

**National Institute of Open Schooling (NIOS)
Senior Secondary
Worksheet-26**

L-26 COMPANY: AN INTRODUCTION

1. Shahrukh want to start a startup. For this he is going to register a company. Aware him what is definition of a company and what are the characteristics of a company?
2. Prepare the following chart showing difference between public company and private company as given basis of differences:

Basis of Difference	Private company	Public company
Minimum Number of members		
Maximum number of members		
Name		
Commencement of business		
Invitation to Public		
Transfer of Shares		
Number of Directors		
Minimum Capital		

3. A share is an indivisible unit of capital. It expresses the proprietary relationship between the company and the shareholder. List out the kind of share and explain in detail.
4. As the total capital of the company is divided into shares, the capital of the company is called share capital. In how many categories a company Share its capital? Make a detail notes on it.

5. According to Section 81 (1A) of Companies Act, 1956 private placement of shares implies issue and allotment of shares to a selected group of persons. Write down the Salient Features of Private Placement.
6. Sukriti Ltd. was registered with an authorised capital of ` 10,00,000 divided into shares of ` 10 each. Company issued 60,000 shares to public and amount was payable as follows :` 3 on application; ` 2 on allotment & ` 5 on call. Application for 55000 shares were received, which were allotted. Full amount received on due dates. Pass Journal entries in the Books of Sukriti Ltd.
7. The company purchases certain assets from vendors (sellers or suppliers) on credit. Instead of making payment to vendors in cash, the company issues them certain agreed number of shares at the agreed rate as a consideration (payment in exchange) of assets purchased. Shares may be issued to vendors at par, at premium or at discount.

Prepare a requisite journal entry to be passed as per the given details.

8. Promoters are those persons, firms or companies, who promote the company. They are entrusted with the work of the formation of the company. Promoters are paid remuneration for their services. This remuneration can be paid in the form of shares also. In such cases companies issue shares to their promoters without payment.

Prepare a journal entry with illustration for issue of Shares for consideration other than Cash.

9. Make a chart clearly indicating different types of companies.
10. Define the following terms:
 - Equity shares
 - preference shares
 - Share Capital
 - Uncalled Paid up
 - issue of Shares