SYLLABUS
ACCOUNTANCY

1. RATIONALE

Accountancy is an important language of business. Its knowledge has become indispensable for recording and analysing business transactions, interpreting the business results thereof and initiating future action.

The highlights of this course include:

a) the knowledge of principles and practices of financial accounting;
b) the preparation of financial statements of Trading and Non-Trading Organisations.
c) the detailed knowledge of Accounting Vouchers prepared by business concerns;
d) the promotion of knowledge about Savings A/c, Cash Book, Pass Book, etc.
e) the provision of elementary knowledge of Computers in Accounting (to be introduced later on)

The modules one to seven (Core Modules) have been considered essential for all learners to study. However, the learners are expected to opt for any one module out of two optional modules depending on his/her interests.

OBJECTIVES

This course aims at enabling the learners to:

develop skills of recording business transactions, maintaining accounts and interpreting the results thereof.

- develop skills to prepare Accounting Vouchers to increase competence for employment.
- join higher stream of accounting education.
- join professional Courses in Accounting Stream.

DISTRIBUTION OF MARKS

S.No.	Core Modules	Marks	Time (Hrs)
1.	Introduction to Financial Accounting	6	17
2.	Accounting terms, Accounting	6	16

	equation and Journal		
3.	Voucher Approach in Accounting	12	40
4.	Bank Reconciliation Statement	6	15
5.	Financial Statements	15	30
6.	Partnership Accounts	20	45
7.	Accounting for Share Capital	15	52
	Total	80	195
	Choose any one out of two Modules 8 to 9		
8.	Analysis of Financial Statements		45
9.	Final Accounts of Non-Trading Organisation	20	
	Total	100	240

IMPORTANT NOTE FOR PAPER SETTERS AND LEARNERS

APPLICATION:

Paper setters may set questions asking journal entries for marks not exceeding 20. Such questions can be from one topic or combination of topics.

Module 1. Introduction to Financial Accounting **6 Marks**

Approach

This module has been designed to introduce Accounting to learners. This module will familiarise the learners with **Basic Assumptions, Concepts and Conventions of Accounting.**

Prerequisite Knowledge

General idea of profit or loss, transactions.

Content Units

Unit 1. Accounting-An Introduction

Business transactions, Book-keeping, Accounting and its branches.

Nature, functions and objectives of Financial Accounting.

Unit 2. Accounting Assumptions:

Meaning, Assumptions: Business Entity, Money Measurement, Going Concern and Periodicity.

Unit 3. Accounting Concepts

Meaning, concepts: Matching, Accrual, Realisation and Dual Aspect Concept.

Unit 4. Accounting Conventions

Meaning, Conventions: Consistency, Full disclosure, Materiality, Conservatism.

Module 2: Accounting Terms, Accounting Equation and Journal: 6 Marks

Approach

This module had been designed to familiarise the students with different accounting terms, accounting equation and journal approach to accounting. This will enable them, i) to prepare Accounting equation. ii) to make journal entires for business transactions.

Pre-Requisite Knowledge

Familiarity with items of merchandise and Mathematical equation.

Content Units

Unit 1. Accounting Terms

Meaning and significance of different Accounting terms like Assets, Liabilities, Capital, Revenues and Expenses.

Unit 2. Accounting Equation

Need of Accounting equation, Meaning and preparation of Accounting equation.

Unit 3. Rules of Accounting

Meaning of Accounts, Type of Accounts: Assets, Liabilities, Capital, Revenue and Expense, Rules of Debit and Credit on the basis of Accounting Equation.

Unit 4. Journal

Meaning, classification of journal into General journal and special journals (with examples). Incorporation of journal entries involving different accounts.

Unit 5: Cash Book

Meaning, types-Simple Cash Book, Two column Cash Book and Three column Cash Book.

Module 3 Voucher Approach in Accounting 12 Marks

Approach

This module has been designed to familiarise the learners with different types of accounting vouchers usually prepared by business concerns. This will enable the learners to prepare accounts.

Pre-Requisite Knowledge

Familiarity with cash memos, bills, house, Rent Receipt, Electricity bill, Telephone bill, etc.

Unit 1: Vouchers and their preparation

Meaning, usefulness and types of vouchers (Accounting Vouchers and Supporting Vouchers), preparation of Accounting Vouchers: Debit Voucher, Credit Voucher, Transfer Voucher.

Unit 2 Day Book and Subsidiary Day Books

Meaning Classification of Day Book: Simple Day Book, Day Book with a transfer column, Day Book with Bank and transfer column, Classification of Subsidiary Day Books: Purchases Day Book, Sales Day Book, Purchases Returns Day Book, Sales Returns Day Book.

Unit 3: Recording the vouchers into Day Books

Recording into Simple Day Book, Day Book with Transfer Column, Day-Book with Bank Column.

Unit 4: Recording the Vouchers into Subsidiary Day Books

Recording into Purchases Day Book, Sales Day Book, Sales Returns Day Book, Puchases Returns Day-Book..

Unit 5: Ledger Posting of Day Book

Meaning and format of Ledger, Posting the items from Day Book to Ledger A/cs.

Unit 6: Posting of Subsidiary Day Books

Posting the items from Subsidiary Day Books to Ledger A/cs.

Unit 7: Trial Balance

Meaning, objective and format of Trial Balance, Preparation of Trial Balance from Ledger balances.

Unit 8: Errors and their Rectification

Meaning of Accounting error, Classification of errors, Rectification of errors through journal and Accounting vouchers, Need and Preparation of Suspense A/c.

Module 4: Bank Reconciliation Statement 6 Marks

Approach

This module has been designed to explain the reasons responsible for the differences between the balance shown by Cash Book and Pass Book.

Pre-Requisite Knowledge

Familiarity with Cash Book and Pass Book

Content Unit

Units 1: Bank Reconciliation Statement

Need, Meaning, reasons for difference between the balance of cash book and pass book, preparation.

Module 5: Financial Statements 15 Marks

Approach

This module has been designed to explain to the learners the calculation of profit or loss during the accounting period. This also enables the learners to explain the financial position of the business on a particular date.

Pre-Requisite Knowledge

Familiarity with Accounting terms, Ledger Posting, Trial Balance etc

Content Units

Unit 1: Capital and Revenue

Classification of expenditure into Capital and Revenue (with examples), Calculation of Cost of Goods sold, Capital and Revenue receipts.

Unit 2: Preparation of Trading and Profit and Loss Account and Balance Sheet.

Need, format of Trading and Profit and Loss A/c., items to be recorded on the Debit and Credit Side of Trading and Profit and Loss A/c, Preparation of Trading and Profit and Loss A/c. Need, format of Balance Sheet, identification of Accounts to be written on liabilities and Assets side, Preparation of Balance sheet.

Unit 3: Preparation of Trading and Profit and Loss A/c and Balance Sheet (with adjustments).

Need for adjustments, adjustments regarding closing stock, Depreciation, Additional bad debts, Provision for Doubtful Debts, Outstanding expenses, Pre-paid expenses, Accrued income and unearned income, incorporation of Adjustments in Trading and Profit and Loss A/c and Balance Sheet.

Module 6 : Partnership Accounts **20 Marks**

Approach

This module has been designed to explain to the learners the accounting procedure regarding admission, retirement and death of a partner through journal and accounting vouchers. This also explains the valuation and recording of Goodwill and revaluation and realisation of assets and liabilities.

Pre-Requisite Knowledge

Familiarity with system of accounts

Content Units

Unit 1: Partnership-General

Meaning, Partnership Deed, Types of Partners, Capital Accounts.

Accounting Treatment of the following in the absence of Partnership Deed.

a) Distribution of Profits
b) Interest on Partner's Loans
c) Interest on Capital and Drawings
d) Salary and Commission of Partner

Unit 2: Admission of Partner

Concept of Admission of Partner, Calculation of Profit sharing ratio, Revaluation of assets and liabilities, Goodwill: Meaning, Valuation and its recording, Adjustment

regarding Adjustments in Partners' capital A/c, Preparation of Revaluation A/c, Partner's Capital A/c and Balance Sheet from the given information.

Unit 3: Retirement and Death of a Partner

Meaning, Calculation of New Profit sharing ratio, calculation of Gaining ratio, Recording of goodwill, Revaluation of assets and liabilities, Accumulated reserves and profits, Adjustments regarding partners, Capital Accounts, Calculation of profit upto the date of death of a partner. Preparation of Relevant A./cs and Balance Sheet.

Unit 4: Dissolution of a Partnership Firm

(Excluding Insolvency of Partners)

Concept of Dissolution of partner and partnership firm, Realisation of asset and making payment of Liabilities, Treatment of unrecorded Assets and Liabilities, Preparation of Realisation A/c., Partner's Capital A/c and Bank A/c.

Module 7: Accounting for Share Capital **15 Marks**

Approach

This module has been designed to impart to the learners the knowledge of different types of shares as a source of finance and their accounting treatment through Accounting Vouchers and journal.

Pre-Requisite Knowledge

Familiarity with the company a form of business organisation.

Content Units

Unit 1: Joint Stock Company – An Introduction

Meaning, characteristics and kinds of companies, Shares (as a source of finance) and its types, kinds of shares capital.

Unit 2: Issue of Shares

At par, At discount (Sec. 79) and At Premium (Sec, 78), Share Application, Share Allotment and Share Calls, Calls in Arrears and Calls-in-Advance. Journal entries in the books of company, Preparation of Accounting Vouchers, Preparation of Share Capital A/c, Share Allotment A/c, Bank A/c and Calls A/c.

Unit 3: Forfeiture and Reissue of Forfeited Shares

Meaning of forfeiture, Accounting Treatment for forfeiture of shares issued at Par, discount and Premium, Accounting Treatment for reissue of forfeited shares originally issued at par, discount and premium.

Optional Modules

Module 8: Analysis of Financial Statements **20 Marks**

Approach

This module has been designed to explain the different accounting ratios to enable the learners to prepare the statement of sources and uses of funds.

Pre-Requisite Knowledge

Familiarity with financial statements

Content Units

Unit 1:Ratio Analysis – An Introduction

Meaning of financial statements, Meaning and need for Analysis of financial statement.. Arithmetical and Accounting Ratio, Concept of Ratio Analysis, parties interested in Analysis of financial statement, Significance of Accounting Ratios.

Unit 2 : Accounting Ratios – I

Meaning, Significance and calculation of Liquidity and Turnover Ratios.

Unit 3 : Accounting Ratios – II

Meaning, significance and calculation of Gross Profit, Net Profit, Return on Investment and Debt-Equity Ratios.

Unit 4: Funds Flow Statement – I

Meaning, Need, Increase/decease in working capital by preparing Schedule of Changes in Working Capital, Funds from operation.

Unit 5: Funds Flow Statement – II

Preparation of Funds Flow Statement in 'T' form, Adjustments: Depreciation (including Provision for Depreciation), Sale and Purchase of fixed Asset.

Module 9: Final Accounts of Non-Trading Organisations **20 Marks**

Approach
This module has been designed to enable the learners to prepare final A/cs of Non-Trading Organisations.

Pre-Requisite Knowledge
Familiarity with
- Educational Institutions, Clubs, Hospitals, etc.
- Concepts of Receipts and Payments.
- Concepts of Income and Expenditures.

Content Units

Unit 1: Accounts of Non-Trading Organisations-I

Meaning and characteristics, Receipts and Payments A/c; Meaning, Need, Preparation, Difference between Receipts and Payments A/c and Cash Book.

Unit 2: Accounts of Non-Trading Organisations-II

Income and Expenditure A/c: Meaning, Need, Preparation, Difference between Receipts and Payments A/c and Income and Expenditure A/c. Adjustments: Outstanding and Pre-paid expenses, Accrued and unearned Incomes, Subscriptions and Depreciation on Asset only. Preparation of Balance Sheet.