window by clicking on close button.
3. In bottom section click inside first column of 'Field' row, select one by one field to be displayed in query output, set each field's Visible property 'On'. We can type alias for each field.

CREATE QUERY IN DESIGN VIEW

4. To calculate total of marks, in field name column, type formula for addition of subjects, for example phy+chem+math. Then in next column, to calculate Percentage type formula as $(\text{phy}+\text{chem}+\text{math})/3$.
5. To execute query click on 'Run Query' icon or press F5 function key. The output will be displayed in same window in above portion. This output can be saved for further use.



LibreOffice Base Query Design

File Edit View Insert Tools Window Help

Recent: [stud] of 7

Field: mo nm enr phy chem math Total Percentage

Alias: stud stud marks marks marks marks Total Percentage

Table: stud stud marks marks marks marks

Sort:

Visible: [X] [X] [X] [X] [X] [X] [X]

Function:

Criteria:

Criteria2:

FORM CREATION

Form is the object which allows entering the data and editing and deleting the existing data

- 1.** Open a database, from left pane click on 'Forms' objects.
- 2.** From right pane click on 'Use Wizard to Create Form'.
- 3.** Select name of 'Table' and shift fields from 'Available fields' list to 'Fields in the form' list by clicking on arrow button then click on 'Next' button
- 4.** Click on 'Next' button.
- 5.** Select any one arrangement for main form for placing the controls (Ex-columnar labels left) and click on 'Next' button.
- 6.** Click on 'Next' button.
- 7.** Select style for the form , click on 'Next' button



FORM CREATION

8. Type Name for the form , click on 'Finish' button
9. To add new record click on 'New Record' icon present on form navigation tool bar(present at bottom side), fill up the record and click on 'Save record' icon. Click on 'Close' button to close the form window

The screenshot shows the LibreOffice Base Database Form window. The title bar reads 'stud.odt: stud - LibreOffice Base: Database Form'. The menu bar includes File, Edit, View, Insert, Format, Styles, Table, Form, Tools, and Window. The toolbar contains icons for file operations, editing, and navigation. The form area has an orange background and contains four text input fields with labels: 'mo' (107), 'nm' (Sneha), 'ct' (Ahmednagar), and 'mob' (8869365748). The bottom status bar shows 'Record 7 of 7', 'Page 1 of 1', and 'Default Style'.

Field	Value
mo	107
nm	Sneha
ct	Ahmednagar
mob	8869365748

REPORT CREATION

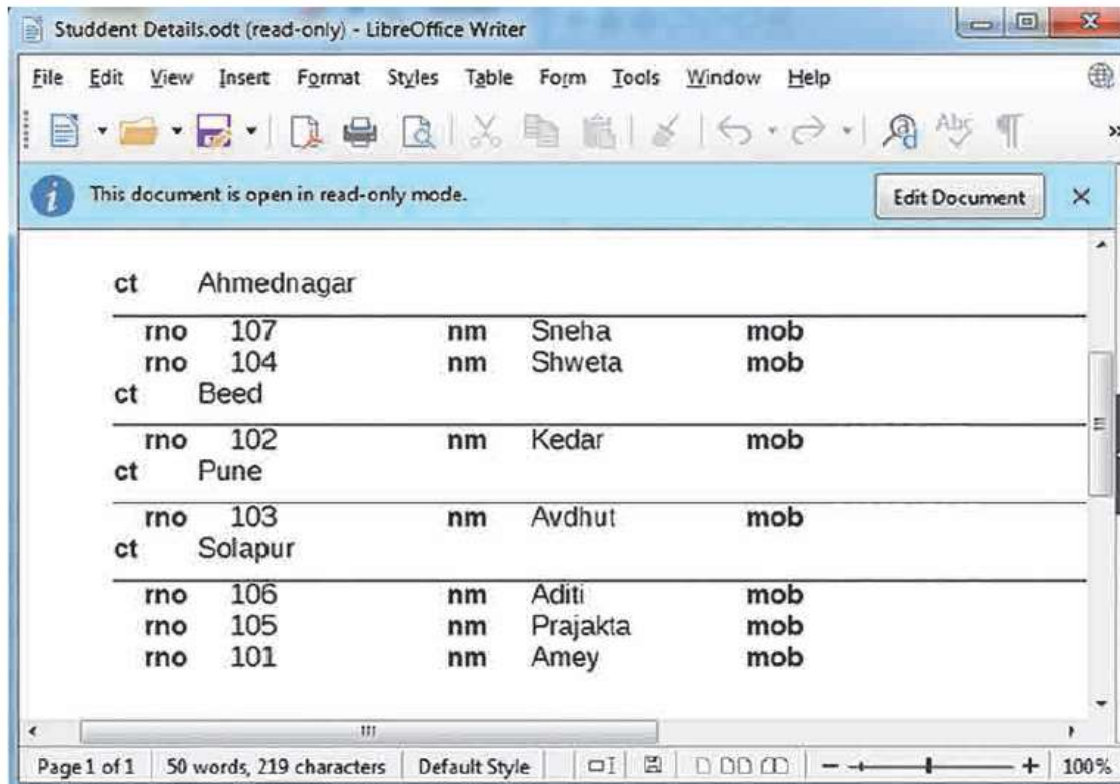
The presentation of information in readable format as per the user requirement is known as report.

1. Open a database, from left pane click on 'Reports' objects
2. From right pane click on 'Use Wizard to Create Report'
3. Select name of 'Table' and shift fields from 'Available fields' list to 'Fields in Report' list by clicking on arrow button, click on 'Next' button
4. Labels for the fields can be changed with new labels to display in report and click on 'Next' button
5. If you want to see the records group-wise, (Ex-citywise) add a grouping level click on a field, click on arrow button and click on 'Next' button



REPORT CREATION

6. Select a field to sort the data, click on 'Next' button
7. Choose Layout and Orientation, click on 'Next' button
8. Type 'Title for the Report', click on 'Finish' button



Student Details.odt (read-only) - LibreOffice Writer

This document is open in read-only mode. [Edit Document](#)

ct	Ahmednagar			
rno	107	nm	Sneha	mob
rno	104	nm	Shweta	mob
ct	Beed			
rno	102	nm	Kedar	mob
ct	Pune			
rno	103	nm	Avdhut	mob
ct	Solapur			
rno	106	nm	Aditi	mob
rno	105	nm	Prajakta	mob
rno	101	nm	Amey	mob

Page 1 of 1 | 50 words, 219 characters | Default Style | 100%

INTRODUCTION TO DATA MODEL

❑ Data model defines how data is connected to each other and how they are processed and stored inside the system. Here we are understanding.

❖ Relational Data Model:-

- The DBMS following relational data model is called as Relational database management system.
- A relational database refers to a database that stores data in structured format using rows and columns.



INTRODUCTION TO DATA MODEL

- It is relational because the values within each table are related to each other.

❖ Terminologies in Relational data model:-

- **Attribute:** The columns of a relation are the attributes which are also referred as fields.
- **Tuple:** Each row of data in a relation(table) is called tuple.
- **Domain:** It is a set of values from which an attribute can take value in each row.



INTRODUCTION TO DATA MODEL

Ex:In Student relation the attribute Roll_number takes integer values hence its domain is its integer value.

- Degree:** The number of attributes in a relation is called the degree of the relation.
- Cardinality:** The number of tuples in a relation is called the Cardinality of tuples.



INTRODUCTION TO DATA MODEL

- **Relation : Student**

Table is called as Relation

Domain=number(expected value)

Primary Key
↓

RollNumber	Name	City	BranchCode	MoNumber
101	Amey	Solapur	CS	
102	Shweta	Ahmednagar	ELE	
103	Avdhut	Pune	MECH	

Row or Tuple
Cardinality=3
(Total # of rows)

← ↑
Column or Attribute
Degree=5 (Total # of Columns)

↑
Foreign Key(references (Branch relation))



KEYS IN THE RELATIONAL DATABASE

The tuple in table should be unique so no two tuple in table should have same value for all attributes.

So there should be one attribute with unique data and no NULL value.

The restrictions are specified using different types of keys.

- **Candidate key:** A relation can have one or more attributes that take unique values.
- **Primary key:** Out of one or more candidate keys, the attribute used to uniquely identify the tuples in a relation is called the primary key.



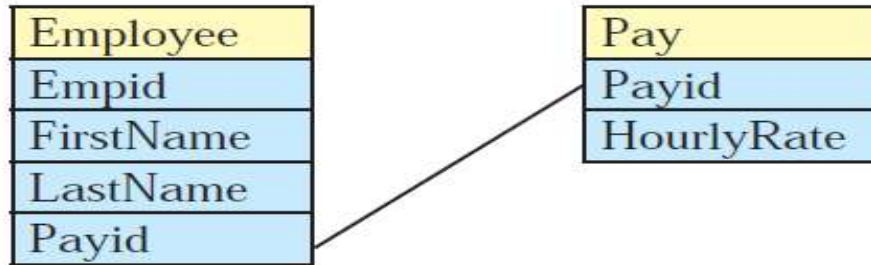
KEYS IN THE RELATIONAL DATABASE

- **Composite primary key:** Primary key consisting of more than one attributes is called Composite Primary key.
- **Foreign Key:** A foreign key is used to represent the relation between two relations.

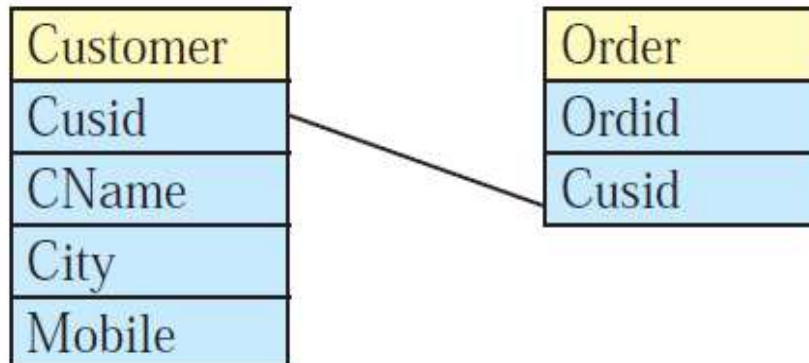


TYPES OF RELATIONSHIP

•**One-to-One:** Row in table A can have only one matching row in table B Vice versa.

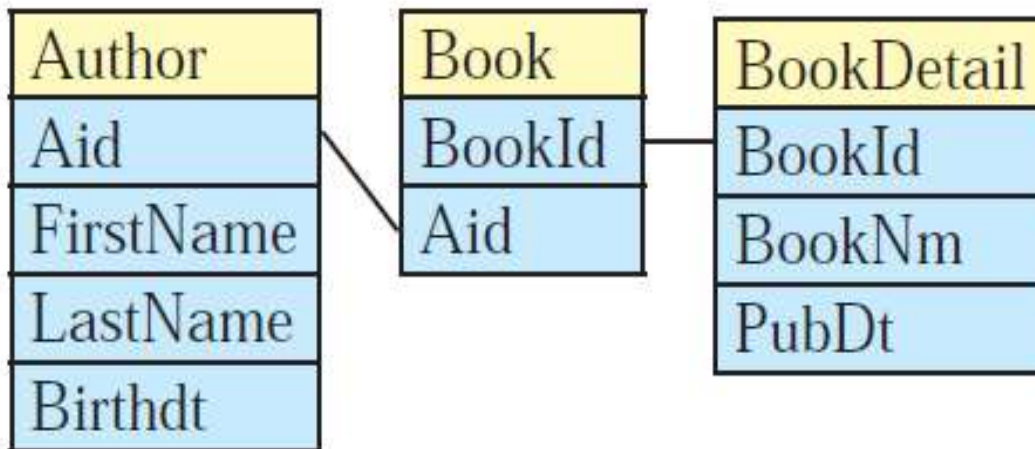


•**Many-to-One** a row in table can have one or more matching rows in table B.



TYPES OF RELATIONSHIP

- **Many-to-Many:** In this relationship a row in table A can have many matching rows in table B.

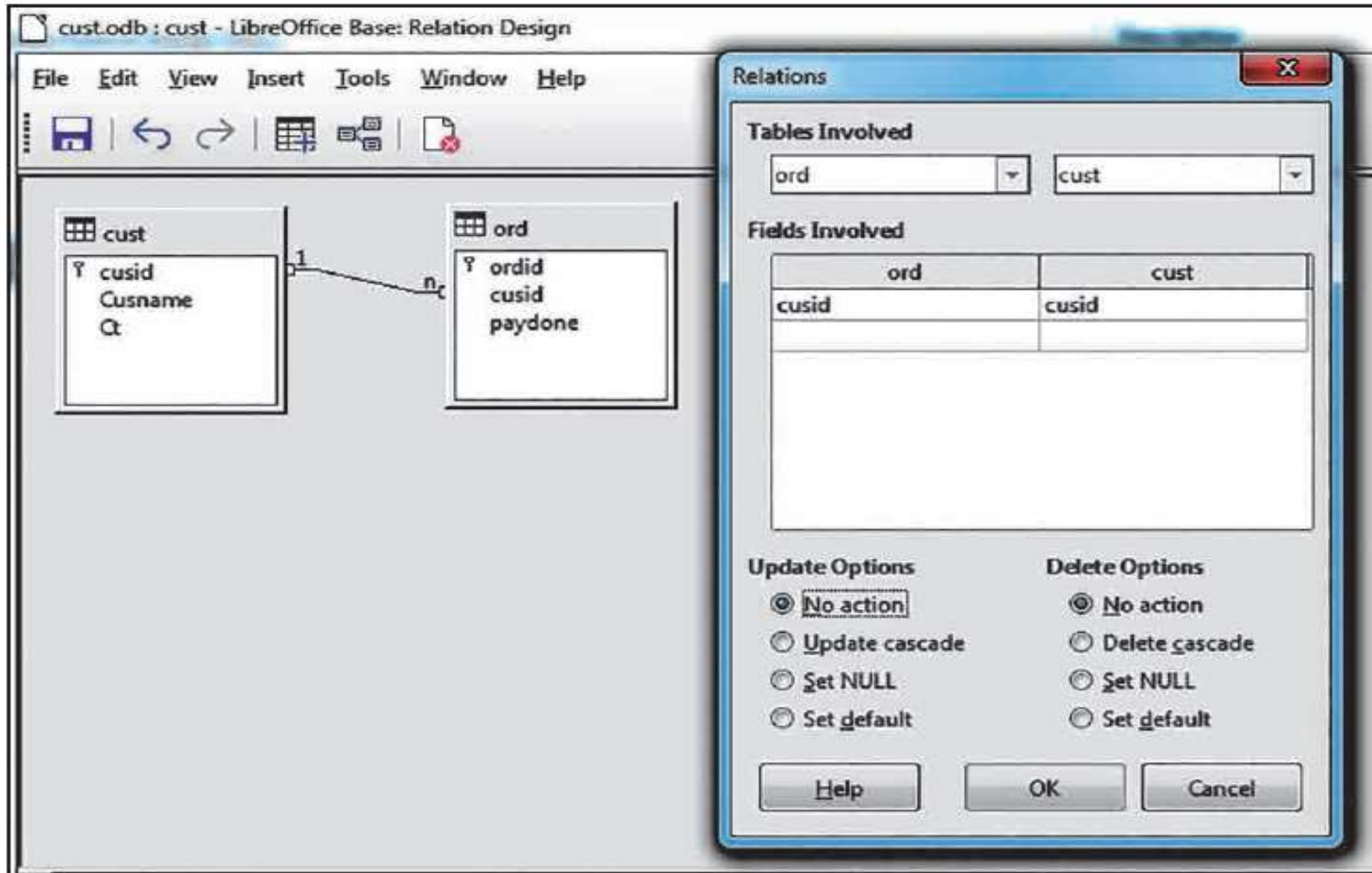


STEPS TO DEVELOP RELATIONSHIP BETWEEN TABLES

1. Create relations (tables) with one field common which must be a primary key of first table and the same key is referenced in another relation and called as foreign key in that table.
2. Click on 'Tools' menu and select 'Relationships' option.
3. A small window will appear, select table name and click on 'Add' button.



STEPS TO DEVELOP RELATIONSHIP BETWEEN TABLES



Thank you

