

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600086

B. COM DEGREE

SYLLABUS

(Effective from the Academic Year 2019-2020)

FINANCIAL ACCOUNTING

CODE: 19CM/MC/FA13

CREDITS: 3

L T P: 3 1 0

TOTAL TEACHING HOURS: 52

OBJECTIVES OF THE COURSE

- To provide the students conceptual knowledge about the Accounting Standards and basic concepts of financial accounting.
- To enable students to prepare the financial Statements for internal and external Reporting.
- To equip the students with the skill in preparing Accounts for different types of business entities.

COURSE LEARNING OUTCOMES

On successful completion of the course, students will be able to

- Create a complete record of Business transactions
- Prepare and examine the Income Statement
- Analyse the Financial Position
- Provide relevant financial information from the financial statements for decision making

Unit 1 (8 Hours)

Conceptual Framework for Preparation of Financial Statements

- 1.1 Introduction to Accounting Standards and Indian Accounting Standards
- 1.2 Accounting Standards - International Accounting Standards, Accounting Standards in India – Objectives, Process, Accounting Standards Board, Scope & Application of AS – 1,2,3,4,5,9,10,26 & 29 in Preparation of Financial Statements
- 1.3 Difference between Accounting Standards and Indian Accounting Standards
- 1.4 Preparation of Final Accounts of Sole Proprietor
 - 1.4.1 Closing Entries and Adjustment Entries
 - 1.4.2 Adjustments - Loss of Stock by Accident or Fire, Manager's Commission on Net Profit before and after Commission, Works Manager and General Manager Commission, Writing off of Deferred Revenue Expenditure, Goods sent on Sale or Return Basis, Asset Disposal and Exchange, Distribution of Samples, Advance Income Tax

Unit 2 (10 Hours)

Conversion of Partnership

- 2.1 Amalgamation – Accounting Procedure
 - 2.1.1 Closing the Books of the Old Firm
 - 2.1.2 Opening the Books of the New Firm
- 2.2 Conversion of Partnership Firm into a Company and sale to a Company
- 2.3 Apportionment of Share among the Partners
- 2.4 Accounting for Limited Liability Partnership on Conversion

- Unit 3** **(12 Hours)**
Branch Accounts and Departmental Accounts
3.1 Branch Accounts
 3.1.1 Features
 3.1.2 Methods of Accounting - Debtors System, Stock and Debtor System
3.2 Independent Branches – Features, Adjusting Entries in the Books of Head office and Branch
3.3 Departmental Accounts
 3.3.1 Concept and Distinction between Departments and Branches
 3.3.2 Preparation of Departmental Accounts
 Preparation of Departmental Trading and Profit and Loss Account
 3.3.3 Inter Departmental Transfer of goods at cost, Cost Plus Profit and at Selling Price and Elimination of Unrealised Profit.

- Unit 4** **(10 Hours)**
Accounting for Hire Purchase and Joint Venture
4.1 Meaning- Features of Hire Purchase Agreement -Distinction between Hire Purchase and Sale
 4.1.1 Interest calculations
 4.1.2 Recording transaction in the books of Hire Purchaser and the Hire Vendor
4.2 Default and Repossession - Partial Repossession and Complete Repossession
4.3 Joint Venture- Accounting Procedures

- Unit 5** **(12 Hours)**
Insurance Claim for Loss of Stock and for Loss of Profit
5.1 Insurance Claim for Loss of Stock
 5.1.1 Concept of Under Insurance and Average Clause
 5.1.2 Computation of claim -with Price Change, Consideration of Unusual Selling Line and Price Reduction
5.2 Insurance Claim for Loss of Profit
 5.2.1 Concept – Insured and Uninsured Standing, Gross Profit Rate, Short Sales and Increased Cost of Working, Average Clause
 5.2.2 Computation of Claim

BOOKS FOR STUDY

V.K. Gupta and Gupta R.L, *Financial Accounting (Vol. I)* Sultan Chand and Sons, 2016
Reddy, T. S and A. Murthy, *Financial Accounting*. Margham, 2012

BOOKS FOR REFERENCE

Goyal V.K, *Financial Accounting*.4th Edition, PHI, 2012
Jain S. P and K. L Narang, *Advanced Accountancy*, Kalyani, 2014
Maheshwari S. N and Suneel K Maheshwari, *Financial Accounting 11th Edition*, 2018
M Hanif, A Mukherjee, *Financial Accounting 2nd Edition*. Tata Mc Graw Hill 2015
Goyal V. K Ruchi Goyal, *Financial Accounting 12th Edition* PHI 2012

JOURNALS

Journal of the Institute of Chartered Accountants of India.

International Journal of in Management and Financial Accounting

Journal of Accounting and Finance: Research Development Association, Jaipur

Journal of Finance - Sage

Journal of Financial Reporting Accounting, Auditing and Finance

WEB RESOURCES

www.icaai.org

www.emeraldinsight.com

www.accaglobal.com

www.journals.elsevier.com

PATTERN OF ASSESSMENT

Continuous Assessment Test: Total Marks: 50

Duration: 90 minutes

Section A – 3 X 2 = 6 Marks (no choice)

Section B – 3 X 8 = 24 (from a choice of three)

Section C – 1 X 20 = 20 (from a choice of two)

Other Component: Total Marks: 50

Assignments / Problem Solving

End Semester Examination: Total Marks: 50

Duration: 3 hours

Section A – 10 x 2 = 20 (Max. 50 words, 5 theory and 5 Problems)

Section B – 5 x 8 = 40 Marks (From a choice of 7 Problems)

Section C – 2 x 20 = 40 Marks (From a choice of 4 Problems)