

(Proposed from A.Y. 2021-2022)

**NIRMA UNIVERSITY**  
**INSTITUTE OF TECHNOLOGY**  
**Bachelor of Technology (ALL)**  
**Semester V/VI**

L	T	P	C
2	1	0	3

<b>Course Code</b>	<b>2HSOEXXX</b>
<b>Course Title</b>	<b>Introduction to Accounting</b>

**Course Outcomes (CO):**

At the end of the course, students will be able to -

1. explore various concepts of financial and cost accounting
2. develop analytical skill in accounting and costing
3. infer regulatory frame-work in accounting costing
4. interpret financial and cost statements
5. evaluate the financial performance of enterprises

**Syllabus:**

**Teaching Hours: 30**

**Unit I**

**Basics of Accounting:** Accounting Terminologies- Assets, Capital, Liabilities, Revenue, Expenses and others; Importance of Financial Accounting; Book Keeping, Accounting and Accountancy; Accounting Process, and Cycle; Users of Accounting Information, Accounting Concepts, Principles and Standards. **05**

**Unit II**

**Accounting Procedure:** Double Entry Book-Keeping System – Debit and Credit, Accounting Equation, Approaches of Recording – Traditional and Modern, Classification of Accounts, and Rules of Debit and Credit Entries. **03**

**Unit III**

**Recording of Transactions:** Source Documents; Original Book of Entry: Journal/general journal/all-purpose journal, Journal Proper, Subsidiary/Secondary Books, Non-Cash Transaction—Purchase Book, Sales book, Purchase Return Book, Sales Return Book; Cash Transaction –Cash Book, Petty Cash Book; Principal Book of Entry: Ledger, Trial Balance and Rectification of Errors: Error in Accounting, Trial Balance, Rectification of Error **05**

#### **Unit IV**

**Final Accounts:** Objectives of Final Accounts, Trading Account, Profit and Loss Account, Balance Sheet, Closing Entries, Treatment of Adjustments, Practical Problems **04**

#### **Unit V**

**Basics of Cost Accounting:** Definition, Scope, Objectives and Significance of Cost Accounting, Its Relationship with Financial Accounting and Management Accounting. Notion and Classification of Cost: Objects, Cost Centers and Cost Units, Elements of Cost – Material Cost, Labour Cost, Expenses, Classification of Costs – Direct & Indirect Cost, Variable, Fixed and Semi-variable Cost, Product and Period Cost, Overheads – Factory Overhead, Administration Overhead, Selling and Distribution Overhead; Functional Classification of Cost **05**

#### **Unit VI**

**Cost Sheet Analysis and Cost -Volume -Profit Analysis:** Component of Total Cost – Prime Cost, Factory Cost, Office Cost, Cost of Production of Sale, Total Cost, Profit or Loss; Cost Statement.: Contribution, P/V Ratio, Break-even point in Output, Break-Even Point in Sales, Margin of Safety, Break-even Analysis, Break-Even Chart **05**

#### **Unit VII**

**Regulatory Body and Accounting Software.** The Institute of Chartered Accountants in India, Comptroller and Auditor General of India, SEBI. Tally, and others for practical demonstration **03**

**Self-Study:** Self-study contents will be declared at the commencement of the semester. Around 10 percent of the question will be asked from the self-study contents.

#### **Suggested readings^:**

1. Soumya Mukherjee & Abhik Mukherjee: Financial Accounting I, Oxford University Press
2. Soumya Mukherjee & Abhik Mukherjee: Financial Accounting II, Oxford University Press
3. Prasanna Chandra , Finance Sense: Finance for Non-finance Executives, McGraw Hill Education
4. ILO, How to read a balance sheet, Oxford & IBH Publishing Co Pvt.Ltd
5. J. K. Mitra, Cost and Management Accounting I, Oxford University Press
6. J. K. Mitra, Cost and Management Accounting II, Oxford University Press

^This is not an exhaustive list

**L= Lecture, T= Tutorial, P= Practical, C= Credit**