

ACCOUNTANCY

Course Structure

Parts/Units	Topics	Marks
Part A	Accounting for Partnership Firms & Companies	60
Unit 1	Accounting for Partnership Firms	35
Unit 2	Accounting for Companies	25
Part B	Financial Statement Analysis	20
Unit 3	Analysis of Financial Statements	12
Unit 4	Cash Flow Statement	8
Part C	Project Work	20
OR		
Part B	Computerized Accounting	20
Unit 3	Computerized Accounting	
Part C	Practical Work	20
Total		100

Course Syllabus

Part A: Accounting for Partnership Firms and Companies

Unit 1: Accounting for Partnership Firms

- Partnership:
 - Features
 - Partnership Deed
- Provisions of the Indian Partnership Act 1932 in the absence of partnership deed
- Fixed v/s fluctuating capital accounts

- Preparation of Profit and Loss Appropriation account- division of profit among partners, guarantee of profits
- Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio)
- Goodwill: nature, factors affecting and methods of valuation - average profit, super profit and capitalization

Accounting for Partnership firms - Reconstitution and Dissolution

- Change in the Profit Sharing Ratio among the existing partners:
 - Sacrificing ratio
 - Gaining ratio
 - Accounting for revaluation of assets and reassessment of liabilities and treatment of reserves and accumulated profits
 - Preparation of revaluation account and balance sheet
- Admission of a partner:
 - Effect of admission of a partner on change in the profit sharing ratio
 - Treatment of goodwill (as per as 26)
 - Treatment for revaluation of assets and reassessment of liabilities
 - Treatment of reserves and accumulated profits
 - Adjustment of capital accounts and preparation of balance sheet
- Retirement and death of a partner:
 - Effect of retirement / death of a partner on change in profit sharing ratio
 - Treatment of goodwill (as per as 26)
 - Treatment for revaluation of assets and reassessment of liabilities
 - Adjustment of accumulated profits and reserves
 - Adjustment of capital accounts and preparation of balance sheet
 - Preparation of loan account of the retiring partner
 - Calculation of deceased partner's share of profit till the date of death
 - Preparation of deceased partner's capital account
 - executor's account and preparation of balance sheet
- Dissolution of a partnership firm:
 - Types of dissolution of a firm

- Settlement of accounts - preparation of realization account, and other related accounts
- Capital accounts of partners and cash/bank a/c (excluding piecemeal distribution, sale to a company and insolvency of partner(s))

Unit-2 Accounting for Companies

Accounting for Share Capital

- Share and share capital:
 - Nature
 - Types
- Accounting for share capital:
 - Issue and allotment of equity shares
 - Private placement of shares
 - Employee Stock Option Plan (ESOP)
 - Public subscription of shares - over subscription and under subscription of shares
 - Issue at par and at premium
 - Calls in advance and arrears (excluding interest)
 - Issue of shares for consideration other than cash
- Accounting treatment of forfeiture and re-issue of shares
- Disclosure of share capital in company's Balance Sheet.

Accounting for Debentures

- Debentures:
 - Issue of debentures at par, at a premium and at a discount
 - Issue of debentures for consideration other than cash
 - Issue of debentures with terms of redemption
 - Debentures as collateral security-concept, interest on debentures
- Redemption of debentures:

- Lump sum, draw of lots and purchase in the open market (excluding ex-interest and cum-interest)
- Creation of Debenture Redemption Reserve

Part B: Financial Statement Analysis

Unit 3: Analysis of Financial Statements

- Financial statements of a company:
 - Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule III to the Companies Act, 2013)
- Financial Statement Analysis:
 - Objectives
 - Importance
 - Limitations
- Tools for Financial Statement Analysis:
 - Comparative statements
 - Common size statements
 - Cash flow analysis
 - Ratio analysis
- Accounting Ratios:
 - Objectives
 - Classification
 - Computation
- Liquidity Ratios:
 - Current ratio
 - Quick ratio
- Solvency Ratios:
 - Debt to Equity Ratio
 - Total Asset to Debt Ratio
 - Proprietary Ratio
 - Interest Coverage Ratio

- Activity Ratios:
 - Inventory Turnover Ratio
 - Trade Receivables Turnover Ratio
 - Trade Payables Turnover Ratio and Working Capital Turnover Ratio
- Profitability Ratios:
 - Gross Profit Ratio
 - Operating Ratio
 - Operating Profit Ratio
 - Net Profit Ratio and Return on Investment

Unit 4: Cash Flow Statement

- Meaning
- Objectives
- Preparation (as per AS 3 (Revised) (Indirect Method only))

Part B: Computerised Accounting

Unit 3: Computerised Accounting

- Overview of Computerised Accounting System:
 - Introduction: Application in Accounting
 - Features of Computerised Accounting System
 - Structure of CAS
 - Software Packages: Generic; Specific; Tailored
- Accounting Application of Electronic Spreadsheet:
 - Concept of electronic spreadsheet
 - Features offered by electronic spreadsheet
 - Application in generating accounting information - bank reconciliation statement; asset accounting; loan
 - repayment of loan schedule, ratio analysis
 - Data representation - graphs, charts and diagrams
- Using Computerized Accounting System

- Steps in installation of CAS, codification and Hierarchy of account heads, creation of accounts
- Data: Entry, validation and verification
- Adjusting entries, preparation of balance sheet, profit and loss account with closing entries and opening entries
- Need and security features of the system
- Database Management System (DBMS)
 - Concept and Features of DBMS
 - DBMS in Business Application
 - Generating Accounting Information – Payroll