

ACC002:BASIC ACCOUNTING

L:4 T:2 P:0 Credits:6

Course Outcomes: Through this course students should be able to

- CO1 :: elaborate the concepts and methods related to the single-entry system
- CO2 :: examine different types of accounting errors and apply appropriate methods for their rectification
- CO3 :: articulate the accounting procedures for branch accounting using various systems.
- CO4 :: calculate depreciation using different valuation methods.
- CO5 :: evaluate the preparation and adjustment of final accounts using financial principles.
- CO6 :: prepare financial statements of not for profit organizations.

Unit I

Depreciation Accounting, Provisions and Reserves : Need, factor and causes, Methods of computation of depreciation- Straight line method, Written down value method, Accounting treatment of depreciation, Treatment of disposal of assets, Difference between provisions and reserves

Unit II

Final Accounts : Need and elements of financial statements, Recognition of assets, liabilities, income and expenses, Grouping and marshalling of assets and liabilities, Preparation of statements- Trading account, Profit and loss account, Balance sheet

Adjustments in Final Accounts : Treatment of direct and indirect items, Treatment of items appearing inside the trial balance, Treatment of items appearing outside the trial balance

Unit III

Rectification of Errors : Types of errors, Rectification of one sided errors, Rectification of two sided errors

Unit IV

Financial Statements of Not For Profit Organisations : Difference between a profit seeking organisation and a not for profit organisation, Accounting for not for profit organisations- Preparation of income and expenditure account, Preparation of receipts and payments account

Unit V

Single Entry System : Net worth Method, Conversion Method, Reasons of incomplete records, Difference between double entry system and incomplete records, Preparation of accounts from incomplete records- Net worth method, Preparation of accounts from incomplete records- Conversion method

Unit VI

Branch Accounting : Classification of branches, Accounting for dependent branches- Debtors system, Stock and debtors system, Final accounts system

Text Books:

- 1. FINANCIAL ACCOUNTING by P.C TULSIAN, PEARSON

References:

- 1. ADVANCED ACCOUNTING by S N MAHESHWARI AND S K MAHESHWARI, VIKAS PUBLISHING HOUSE