

ACCOUNTANCY

CLASS- 11



**BOARD OF SECONDARY EDUCATION, RAJASTHAN
AJMER**

Text Book Translation Committee

ACCOUNTANCY

Class 11

Coordinator

Prof. G. Soral

Head, Department of Accountancy and Statistics
Dean, University College of Commerce and Management Studies, and
Chairman, Faculty of Commerce
Mohanlal Sukhadia University, Udaipur

Translated by

Prof. Shurveer S. Bhanawat

Department of Accountancy & Statistics
Mohanlal Sukhadia University, Udaipur

Dr. R.S. Agrawal

Former Joint Director
College Education Rajasthan, Jaipur

Dr. J.C. Bhadada

Former Principal
Government Girls College, Chittorgarh

Dr. Ashok Kumar Gupta

Associate Professor in ABST
Government Commerce College, Kota

Dr. Meenu Maheshwari

Assistant Professor of Commerce
University of Kota, Kota

Dr. Pushpkant Shakdwipee

Associate Professor
Pacific Business School
Pacific University, Udaipur

Syllabus Development Committee

ACCOUNTANCY

Class - XI

Convener :

Prof. G. Soral

Head, Department of Accountancy and Statistics
Dean, University College of Commerce and Management Studies, and
Chairman, Faculty of Commerce
Mohanlal Sukhadia University, Udaipur

Members :

Dr. Ashok Gupta

Sr. Lecturer
Accountancy and Statistics
Govt. Commerce College
Kota

Dr. Prthviraj Meena

Govt. College
Gangapur City
(Sawai Madhopur)

Dr. Kailash Chandra Sharma

Govt. College
Chomu (Jaipur)

Krishnkant Paneri

Principal
Govt. Higher Secondary School,
Saloomber (Udaipur)

Prakash Chandra Pathak

Principal
Govt. Higher Secondary School,
Balakunda, Kota

Motilal Goyal

Principal
Govt. Higher Secondary School,
Santpur, Teh. - Abu Road (Sirohi)

PREFACE

The subject of accountancy has become richer and more contemporary in modern world. The utility of this subject has increased along with economic progress. The transparency and strength of accountancy in order to safeguard assets has perhaps being felt in the modern world with unprecedented keenness. In such circumstances, the task of providing suitable knowledge of the subject to the new generation at senior secondary level and laying foundation of capable and vigilant accountants is an important task. The present book is a humble attempt in this direction.

The language and presentation of book has been kept simple and lucid to the best extent in order to make the subject graspable. Adequate number of illustrations have been used in order to clarify the numerical processes. Each chapter is beginning with points to learn and ends with the summary. So that teaches and students can appreciated the systematic process of learning the subjects. Adequate number of very short answer type, short answer type, essay type and numerical questions have been given at the end of the chapters.

The books, articles thoughts etc. of various learned authors have been used in the preparation of the book. We expresses our gratitude to all of them. Board of Secondary Education Rajasthan and its Chairman Prof. B.L. Choudhary under whose capable direction this work has been accomplished deserve our hearty thanks and gratitude.

Authors

Accountancy

Time : 3.15 hrs.

Subject Code : 30

Maximum Marks : 100

Name of Unit

Marks

PART-A

1.	Introduction to Accountancy	07
2.	Ancient Indian Accountancy	04
3.	Original Entry : Journal and Subsidiary Books	13
4.	Ledger and Posting	07
5.	Trial Balance and Rectification of Errors	06
6.	Final Accounts	13
7.	Final Accounts with Adjustments	
Total		50

PART – B

1.	Cash Book	08
2.	Bank Reconciliation Statement	06
3.	Bills of Exchange	04
4.	Depreciation, Provisions and Reserves	08
5.	Sectional and Self Balancing System	08
6.	Accounts for Incomplete Records	08
7.	Computers in Accounting	08
Total		50

Details of Syllabus

PART-A

1. Introduction to Accountancy: Meaning of Book keeping and accounting.

Objectives, accounting as art and science, difference between book keeping and accountancy, sub-field of accounting, function of accounting, relationship of accounting with other disciplines, Accounting systems, Single entry system, Double entry system, Accounting systems in India.

Basic Accounting Terminology : Purchase, Sales, Purchase Return, Sales Return, Capital, Drawings, Assets (liquid, permanent, intangible, fictitious), receivables, liabilities (external, internal, short term, long term), direct and indirect expenses, revenue receipts and capital receipts, deferred revenue expenditure.

Double Entry System: Meaning, Principle, Stages, Basic Accounting Concept, Assumptions and Conventions.

Existing Indian Accounting Standards will be referred in relevant Topics.

2. Ancient Indian Accounting: Accounting concept in Ancient Indian Scriptures, Accounting Terminology, Accountant and form of accounting organization, Concept of Eternal Accounting.
3. Original Entry: Journal and Subsidiary Books: Meaning, Classification of Accounts on the Basis of Accounting Equation, Rules of Debit and Credit on the Basis of Accounting Equation, Use of Accounting Equation in Analysis of Transaction.

Journal : Original of Transaction, Source Document (Invoice, Cash Memo, Pay-in-slip, Cheque etc.), Preparation of Documents – Cash (Debit and Credit) and Non-Cash (Transfer), Meaning of Journal, Benefit of Journal, Types of Ledger, Rules of Recording in Journal, Format of Journal, Method of Recording in Journal, Journal Entries.

Subsidiary Books: Benefits, Types : Purchase Book, Sales Book, Purchase Return Book, Sales Return Book, Journal Proper.

4. Ledger and Posting: Meaning of Ledger, Format of Ledger, Posting in Ledger from Journal, Posting in Ledger from Subsidiary Books (Purchase, Sales, Purchase Return, Sales Return, Journal Proper), Balancing of Ledger.
5. Trial Balance and Rectification of Errors: Meaning of trial Balance, Characteristics, objectives, Methods of Preparing Trial Balance: Total and Balance Method. Errors and their Rectification : Identify Error, Preparation of Suspense Account, Types of Error, Errors not affecting Trial Balance , Error effecting Trial Balance, Rectification of Errors – Before Preparing Trial Balance and after preparing Trial balance but before preparing the final account.
6. Final Accounts: Meaning and Importance of final accounts, Manufacturing account, Meaning, Needs, Objectives, Manufacturing Method, Capital and Revenue Expenditure.

Trading Account: Meaning, Objectives, Needs, Items/Accounts which are shown in Trading Account, Closing Entries and Transfer Entries.

Profit and Loss Account: Meaning, Objectives, Items which are shown in Profit and Loss Account, Closing Entries.

Balance Sheet Meaning, Objectives, Characteristics, Items and Accounts which are shown in Balance-sheet, Order of Performance/Marshaling/grouping of Assets and liabilities in Balance Sheet.

Preparation of Final Accounts : Difference between trial balance and balance sheet.

7. Final Accounts with Adjustments : Meaning of Adjustment Entries, Needs and Effects of Entries, Adjustment Entries : Closing stock, Outstanding Expenses, Prepaid Expenses, Accrued Income, Unearned Income, Interest on Capital, Interest on Drawing, Depreciation, Provision for Bad and Doubtful Debts, Provision for Discount on Debtors, Reserve for Discount on Creditors, Assets use for Personal Purpose, Remuneration for Managers, Goods sent/sale on Approval Basis, Accidental Losses, Mutual Debts, Deduction of Taxes.

PART-B

1. Cash Book : Bank related transaction : Introduction and Types of Banks Accounts, Journal Entries from Bank related transaction. Cash Book : Meaning, Needs, Advantages, Types / Kinds of cash Book, Preparation of Simple Cash book, Posting of Simple Cash Book into Ledger, Preparation of Double Column Cash Book, Discount allowed, Discount Received, Ledger Posting of Two Column Cash Book, Preparation of Three Column Cash Book, Cheque received and Deposited into Bank Transaction, Contra Entries, Balancing of three column cash book, Multi – Column Cash Book, Preparation Petty Cash Book, Imprest System, Advantage of Imprest System, Posting of Petty Cash Book into Ledger.

2. Bank Reconciliation Statement: Introduction, Meaning, Definition, Needs, Importance; Difference between cash book and pass book (in three steps – timing, difference, payment under fixed order, errors).

Preparation of Bank reconciliation Statement: Balance as per cash book, Balance as per pass book. Preparation of Bank Reconciliation Statement on the basis of adjusted cash book.

3. Bills of Exchange : Introduction, Meaning and Definition, Characteristics, Parties, formats, advantage of bills of exchange, types of bills of exchange, Important terms related to bills of exchange : Term Bill, Due Date, days of Grace, Retiring Bill before due date, Negotiations of Bill (on delivery, by Endorsement), Discounting of bill, Bills sent to Bank for collection, dishonored of bill, noting charges, renewal of bill, Insolvency of Acceptor.

Promissory Note : Meaning, Format, Difference between Promissory Note and Bills of Exchange. Hindi : Meaning, Types, Formats of Bills receivable Book, Bills Payable Book, Accounting of Bills of Exchange and Promissory Note.

4. Depreciation, Provisions and Reserves – Depreciation : Meaning, Definition, Need, Causes of Depreciation, Depreciation and Obsolescent, Classification of Cash from depreciation point of view. Methods of Allocating Depreciation, Fixed Installment Method, Diminishing Balancing Method, Change in Depreciation Methods – from current year and previous year, annually method.
5. Sectional and Self Balancing System : Sectional Balancing System, Meaning, Debtors Book, Creditors Book, General Book. Self Balancing System, Meaning, Adjustment or Control Account, Debtors Ledger Book, Creditors Ledger Book, General Ledger Book, Adverse Balance in Ledger : Inter Account Transfer, Adverse Account and Adjustment, Difference between sectional and self balancing system, Advantages of Sectional and Self Balancing System.
6. Accounts for Incomplete Records: Introduction, Meaning, Definition, Characteristics, Reasons for Incompleteness, Demerits of Incomplete system. Ascertainment of Profit and Loss from Incomplete Records. Statements of Affairs Methods (Detail Conversion Method and Abridged Conversion Method).
7. Computer in Accounting : Introduction of Computer, Accounting Information System, Meaning, Definition, Origin, Comparison between Traditional Accounting and Computerized Accounting, Types and Structure of Accounting Software, System Documentation, Meaning, Needs, Flow Chart, Decision Table, Data Flow Diagram.

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