



**FINANCIAL ACCOUNTING
FINANCIAL ACCOUNTING
[CORE COURSE]**

Semester: II	Credits: 3	Subject Code: BC22002	Lectures: 48
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Course Outcomes:

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

- Discus the role of accounting in a business and explain different terminologies in accounting.
- Prepare of Primary Books of Accounts
- Compute value of assets after its wear and tear, using different methods.
- Demonstrate ability in Preparation of Financial Statements.
- Distinguish between Computerized Accounting and Manual Accounting.
- Illustrate accounts using technology.

Unit 1: Introduction to Accounting

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- Financial Accounting
 - Definition, Meaning and Scope, Objectives of Financial Accounting,
 - Accounting v/s Bookkeeping, Accounting V/s Accountancy,
 - Branches of accounting, Functions of Accounting, Users of Accounting information
 - Limitations of Financial Accounting.
- Accounting Terms used
- Accounting Principles –Concepts and Convention
- Introduction to Accounting Standards –
 - AS 1- Disclosure of Accounting Principles.
 - AS 4 – Contingencies and Events occurring after the B/S date
 - AS 18- Related Party Disclosure
 - AS 26- Intangible Assets
 - AS 29- Provisions , Contingent Liabilities , Contingent Assets

Unit 2: Accounting Process

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- Recording of Business Transactions-
 - Voucher and Transactions: Source documents and Vouchers,
 - Classification of Accounts,
 - Rules of Debit and Credit.
- Recording of Transactions:
 - Books of Original Entry (Journal),
 - Ledger
- Cash books – Simple Cash book, Columnar Cash book, Analytical

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<p>Petty Cash book</p> <ul style="list-style-type: none"> • Subsidiary books- Purchases book, Sales book, Purchases return book, Sales return book, posting of entries from subsidiary to ledger • Trial Balance: Meaning, objectives and preparation 	
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<p>Unit 3: Financial Statements of Sole Proprietorship</p>	14
<ul style="list-style-type: none"> • Financial Statements -Meaning, objectives and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure; Capital and revenue Profit, Capital loss and Revenue loss, Deferred Revenue expenditure Recording of Transactions: • . Trading and Profit and Loss Account: Gross Profit, Net profit. • Preparation. Balance Sheet: need, grouping of assets and liabilities • Adjustments in preparation of financial statements with respect to - <ul style="list-style-type: none"> ○ Closing stock ○ Depreciation-Meaning, Importance, Causes Methods of charging Depreciation – Written down method and Straight Line Method ○ Bad debts, Provision for doubtful debts, Provision for discount on debtors, ○ Outstanding Expenses, Prepaid Expenses, Accrued income, income received in advance ○ Goods taken for personal use/staff welfare ○ Goods destroyed by fire, insurance claim on goods destroyed ○ Goods distributed as free samples • Interest on capital and Manager's commission 	

<p>Unit 4: Computerized Accounting(Theory)</p>	8
<ul style="list-style-type: none"> • Introduction to Accounting Information System {AIS} • Components of AIS • Functions of AIS • Benefits and Limitations of AIS • Accounting process in a computerized environment; comparison between manual accounting process and computerized accounting process, • Sourcing of accounting software; kinds of software: readymade software; customized software and tailor-made software; generic considerations before sourcing accounting software 	

12 hours for Library work, practical or field work or research purposes

Areas of Practical Problems

- Journal Entries
- Ledger Posting

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Subsidiary Books

- Cash Book
- Trial Balance
- Final Accounts of Sole Proprietorship Firm
- Depreciation

Allocation of Marks:

- Theory - 30%
- Practical Problems - 70%

Recommended Text Books:

- Dr. Suhas Mahajan and Dr. Mahesh Kulkarni, *Financial Accounting for FYB.Com*, Nirali Prakashan, 2019
- Dr. Suhas Mahajan, Dr. Mahesh Kulkarni, Dr. Mrs. Bhama Venkataramani, Dr. Mrs. Deepika Chadda, *Book-Keeping and Accountancy for Std. XI* Nirali Prakashan, 2019
- M.G. Patkar, *Book-Keeping and Accountancy for Std. XI*, Phadke Prakashan
- Maharashtra State Board of Higher Secondary Education, *Book-keeping and Accountancy for Std. XI*, 2019
- M.G. Patkar, *A Text Book of Accountancy for FY B.Com*, Phadke Prakashan,

Reference Books:

- N. Ramachandran and Ram Kumar Kakani, *Financial Accounting for Management*, Tata McGraw Hill Education Pvt. Ltd, 2017
- Ashish K Bhattacharyya, *Financial Accounting for Business Managers*, Prentice Hall of India Pvt. Ltd.
- Dhanesh K Khatri, *Financial Accounting*, Tata McGraw Hill Education Pvt. Ltd.
- S.N. Maheshwari, Suneel K Maheshwari and Sharad K Maheshwari, *Financial Accounting*, Vikas Publishing House Pvt. Ltd. 2012
- J.C. Varshney, *Financial Accounting*, Wisdom Publications, New Delhi 2009
- Ashok Banerjee, *Financial Accounting*, Excel Books
- S. Kr Paul, *Financial Accounting*, New Central, Calcutta 2007

E-resources:

- <http://cart.ebalbharati.in/BalBooks/ebook.aspx>
- <https://www.freshbooks.com/hub/accounting/financial-accounting>
- <https://www.accountingtools.com/articles/what-is-gaap.html>
- <https://www.accounting.com/>
- <https://www.accountingedu.org/what-is-financial-accounting/>
- <https://www.indeed.com/career-advice/career-development/financial-accounting-definitions-examples>
- <https://www.investopedia.com/articles/professional-education/11/accounting-information-systems.asp>

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(FYBBA(CA) 2020-2023)

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