

## COMMERCE: ACCOUNTING & TAXATION

SEMESTER – 1 <sup>st</sup>	MAJOR COURSE
ATT122J: FUNDAMENTALS OF ACCOUNTING (ACCOUNTING & TAXATION - COMMERCE)	CREDITS: THEORY: 04 PRACTICAL / TUTORIAL: 02

### Course Description:

This course is designed to provide the basic understanding, knowledge and perspective of Accounting Fundamentals that business organizations use and apply to record, analyze, and interpret the business transactions and help them in the decision making. The course covers Accounting Principles, Concepts, Conventions and basis of accounting; and, also, acquaint the students with the preparation of Subsidiary-books, Trail Balance, Bank Reconciliation Statement, Financial Statements and treatment of Depreciation. Moreover, to keep the students abreast about the use of the computer-technology in the field of accounting, the course also includes the application of Accounting Software/s in the preparation of Subsidiary Books and Financial Statements.

### Course Objectives:

The broad course objectives are the following:

1. To enable the learners to have full understanding of basic Accounting Concepts and Conventions, and make them understand different Subsidiary Books, posting of Journal to Ledger, preparation of Trial Balance and rectification of errors.
2. To make the student understand how the Bank Reconciliation Statement is prepared and how accounting for Depreciation and Valuation of Inventory is done.
3. To enable the students, acquire the knowledge of Computerized Accounting like Tally and generating reports of Ledger, Trial Balance and Financial statements.

### Learning Outcome:

After going through this course, the students are expected to have a clear understanding, knowledge and application of the Accounting skills as used in the business organizations.

### Curriculum Details:

#### Unit – I

Theoretical Framework: The nature of financial accounting principles –Accounting: Principles, Concepts: Conventions. Bases of Accounting; Cash bases and Accrual bases, Accounting equation.

Identification of Financial Transactions; Source Documents, Journalizing, Rules of Debit and Credit,

*(Knowledge, Comprehension and Skill)*

#### Unit – II

Secondary Books: Purchase Book, Purchase return Book, Sales Book, Sales Return Book, Cash Book, Petty Cash Book, Ledger, types of Ledgers, posting of transactions to Ledger, balancing of ledger.

Trail Balance, Rectification of Errors, Classification of Errors, Location of Errors, Suspense Account, Closure of temporary accounts, Prepare post-closing trail balance, post reversing entries.

*(Knowledge, Comprehension and Skill)*

#### Unit – III

Bank Reconciliation Statement: Meaning and Importance BRS, Types of BRS.

Depreciation Accounting, Depreciation and Amortization, Methods used to calculate Depreciation and Valuation of Inventory.

*(Knowledge, Comprehension and Skill)*

#### Unit-IV)

Accounting of Accruals and Deferrals: Preparation of Financial Statements, Post Adjusted Trail Balance, Trading Account, Profit and Loss Account, and Balance Sheet.

*(Knowledge, Comprehension and Skill)*

#### Unit -V and Unit – VI (Tutorial/Practical) Continuous Assessment

##### Computerized Accounting Systems

Tally: Creating a Company; Configure and Features settings; Creating Accounting Ledgers and Groups; Creating Stock Items and Groups; Vouchers Entry

Generating Reports - Cash Book, Ledger Accounts, Trial Balance, Profit and Loss Account, Balance Sheet.

**Note: The Teacher shall give assignments from the above topics to the students and students shall submit report for evaluation by the concerned teacher.**

*(Knowledge, Comprehension and Skill)*

### Suggested Readings:

- P.C. Tulsian, Financial Accounting, Tata McGraw Hill, New Delhi.
- A. K. Bhattacharyya, Financial Accounting for Business Managers, Prentice-Hall, New Delhi.
- S. A. Mccrary, Mastering Financial Accounting Essentials: The Critical Nuts & Bolts, John Wiley & Sons, Inc. New Jersey.
- J. J. Lerner, Bookkeeping & Accounting, McGrawhill, New York.
- S. N. Maheshwari, Financial Accounting, Vikas Publication, New Delhi.
- R.L. Gupta and V. K. Gupta, Principles and Practice of Accountancy Sultan Chand and Sons, New Delhi.
- J.R. Monga, Basic Financial Accounting, Mayur Paper backs, Darya Gang New Delhi.

**Note: Latest edition of text books may be used**