

1065 - BASIC ACCOUNTING AND FINANCE -I									
Teaching Schedule Per Week			Progressive Assessment	Examination Schedule (Marks)					
Lectures	Practical	Credits		Theory		Practical Ex.		Total	
5	-	5	25	3Hrs	100	-	-	125	
Pre-requisite		Source	Semester	Theory	Test	Total	TW	PR	Gr Total
NIL		MOP		75	25	100	25	-	125

RATIONALE: students from inter-disciplinary background are to acquaint themselves to the rudiments of book-keeping as well as the accounting area. This is pre-requisite course and very basic in nature to establish the foundation of higher order accounting and finance at a later stage.

COURSE CONTENT		Hrs	Mks
1. ENTRIES			
Entries in journal, ledger and subsidiaries		8	10
Bank reconciliation statement, rectification of errors, trial balance and sole trader's final accounts.		12	15
3. ACCOUNTING		4	5
Financial Information System; Generally Accepted Accounting Principles and Conventions; Accounting Equation; Mechanised System of Accounting/Computer-based Accounting Systems.			
4. CAPITAL, REVENUE, DEPRECIATION		10	12
(A) Capital, Revenue, Deferred Revenue Expenditure, Capital & revenue Income. (B) Depreciation Accounting for Depreciation under the following methods--- Fixed Instalment Method, Reducing Balance Method, Annuity Method, Insurance Policy Method, Sinking or Depreciation Funds method, Machine hour rate method, Service Hour Method, Replacement Method, Sum of Digits method, Group Depreciation. (Practical Problems should be asked only on the first six methods)			
5. CORPORATE ACCOUNTING		14	18
Accounting for shares & Debentures issue, forfeiture, re-issue of forfeited shares (both, equity and preference) including issue of Bonus shares and issue of shares for considerations other than cash. Acquisition of sole proprietorship and partnership firm (Recording in the books of acquiring company to be covered). (Debtors and Creditors taken over on behalf of vendors for collection and payment purposes be excluded). Conversion of partnership firm into a limited company (conversion to be effected on the date of Balance Sheet itself). (Preparation of Revised Balance sheet prior to conversion should be avoided). Recording in the books of old partnership firm as well as in the books of Newly formed Limited Company are covered. (Whether realisation/revaluation method is expected, should be specified). In the case of Balance Sheet of the Newly Formed Company, main heads are expected and not the sub-heads). The method of distribution of purchase consideration should be specified but the distribution based on calculation of excess capital to be excluded).			
6. PARTNERSHIP ACCOUNTS		15	20
(A) Piece -Meal Dissolution: Both Notional loss and surplus capital methods to be covered. (Garner Vs. Muray principle to be excluded). Practical problems based on Piece-Meal Distribution statement to be covered. Preparation of Accounts after distribution is to be excluded. (B) Amalgamation of Partnership: (Intra-firm transactions are to be excluded).			

7. CORPORATE ACCOUNTS

17

Company final Accounts, Horizontal form of Profit & Loss Accounts, Balance Sheet as per schedule VI of Indian Companies Act 1956

Total

80 1

NOTE:

1. Preparation of manufacturing and trading Account excluded.
2. Preparation of separate schedules should not be involved.
3. Income Tax Rate should be specified.
4. Following adjustment should be excluded:-
 - Redemption of preference shares & Debentures
 - Ascertainment of consignment sales & commission, there on.
 - Tax Deduction at source (TDS)
 - Calculation of Managerial Remuneration (only lump sum remuneration should be given).

REFERENCE BOOKS

1. Agarwala, A.N., "Higher Science of Accounting" (Kitabmahal)
2. Gillespie, "Accounting System : Procedure & Methods (PHI)
3. Shukla & Grewal, "Advanced Accounts" (S. Chand)
4. Jain & Narang, "Advanced Accountancy" (Kalyani)
5. Pickle, "Accountancy" (S. Chand)
6. Gupta, R. L., "Advanced Accountancy" (S. Chand)
7. Anthony, R. N., "Management Accounting (IRWIN)
8. Hingorani, Ramanathan, etc., "Management Accounting" (Sultan)
9. Maheshwari, S. N., "Advanced Accountancy" (Vikas)
10. Xavier, "Higher Accounting" (TMH)

