CLASS XI

Semester I: Financial Accounting-I

Semester-II: Financial Accounting-II

CLASS XII

Semester III: Accounting for Not-for-Profit Organisations and Partnership Firms

Semester IV: Company Accounts and Financial Statement Analysis



Semester I: Financial Accounting - I (Total Periods 104)

Unit I: *Introduction to Accounting* (Periods 12)

- Accounting – Meaning, Objectives, Accounting as source of information, Internal and External users of accounting information and their needs.
- Qualitative Characteristics of Accounting Information – Reliability, Relevance, Understandability and Comparability.
- Basic Accounting Terms – Asset, Liability, Capital, Expense, Income, Expenditure, Revenue, Debtors, Creditors, Goods, Cost, Gain, Stock, Purchase, Sales, Loss, Profit, Voucher, Discount, Transaction, Drawings.

Unit II: *Theory Base of Accounting* (Periods 12)

- Accounting Principles – Meaning and Nature.
- Accounting Concepts: Entity, Money Measurement, Going Concern, Accounting Period, Cost Concept, Dual Aspect, Revenue Recognition (Realisation), Matching, Accrual, Full Disclosure, Consistency, Conservatism, Materiality.
- Accounting Standards – Concept and List of Indian Accounting Standards.
- Accounting Mechanism – Single Entry and Double Entry.
- Bases of Accounting – Cash Basis, Accrual Basis.

Unit III: *Recording of Business Transactions* (Periods 20)

- *Voucher and Transactions*: Origin of Transactions – Source documents and Vouchers, Preparation of vouchers; Accounting equation approach – Meaning and Analysis of transactions using accounting equation; Rules of debit and credit.
- *Recording of Transactions*: Books of original entry – Journal, Special purpose books: (i) Cash book – Simple, Cashbook with bank column and Petty cashbook, (ii) Purchases book, Sales book, Purchases returns book, Sale returns book; Ledger: Meaning, Utility, Format; Posting from journal and subsidiary books; Balancing of accounts.
- *Bank Reconciliation Statement*: Meaning, Need and Preparation, Correct cash balance.

Unit IV: *Trial Balance and Rectification of Errors* (Periods 20)

- Trial Balance: Meaning, Objectives and Preparation.
- Errors: Types of Errors; Errors affecting trial balance; Errors not affecting trial balance.
- Detection and Rectification of Errors (one sided and two sided); uses of suspense account.

Unit V: *Depreciation, Provisions and Reserves* (Periods 20)

- *Depreciation*: Meaning and Need for charging depreciation, Factors affecting depreciation, Methods of depreciation — Straight line method, Written down value method (excluding change in method), Method of recording depreciation – charging to asset account, creating provision for depreciation/ accumulated depreciation account; Treatment of disposal of an asset.
- *Provisions and Reserves*: Meaning, Importance, Difference between provisions and reserves, Types of reserves: Revenue reserve, Capital reserve, General reserve, Specific reserve and Secret reserve.

Unit VI: *Accounting for Bills of Exchange Transactions* (Periods 20)

- Bills of exchange and Promissory note: Definition, Features, Parties, Specimen and Distinction.
- Important Terms: Term of Bill, Concept of Accommodation Bill, Days of grace, Date of maturity, Bill after date, Negotiation, Endorsement, Discounting of bill, Dishonour, Retirement and Renewal of a bill.
- Accounting treatment of bill transactions.

Semester II: Financial Accounting - II (Total Periods 104)

Unit VII: *Financial Statements* (Periods 38)

- Financial Statements: Meaning and Users.
- Distinction between capital expenditure and revenue expenditure.
- Trading and Profit and Loss Account: Gross profit, Operating profit, Net profit.
- Balance Sheet: Need, Grouping, Marshalling of assets and liabilities, Vertical presentation of financial statement.
- Adjustments in preparation of financial statements with respect to Closing stock, Outstanding expenses, Prepaid expenses, Accrued income, Income received in advance, Depreciation, Bad debts, Provision for doubtful debts, Provision for discount on debtors, Managers' commission.
- Preparation of trading and profit and loss account and balance sheet of sole proprietorship.

Unit VIII: *Accounts from Incomplete Records* (Periods 30)

- Incomplete Records: Meaning, Uses and Limitations.
- Ascertainment of profit/loss by Statement of Affairs method.
- Preparation of trading and profit and loss account and balance sheet.
- Ascertaining missing figures in Total debtors account, Total creditors account, Bill receivables, Bills payables and Cash book and Opening statement of affairs.

Unit IX: *Computers in Accounting* (Periods 18)

- Introduction to Computer and Accounting Information System (AIS).
- Applications of computers in accounting:
  - Automation of accounting process, designing accounting reports, MIS reporting, data exchange with other information systems.
- Comparison of accounting processes in manual and computerised accounting, highlighting advantages and limitations of automation.
- Sourcing of accounting system: Readymade and customised and tailor-made accounting system. Advantages and disadvantages of each option.

Unit X: *Accounting and Database System* (Periods 18)

- Accounting and Database Management System.
- Concept of Entity and Relationship: Entities and relationships in an Accounting System: Designing and Creating Simple Tables, Forms, Queries and Reports in the context of accounting system.