



# Sadiq Public School

Do the right, fear no man

Subject: Accounting

Class: C3

Day: Saturday (16-11-2024)

## Company Accounts

### Inquiry:

Limited liability companies, more commonly referred to as **limited companies**, came into existence originally because of the growth in the size of businesses, and the need to have a lot of people investing in the business who would not be able to take part in its management. Why business tend to form a company?

### Information:

- The capital of a limited company is divided into **shares**.
- To become a member of a limited company, or a **shareholder**, a person must buy one or more of the shares.
- There are two classes of company, the **public company** and the **private company**.
- Its **memorandum** (a document that describes the company) states that it is a public company, and that it has registered as such.
- Minimum membership is two. There is no maximum.
- Shareholders of a limited company obtain their reward in the form of a share of the profits, known as a **dividend**.
- **Preference shares**. Holders of these shares get an agreed percentage rate of dividend before the ordinary shareholders receive anything.
- **Ordinary shares**. Holders of these shares receive the remainder of the total profits available for dividends. There is no upper limit to the amounts of dividends they can receive.
- **Authorized share capital**. Sometimes known as registered capital or nominal capital. This is the total of the share capital which the company is allowed to issue to shareholders.
- **Issued share capital**. This is the total of the share capital actually issued to shareholders.
- **Called-up capital**. Where only part of the amount payable on each issued share has been asked for, the total amount asked for on all the issued shares is known as the called-up capital.
- **Paid-up capital**. This is the total of the amount of share capital which has been paid for by shareholders.
- Download the past papers from the following link/ mobile app for practicing more questions:
  - i) <https://play.google.com/store/apps/details?id=com.rove.rovepapers&hl=en&raii=com.rove.rovepapers>
  - ii) <https://papacambridge.com/cie/sy-qp-ms/o-level/principles-of-accounts-7110/>

### Synthesising/Absorbing:

Students write your own summary- notes in your notes book based on information given above and watched video.

### Practising/Rehearsal:

- Chapter No. 45 (Limited Company)
- Chapter No. may vary in different editions of book, check this chapter from your book's table of contents.
- Solve Exhibit No. 45.1
- Solve Exhibit No. 45.2

### Feedback:

Students; please if you have any questions at all about this topic, any words you did not understand, please send an email to your concerned teacher.

| Class    | Teachers' Name  | Teachers' Abbreviation | Teachers' Email Address           | Instructions  |
|----------|-----------------|------------------------|-----------------------------------|---|
| C3G A/B  | M. Qaisar Latif | MLQ                    | qaisar57_mql_sadiq@protonmail.com | C3G A/B students will send their home assignments to (MLQ) for checking and getting feedback. |
| C3 A/B/C | Ghulam Yaseen   | GY                     | yaseen_gy_sadiq@protonmail.com    | C3A/B/C students will send their home assignments to (GY) for checking and getting feedback.  |