Class: B.Com Part II
Subject: Corporate Accounting
Paper: IV
unit: V
Topic: Final Account under Double Account System.
Lecture Sequence No: 4

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Final Accounts under Double Account System:

The final account of Double Account system normally consist of the following:
The components are → Revenue Account
→ Net Revenue Accounts
→ Capital Accounts.
→ General Balance Sheet

(1) Revenue Accounts:

It corresponds with the ordinary Profit & loss account where the expenses are grouped under appropriate heading. Revenue expenses are entered on the debit side of Revenue Account and income are entered on the credit side of this account.

→ Only such items of income and expenses are shown in this account which are related to the operation of business.

→ Interest on loan and debentures is not shown in this account.

Rent on lease of land, in case of railway company, is also not shown in Revenue A/c

→ As the nature of different public utility concern ~~re~~ varies, the items of income and expenses to be shown in the Revenue Account of railways, gas company or electricity company vary.

→ The Balance of Revenue Account is transferred to Net Revenue Account of ~~railways gas company~~ Credit Balance of this a/c termed as Surplus & Debit balance is called Debit.

Revenue A/c for the year ended 31.3....

Particulars	Amt	Particulars	Amt
To Cost of Generation	xxx	By Sales of Gas	
To Cost of Distribution	xxx	Electricity	xxx
To Rent, Rates & Taxes	xxx		
To Consumers Servicing & Billing Charges	xxx	By Services charges	xxx
		By Miscellaneous Revenue	xxx
To Establishment	xxx		
To Other Charges	xxx		
To Management Exp.	xxx	By Net Deficit (if any) carried to Net Revenue Account.	
To Depreciation	xxx		
To Net Surplus (if any) carried to Net Revenue Account.			
	xxx		xxx

(2) **Net Revenue Account:**

This account is similar to the Profit and Loss appropriation Account. This account is also known as Revenue Appropriate Account. This account shown the appropriation of profits, the balance of Revenue Account transferred to Net Revenue Account. Interest on loans and debentures, rent of lease of land, income tax, transfer to different reserve, interim dividend, are shown on its debit side.

Net Revenue Account.
for the year ended 31.3...

Particulars	Amt (Rs)	Particulars	Amt (Rs)
To Balance of Loss b/d from last year (if any)	xxx	By Balance of Profit b/d from Last year (if any)	xxx
To Net Operating deficit as per Revenue Account (if any)	xxx	By Net Operating Surplus as per Revenue A/c (if any)	
To Contingency Reserve	xxx	By Interest on Securities and Investments.	
To Transfer to Reserve Fund	xxx		
To Taxes on Income & Profit paid	xxx		
To Other Special Appropriations as permitted by State Govt	xxx	By Other Receipts (non-operating eg rent less out-going not other-wise provided, transfer fees etc. to be specified.	
To Interest on Debetures	xxx		
To Int. on Other Secured loan	xxx		
To Int. on Unsecured Loan Advance on Deposits. BOD	xxx		
To Dividend on Preference Share Capital	xxx		
To Dividends on Equity Share capital	xxx	By Balance of loss (if any) carried to General Balance Sheet (B/S)	
To Balance of Profit (if any) carried to General Balance Sheet (B/s			
	xxx		xxx