

## CHAPTER- PROVISIONS AND RESERVES

|        |  | <b>GTSE</b>   | <b>Self Evaluation Grades</b> |  |  |  |
|--------|--|---|-------------------------------|--|--|--|
| Sr.No. | Topic  | Sub-Topic   | Date                          |  |  |  |
| 1      | Provision  | (i) Meaning<br>(ii) Definition  |                               |  |  |  |
| 2      | Importance of Provisions                                 | (i) To ascertain the true net profit of the business<br>(ii) To ascertain the true financial position of the business<br>(iii) To provide for known losses in the future<br>(iv) For the equitable distribution of expenses                 |                               |  |  |  |
| 3      | Reserves   | (i) Meaning<br>(ii) Definition  |                               |  |  |  |
| 4      | Importance of Reserves                                   | (i) Helpful in meeting the unforeseen liability or loss<br>(ii) Helpful in strengthening the financial position of the business<br>(iii) Equalisation of dividends over the years<br>(iv) To provide funds for meeting a specific liability |                               |  |  |  |
| 5      | Difference between Provisions and Reserves               | (i) Definition<br>(ii) Origin<br>(iii) Creation<br>(iv) Compulsion<br>(v) Investment purpose<br>(vi) Uses<br>(vii) Paying dividend  |                               |  |  |  |
| 6      | Types of Reserves  | (A) Revenue Reserve<br>-General Reserve<br>-Specific Reserve<br>(B) Capital Reserve   |                               |  |  |  |
| 7      | Difference between Revenue Reserves and Capital Reserves | (i) Sources of creation<br>(ii) Period<br>(iii) Usage<br>(iv) Purpose<br>(v) Creation   |                               |  |  |  |
| 8      | Reserve and Reserve fund                                 | (i) Creation of reserve<br>(ii) Transaction<br>(iii) Involves<br>(iv) Balance sheet<br>(v) Created  |                               |  |  |  |
| 9      | Secret Reserves  | (i) Excessive written down of assets<br>(ii) Overstatement of provisions and liabilities<br>(iii) Writing off additions to fixed assets as expenses   |                               |  |  |  |

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|   |                        | CTSE   | Self Evaluation Grades   |  |  |  |
|---|------------------------|--|--|--|--|--|
| Sr.No.  | Topic                  | Sub-Topic <sup>®</sup>                       | Date   |  |  |  |
| 10  | Provision for Taxation | (i) When provision for taxation is created   |  |  |  |  |
|   |                        | (ii) When provision tax is paid in next year |  |  |  |  |
|   |                        | Signature of Student                         |  |  |  |  |
|   |                        | Signature of Mentor/Teacher                  |  |  |  |  |
| <b>Key To Grades</b>  |                        |  | This self Evaluation sheet has four date columns. Student shall fill grades to all topics in one date column in a sitting. By the fourth attempts, all grades should be 'A' for getting best marks in exams. |  |  |  |
| Write 'A' if you know the concept fully (when you know 100%)            |                        |  |  |  |  |  |
| Write 'B' if you need revision once (when you know between 75%-100%)    |                        |  |  |  |  |  |
| Write 'C' if you know the concept partially (when you know about 50%)   |                        |  |  |  |  |  |
| Write 'D' if you know the concept very little (when you know about 25%) |                        |  |  |  |  |  |
| Write 'E' if you don't know the concept at all (when you know 0%)       |                        |  |  |  |  |  |



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