

Financial Accounting**Course Objectives**

The course aims to help learners to acquire conceptual knowledge on financial accounting, to impart skills for recording various kinds of business transactions and to prepare financial statements.

Course Outcomes

At the end of this course the learner will be able to;

- Apply the generally accepted accounting principles while recording transactions and preparing financial statements of sole-traders;
- Compute depreciation and inventories to be recorded in financial statements
- Demonstrate accounting process under computerized accounting
- System;
- Create financial statements of sole proprietor and partnership firms;
- Prepare accounts for inland branches and not-for-profit organizations.

Unit I: Introduction

- Accounting principles: Concepts and Conventions. Introduction to Accounting Standards and Indian Accounting Standards (AS & Ind-AS), Accounting Cycle: Journal, Ledger, Trial Balance, Financial Statements (IND AS-1). Capital & Revenue Recognition (IND AS 18), Accounting for Inventory (IND AS-2)
- **Depreciation (IND AS-16):** Nature of depreciation causes of depreciation, Factors, Methods of computing depreciation; Disposal of depreciable assets- change of method, Relevant Accounting Standard. **Final Accounts:** Preparation of Financial Statements of a Sole Trader including adjustments. Errors & their rectification.

Unit II:

- **Accounting for partnership Firms:** Partner's Capital Accounts; profit and Loss Appropriation Account, Accounts Prepared on admission, Death and Retirement of Partners; Accounts on Dissolution of partnership Firm.
- **Accounting for Hire purchase and Installment Purchase;** Lease accounting (IND AS 116)/ Royalty accounting

Unit III: Accounting for Branch and Not-for Profit organizations

- **Accounting for Branch:**

Concept of Dependent branches; Branch Accounting debtors system, stock and debtors' system, branch final account system and wholesale basis system. Independent branches: concept, accounting treatment with necessary adjustment entries; Incorporation of Branch Trial Balance in Head Office Books for home branches.

- **Accounting for Not-for-Profit Organizations**

Meaning of Not-for-Profit Organization; Significance of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet; Difference between Profit and Loss Account and Income and Expenditure Account; Preparation of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet.

Unit IV: Computerized Accounting Systems

Computerized 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, and Cash Flow Statement. Selecting and shutting a Company; Backup, and Restore data of a Company.

Suggested Readings

- ✓ *Goyal, Bhusan Kumar- Fundamentals of Financial Accounting Taxmann's.*
- ✓ *S.P. Jain and K.L. Narang- Financial Accounting- Kalyani Publisher*
- ✓ *Gupta R.L. Radhaswamy. M-Financial Accounting, Sultan Chand and Sons*
- ✓ *R.K. Mittal / M.R.Bansal/Sahadev Swain, Financial Accounting, VK Global Publication*
- ✓ *Tulsian P.C., Financial Accounting, Pearson Education*
- ✓ *S.N. Maheshwari, and. S. K. Maheshwari. Financial Accounting. Vikas Publishing House.*
- ✓ *Jawahar Lal & S. Srivastava, B. Com- Financial Accounting, Himalaya Publishing House.*