



BUSINESS ACCOUNTING
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[CORE COURSE]

Semester: I	Credits: 3	Subject Code: BB12003	Lectures: 48
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Course Outcomes:

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

- Identify the role and importance of accounting in business
- Describe the right approach towards classification of different transactions and their implications
- State the meaning and development of Accounting Standards in India
- Demonstrate proficiency in preparation of basic financial statements
- Recognize the reasons for decrease in the value of fixed assets and its calculation thereof.

Unit 1: Introduction:

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- Meaning and Definition of Accounting, Features of Accounting, Scope of Accounting, Objectives of Accounting, Branches of Accounting, Functions of Accounting, Book-keeping, Accounting and Accountancy, Advantages and Limitations of Accounting, Users of Accounting Information
- Terms Used in Accounting
- Accounting Principles-Meaning
- Accounting Principles-Concepts & Conventions
- Generally Accepted Accounting Principles (GAAP), Accounting Standards
- Development of Accounting Standard-Accounting Standard Board-Objectives and Functions of the Board
- Scope of Accounting Standards, Advantages of Accounting Standards
- AS-1 Disclosure of Accounting Policies
- AS-2 Valuation of Inventories

Unit 2: Accounting Transactions and Books of Accounts

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- Source Documents, Voucher System, Double-Entry System of Accounting
- Classification of Accounts, Rules of Debit and Credit
- Accounting Process
- Journal
- Sub-division of Journal-Purchase Book, Purchase Return Book, Sales Book, Sales Return Book
- Sub-division of Journal- Cash Book-Simple Cash Book, 2 Columnar Cash Book, 3 Columnar Cash Book, Analytical Petty Cash Book
- Ledger-Meaning, Format, Rules of Ledger Posting
- Trial Balance-Meaning, Types-on the basis of format, on the basis of method of preparation, Preparation of Trial Balance – Net Basis in Journal Form

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Unit 3: Final Accounts of Sole Proprietorship Firm	12
<ul style="list-style-type: none">• Introduction to Final Accounts• Trading, Profit & Loss Account & Balance Sheet of Sole Proprietary Business-Meaning, Format and Preparation• Adjustments – Closing Stock, Depreciation, Bad Debts, Reserve for Bad and Doubtful Debts, Provision for Discount on Debtors, Outstanding Expenses, Prepaid Expenses, Accrued Income, Income Received in advance, Interest on Drawings, Interest on Capital, Goods destroyed by fire, Passing of Insurance Claim on goods destroyed, Distribution of Free Samples, Unrecorded Purchases, Unrecorded Sales, Drawings.	

Unit 4: Depreciation Accounting	10
<ul style="list-style-type: none">• Meaning, Concept of Depreciation, Features of Depreciation• Causes of Depreciation• Objectives of Depreciation• Methods of Charging Depreciation – Written Down Value and Straight Line Method, Advantages and Limitations. Accounting Treatment under both the methods, Distinction between Straight Line Method and Written Down Value Method• Advantages and Limitations of Depreciation.• AS-6 Depreciation Accounting.	

Areas of Practical Problems

Journal Entries

Ledger Posting

Subsidiary Books

Cash Book

Trial Balance

Final Accounts of Sole Proprietorship Firm

Depreciation

Allocation of Marks:

Theory - 30%

Practical Problems - 70%

#12 hours for Library work, practicals or field work or research purposes

Basic Reading:

- Dr. Suhas Mahajan and Dr. Mahesh Kulkarni, *Financial Accounting for FYB.Com*, Nirali Prakashan
- Dr. Suhas Mahajan, Dr. Mahesh Kulkarni, Dr. Mrs. Bhama Venkataramani, Dr. Mrs. Deepika Chadda, *Book-Keeping and Accountancy for Std. XI* Nirali Prakashan
- M.G. Patkar, *Book-Keeping and Accountancy for Std. XI*, (PhadkePrakashan)

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- *Book-keeping and Accountancy for Std. XI* by Maharashtra State Board of Secondary & Higher Secondary Education
- M.G.Patkar, *A Text Book of Accountancy for FYB.Com*, Phadke Prakashan
- M.G. Patkar, *Financial Accounting for F.Y.B.Com*

Reference Books:

- N.Ramachandran and Ram Kumar Kakani, *Financial Accounting*, Tata McGraw Hill Education Pvt. Ltd.
- Dr. V.K.Goyal, *Financial Accounting*
- 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
- R. Narayanaswamy *Financial Accounting – A Managerial Perspective* Prentice Hall of India Pvt. Ltd. 2006

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>

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Faculty	Mrs. Rekha Kankariya	Rekha Kankariya 3/8/20	
Faculty	Mrs. Sarah Khambatti		Sarah 3/8/20
Subject Expert (outside SPPU)	Ms. Soma Kulshrestha	Soma 3/8/20	
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VC Nominee (SPPU)	Dr. Shweta Jain	Shweta Jain 3/8/20	
Industry Expert	CA Ms. Timsi Rajpal		Timsi 3/8/20
Alumni	Ms. Devi Krishna		

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