
SEMESTER I

I. MAJOR COURSE –MJ 1:

FINANCIAL ACCOUNTING

Marks: 25 (5 Attd. + 20 SIE: 1Hr) + 75 (ESE: 3Hrs) = 100

Pass Marks: Th (SIE + ESE) = 40

(Credits: Theory-04) Theory: 60 Lectures

Course Objectives:

1.Objective: 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 Learning Outcomes:

After completion of the course, learners will be able to:

1. Apply the generally accepted accounting principles while recording transactions and preparing financial statements;
2. Demonstrate accounting process under computerized accounting system;
3. Measure business income applying relevant Accounting Standards;
4. Evaluate the importance of depreciation and inventories in financial statements;
5. Prepare and manage cash book and other accounts necessary while running a business;
6. Prepare and maintain financial statements of sole proprietors and partnership firms;
7. Prepare accounts for Inland Branches and Not-for-Profit Organisations.

Course Content:

UNIT- I: (a) Theoretical Framework

1. 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.
2. Financial accounting principles: Concepts and Conventions.
3. Accounting standards: Concept, benefits, and Process of formulation of Accounting Standards including Ind AS (IFRS converged standards) and IFRSs; convergence Vs. adoption; Application of accounting standards (AS and Ind AS) on various entities in India. International Financial Accounting Standards (IFRS) – meaning, need and scope; Process of issuing IFRS.

UNIT- I: (b) Accounting Process

1. From recording of a business transaction to preparation of trial balance including adjustments. Application of Generally Accepted Accounting Principles in recording financial transactions and preparing financial statements.

UNIT 2: Computerized Accounting Systems

1. Computerized Accounting Systems: Computerized Accounts by using any popular accounting software Creating a Company; Configure and Features settings;
2. Creating Accounting Ledgers and Groups; Creating Stock Items and Groups; Vouchers Entry;
3. Generating Reports - Cash Book, Ledger Accounts, Trial Balance, Profit and Loss Account, Balance Sheet;
4. Cash Flow Statement
5. Selecting and shutting a Company; Backup, and Restore data of a Company.

UNIT 3: Business Income, Accounting for Depreciation, and Inventory Valuation System.

1. Business income: Concept of Revenue and Business Income, Measurement of business income; relevance of accounting period, continuity doctrine and matching concept in the measurement of business income; Objectives of measurement of Business income.
2. Revenue recognition: Recognition of expenses and income. Recognition of expenses and income with a reference to AS 9 and Ind AS 18.
3. The nature of Depreciation. 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 in method of Depreciation and its impact of on measurement of business income.
4. Inventories: Meaning. Significance of inventory valuation. Inventory Record Systems: periodic and perpetual. Methods of computing depreciation: FIFO, LIFO, and Weighted Average. Application of Accounting Standard