

VEER NARMAD SOUTH GUJARAT UNIVERSITY

First Year B.Com. External NEP-2020

Financial Accounting

(Syllabus Effective from Academic Year 2024-25 onwards)

Objective:

1. To make students understand basic concepts, theories and principles of accounting and accounting standards.
2. To make students aware of accounting systems followed in different types of business models.
3. To help students to acquire conceptual knowledge of the financial accounting and to impart skills for recording various kinds of business models.

Outcome:

After completion of this course the students will able to

CO1: describe basic concepts, theories and principles of accounting and accounting standards.

CO2: describe accounting systems followed in different types of business models.

CO3: record the financial transactions of various kinds of business models.

| Unit | Course Contents | Weightage |
|------|---|-----------|
| 1 | Theoretical Framework and Practical Transaction (Only Theory) Nature of financial accounting, accounting principles, concepts and conventions (entity, money measurement, going concern, cost, realization, accrual, periodicity, consistency, prudence (conservatism), materiality and full disclosure). | 5% |
| 2 | Sale or Conversion of Partnership Firm in to a Limited Company | 15% |
| 3 | Structure of Balance Sheet as per Companies Act, 2013 i. Introduction, meaning, definition, purposes/objectives of preparation of Balance Sheet, Limitations of Balance Sheet ii. Coverage of Balance Sheet: Equity & Liabilities (Shareholder's funds, share application money pending allotment, Non-Current Liabilities and Current Liabilities) and Assets (Non-Current Assets and Current Assets), Contingent Assets and Contingent Liabilities | 15% |
| 4 | Branch Accounting Concept of Dependent Branches: accounting aspects, debtors' system, stock and debtors system. | 15% |

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| 5 | Accounting Standard (Only Theory) | 5% |
| | (i) Introduction, meaning and need for Accounting Standard, Accounting Standard Board (ASB), Procedure for the issue of Accounting Standards, Importance of Accounting Standards, Concepts of Ind_AS, (ii) List of Accounting Standards (AS) prevailing list in India. AS-2: Valuation of Inventories (Introductory Examples), AS-9: Revenue Recognition (introductory Transactions) | |
| 6 | Consignment Accounts Introduction to Consignment, Difference between Sale and Consignment, Terms used in consignment like Proforma Invoice, Normal & Abnormal Loss, Valuation of Closing Stock, General & Del-Credere Commission etc., Procedure for Consignment Transactions, Accounting treatment i.e., Journal entries as well as Ledger accounts in the books of consigner and consignee | 15% |
| 7 | Joint Venture Introduction, meaning, features of Joint Venture, Difference between Partnership and Joint Venture, Methods of keeping accounts i.e. (i) When a separate set of books is kept for a Joint Venture and (ii) when no separate set of books is kept for the Joint Venture | 15% |
| 8 | Hire Purchase Accounting System: Introduction, Nature of Hire Purchase Agreement, Special features of Hire Purchase Agreement, Terms used in Hire Purchase Agreements (namely hire vendor, hire purchase, cash price, down payment, hire purchase instalment and hire purchase price), Difference between hire Purchase and Instalment Purchase System Accounting Treatment i.e, journal Entries and Ledger Accounts the books of Hire Vendor and Hire Purchaser under following Situation or Transactions Only 1. When all necessary information is available 2. When Rate of interest is not available 3. When Rate of interest and Cash price both are not available | 10% |
| Total | | 100% |

Note:

- 1) Practical problems shall not exceed 70% of total weightage.
- 2) Suggested field Activity related to Accounting Job/work as part of practical 1 knowledge.

Suggested Readings:

1. Gupta. R. L and Radhaswamy M.; Financial Accounting: Sultan Chand and Sons, New Delhi,

2. Mongo J. R., Ahuja Girish and Sehgal Ashok: Financial Accounting: Mayur Paper Back, Noida
3. Shukla M. C. Grewal T. S. and Gupta S. C: Advanced Accounts; S. Chand & Co. New Delhi.
4. Agarwala A. N. Agarwala K. N: Higher Science of Accountancy: Kitab Mahal, Allahabad
5. Rathnam & Hanumanta: Advanced Accounting, Kitab Mahal - Agra
6. Harishikesh Chakravorty: Advanced Accounting, Oxford University Press.
7. B. D. Agrawal, Financial Advanced Accounting Vol. 1 & 11; Premier Pub, Book Co. Delhi
8. Xavier: Advanced Accountancy, Tata McGraw Hill
9. Ashok Sehgal & Deepak Sehgal: Financial Accounting, Taxman Publications.
10. S. K. Bhattacharya: Accounting for Management; Vikas Publisher
11. Compendium of Statement and Standards Accounting: The Institute of Chartered Accountants of India, New Delhi.
12. Accounting Standards: Taxmann Publications, New Delhi
13. Prin. T.J. RANA: Financial Accounting-1; B.S. PRAKASHAN
14. प्रि. टी.जे. राणा नाणुकीय लिसाबी पध्दति-१ : बी.एस.शाह प्रकाशन