



Faculty of: **Commerce**

Course: **Bachelor of Commerce**

Semester: **I**

Subject Code: **4CO01BFA1**

Subject Name: **Financial Accounting**

Sr. No	Branch Code	Subject Code	Subject Name	Teaching hours/ Week			Credit hours	Credit Points	Evaluation Scheme/ Semester								Total		
				Th	Tu	Pr			Theory				Practical						
									Internal Assessment		End Semester Exams		Internal Assessment		End Semester Exams				
									Marks	Duration	Marks	Duration	Marks	Duration	Marks	Duration			
2	7	4CO01BFA1	Financial Accounting	4	2	0	6	5	10	SE	1 Hr.	80	2½	10	CE	0	0	0	100

SCOPE:

Helps aspirants to acquire knowledge in the field of accounting, taxation , auditing, etc..

OBJECTIVES:

The objective of this paper is to help students to acquire conceptual knowledge of the financial accounting and to impart skills for recording various kinds of business transactions.

COURSE CONTENTS

Unit I (a) Theoretical Framework

15 Hrs.

- Accounting as an information system, the users of financial accounting information and their needs. Qualitative characteristics of accounting, information. Functions, advantages and limitations of accounting. Branches of accounting. Bases of accounting; cash basis and accrual basis.
- The nature of financial accounting principles – Basic concepts and conventions: entity, money measurement, going concern, cost, realization, accruals, periodicity, consistency, prudence (conservatism), materiality and full disclosures.
- Financial accounting standards: Concept, benefits, procedure for issuing accounting standards in India. Salient features of First-Time Adoption of Indian Accounting Standard (Ind-AS) 101. International Financial Reporting Standards (IFRS): - Need and procedures.

(b) Accounting Process

- From recording of a business transaction to preparation of trial balance including adjustments

(c) Computerised Accounting Systems

- Computerised Accounting Systems: Computerized Accounts by using any popular accounting software: Creating a Company; Configure and Features settings; Creating Accounting Ledgers and Groups; Creating Stock Items and

Groups; Vouchers Entry; Generating Reports - Cash Book, Ledger Accounts, Trial Balance, Profit and Loss Account, Balance Sheet, Funds Flow Statement, Cash Flow Statement Selecting and shutting a Company; Backup and Restore data of a Company

Unit II- Business Income **10 Hrs.**

- Measurement of business Income-Net income: the accounting period, the continuity doctrine and matching concept. Objectives of measurement.
- Revenue recognition: Recognition of expenses.
- The nature of depreciation. The accounting concept of depreciation. Factors in the measurement of depreciation. Methods of computing depreciation: straight line method and diminishing balance method; Disposal of depreciable assets-change of method.
- Inventories: Meaning. Significance of inventory valuation. Inventory Record Systems: periodic and perpetual. Methods: FIFO, LIFO and Weighted Average. Salient features of Indian Accounting Standard (Ind-AS): 2

Unit III- Final Accounts **7 Hrs.**

- Capital and revenue expenditures and receipts: general introduction only. Preparation of financial statements of non-corporate business entities

Unit IV- Accounting for Hire Purchase and Installment Systems **10 Hrs.**

- Calculation of interest, partial and full repossession, Hire purchase trading (total cash price basis), stock and debtors system; Concepts of operating and financial lease
- Practical Questions

Unit V - Accounting for Inland Branches **10 Hrs.**

- Concept of dependent branches; accounting aspects; debtors system, stock and debtors system, branch final accounts system and whole sale basis system. Independent branches: concept-accounting treatment: important adjustment entries and preparation of consolidated profit and loss account and balance sheet.

Unit VI- Accounting For Dissolution of the Partnership Firm **10 Hrs.**

- Accounting of Dissolution of the Partnership Firm Including Insolvency of partners, sale to a limited company and piecemeal distribution

REFERENCE BOOKS:

1. Robert N Anthony, David Hawkins, Kenneth A. Merchant, Accounting: Text and Cases. McGraw-Hill Education, 13th Ed. 2013.
2. Charles T. Horngren and Donna Philbrick, Introduction to Financial Accounting, Pearson Education.
3. J.R. Monga, Financial Accounting: Concepts and Applications. Mayur Paper Backs, New Delhi.
4. M.C. Shukla, T.S. Grewal and S.C. Gupta. Advanced Accounts. Vol.-I. S. Chand & Co., New Delhi.
5. S.N. Maheshwari, and S. K. Maheshwari. Financial Accounting. Vikas Publishing House, New Delhi.

6. Deepak Sehgal. Financial Accounting. Vikas Publishing H House, New Delhi.
7. Bhushan Kumar Goyal and HN Tiwari, Financial Accounting, International Book House
8. Goldwin, Alderman and Sanyal, Financial Accounting, Cengage Learning.
9. Tulsian, P.C. Financial Accounting, Pearson Education.
10. Compendium of Statements and Standards of Accounting. The Institute of Chartered Accountants of India, New Delhi.

NPTEL COURSE (<https://nptel.ac.in/>):

1. Fundamental of Accounts by Dr. Varadraj Bapat...
Course Link: <https://nptel.ac.in/courses/110101132>