

ADC/B.Com-I
Paper-IV
Principles of Accounting

Objectives:

The objective of this course is to introduce financial accounting concepts such as measurement, reporting, and financial statement preparation. The course covers the accounting concepts and principles needed to prepare financial statements such as the income statement (financial performance) and balance sheet (financial position) and the topics associated with them. The course covers the understanding the accounting system, accounting concepts, accounting principles, the accounting cycle, transaction recording, special journals, adjustments to financial statement concepts, inventory, receivables, accounting for non-current assets and partnership together banking transactions and reconciliation are all covered in this course.

Contents:

1. Basics, Principles, and accounting regulations

Field of Accounting, Accounting Terminology, Principles and Concepts, Introduction to Accounting Standards, Accounting Equation (Balance Sheet Equation).

2. Double entry and special journals

Recording transactions for Service and Merchandising Business Transactions, General Journal and Special Journal, Purchase Journal, Sales Journal, Cash Receipts, Cash Payments Journals, General Ledger, Subsidiary Ledgers, and Trial Balance.

3. Adjustments

Period End Adjustment: Accruals, Pre-Payments, Unearned, Depreciation, Uncollectible, Inventory, Correction of Errors, Closing Process, and Reversing Entries.

4. Financial statements and worksheet

Preparation of Worksheet, Income Statement and Balance Sheet.

5. Cash / bank controls and reconciliation

Cash Control, banking systems and Bank Reconciliation Statement and Voucher System.

6. Accounting for receivables

Accounting for Accounts Receivable: Income Statement and Balance Sheet Approach, Analysis and Aging of Accounts Receivable, Allowance Method for Making Provisions, Write Off and Recovery of Accounts Receivable, Advance from Customers.

7. Inventory valuation

Periodic System and Perpetual System, Valuation methods FIFO, LIFO, Average Methods, Gross profit, and Retail Price.

8. Property, plant, and equipment

Depreciation and its methods (Straight Line, Units of Output, Working Hours, Sum of the Years Digits and Fixed Percentage on Declining Balance), Addition, Revision of Life, Disposal and Exchange of Depreciated Asset.

9. Partnership accounting

Partnership Accounting, Formation, Plans of Profit/Loss Distribution, Admission, Retirement/Death, Liquidation.

10. Voucher System

11. Corrections of errors

RECOMMENDED BOOK:

1. Aftab Ahmed Khan, Principle of Accounting, Orient Publisher.
2. Feroz Nasir, Accounting, Feroz Nasir Publishers
3. Meigs and Meigs, Accounting the Basis for Business Decisions, New York McGraw Hill Book Company 9th Edition, 1993.
4. Niswanger and Fess, Accounting Principles, Southwestern Company (latest Edition).

Note: 1. Latest edition of books are recommended.
2. Duration of course will be 20 weeks.
3. Total 20 lectures of two hours duration will be delivered.