

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI - 600 086
B.Com (A & F) DEGREE: ACCOUNTING AND FINANCE

SYLLABUS
(Effective from the academic year 2015 -2016)

ACCOUNTING- II

CODE: 15CM/MC/AG35

CREDITS: 5

L T P: 5 0 0

TOTAL TEACHING HOURS: 65

OBJECTIVES OF THE COURSE

- To emphasize the need for analyzing the financial data for internal reporting, cost control and effective decision-making
- To analyze and interpret the financial statements for managerial decision making
- To focus on the applications of cost control concepts and techniques for effective planning and forecasting

Unit 1

1.1 Branch Accounts (10 hrs)

- 1.1.1** Meaning and Classification of Branches
- 1.1.2** Dependent Branch – Features, Methods of Accounting – Debtors System, Stock and Debtors System
- 1.1.3** Independent Branches – Features, Adjustment Entries in the Books of Head office and Branch.

1.2 Departmental Accounts

- 1.2.1** Meaning, Objectives and Allocation of Receipts and Expenses.
- 1.2.2** Inter-departmental Transfer at Cost price and at Invoice price.
- 1.2.3** Calculation of Net profit of Various Departments, Treatment of Unrealized Profit
- 1.2.4** Preparation of General Profit and Loss Account and Balance Sheet

Unit 2

Accounting for Depreciation and Fixed Assets (10 hrs)

- 2.1** Meaning and Objectives of providing Depreciation
- 2.2** Acquisition of Fixed Assets – Determination of Cost, Accounting for Intangible Assets, Difference between Intangible and Fixed Asset – Accounting treatment as per the IFRS
- 2.3** Depreciation Method as per Indian AS 16 and IFRS – Straight line Method, Written down Value Method
- 2.4** Accounting Treatment for Disposal of Assets

Unit 3

Accounting for Hire Purchase and Installment Purchase Systems (15 hrs)

- 3.1** Meaning – Features of Hire Purchase Agreement, Difference between Hire Purchase and Installment Purchase Systems

- 3.1.1 Calculation of Interest
- 3.1.2 Recording transactions in the Books of the Hire Purchaser and Hire Vendor
- 3.1.3 Default and Repossession – Partial and Complete
- 3.2 Installment System – Features, Accounting for Installment Purchase in the Books of Buyer and Seller.

Unit 4

Conversion/Sale of Partnership firm into a Limited Company (15hrs)

- 2.1 Accounting for Dissolution of firm - Realisation method
- 2.2 Calculation of New Purchase Consideration
- 2.3 Accounting Entries in the Books of the Firm
- 2.4 Accounting in the Books of the Company – Preparation of Balance sheet in the Books of the New Company

Unit 5

5.1 Self-Balancing Systems (15 hrs)

- 5.1.1 Meaning, Working and Advantages of Sectional Balancing System
- 5.1.2 Ledgers to be maintained – General Ledger, Subsidiary Ledgers and Control Accounts.

5.2 Average Due Date and Account Current

- 5.2.1 Computation of Average Due Date
- 5.2.2 Account Current –Methods of Computation – Forward, Backward and Daily Balance Method including Red Ink Interest

TEXT BOOKS

Gupta R.L and Radhaswamy.M, Advanced Accountancy (Vol.1), New Delhi, Sultan Chand & Sons, 2007

Reddy T.S and Murthy A, Financial Accounting, Chennai, Margham Publications, 2007.

BOOKS FOR REFERENCE

Goyal V.K. Financial Accounting, 2nd edition, Anuraj Jain for Excel Books, 2010

Jain S.P and Narang k.L, Advanced Accountancy (Part1), New Delhi, Kalyani Publishers, 2007

Maheshwari S.N, Advanced Accountancy (Part1), New Delhi, Vikas Publishing House, 2007

PATTERN OF EVALUATION

Continuous Assessment:

Total Marks: 50 Duration: 90Mins

Section A $3 \times 2 = 6$ (no choice)

Section B $3 \times 8 = 24$ (from a choice of four)

Section C $1 \times 20 = 20$ (from choice of two)

Third Component Tests

Open book test

Problem solving

Assignment

End Semester Examination:

Total Marks: 100 Duration: 3 Hours

Section A – short answers (max. 50 words) - $10 \times 2 = 20$ Marks

5 Questions theory and 5 Problems

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

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

