

Course No.106- Fundamentals of Accounting

Maximum Marks 100

Annual Exam: 80

Internal Assessment: 20

Course Objectives:

The course has been designed to acquaint the students with the accounting practices to be followed in business and industry. It will lead them to understand accounting system for measuring, processing and communicating financial information.

UNIT –I.

Accounting: meaning, functions, usefulness and limitations.

Generally Accepted Accounting Principles (GAAP): Concepts and Conventions.

Users of Accounting Information; Internal and External.

Accounting Cycle--- Recording of transaction, Rules of Debit and Credit—Journals-- Ledger posting.

Trial Balance: preparation and limitations.

Preparation of Financial Statements of Individuals and partnerships with and without adjustments.

UNIT—II.

Preparation of Subsidiary Books: Purchase and Sales Book, Purchase and Sales Returns Books,

Book.

Cash Book --- Single Column, Double Column and Three column

Bills of Exchange and Promissory Note: Definition, essentials, parties and Distinction .

Accounting treatment of transactions with regard to bills of exchange in the books of Drawer and Drawee (Simple and Accommodation bills).

Bank Reconciliation Statement—meaning, need, causes of difference between cash book and passbook balances, preparation of Bank Reconciliation statement.

UNIT---III

Depreciation: Concept and meaning, Causes and characteristics of Depreciation, Accounting treatment of depreciation under Straight Line Method, Diminishing Balance Method and Annuity method.

Royalty Accounts—Meaning of Royalty, Short working, Minimum Rent/Dead Rent, Recumbent of short working (Restricted and unrestricted)

Difference between Rent and Royalty,

(6)

Signature

142

Accounting treatment in the books of lesser and lessee.

Hire purchase and Installment purchase---meaning and difference, accounting treatment in the books of hire vendor and hire purchaser including repossession.

UNIT--IV

Accounts of Non-trading Concerns: Income and Expenditure Account, Receipt and Payment account---meaning and distinction. Preparation and conversion of Receipt and Payment Account into Income and Expenditure account.

Insolvency Accounts: conditions under which a person is declared insolvent. Order of Discharge, Voluntary Transfers, Doctrine of Reputed Ownership. Preferential Creditors under Presidency Towns Insolvency Act and Provincial Insolvency Act, Distinction between Balance Sheet and Statement of Affairs, Preparation of Statement of Affairs and Deficiency Account

Insurance Claims—Calculation of insurance claim in respect of loss of stock and consequential loss of profit policy.

Books Recommended:-

Fundamentals of Accounting

Financial Accounting

Financial Accounting

House

Financial Accounting

Modern Accounting

Juneja, Chawla and Saksna

Jain and Narang

Maheshwari S.N.

Tulsian P.C.

Mukerjee and Hanif

Kalyani Publishers

Kalyani Publishers

Vikas Publishing

Tata Mcgrawhill

Tata Mcgrawhill

Dr. ZABZAH
Prof. Dr. ZABZAH
Prof. Dr. ZABZAH
Prof. Dr. ZABZAH

Dr. ZABZAH

(7)