



# AMITY UNIVERSITY

— UTTAR PRADESH —

**Course Title: Financial Accounting - I**

**Course Code: ACCT103**

**Credit Units: 3**

**Course Level: UG**

L	T	P/S	SW/F W	TOTAL CREDIT UNITS
3	-	-	-	3

**Course Objectives:** The objective of this course is to develop conceptual understanding of the fundamentals of financial accounting system this processes transactions and other events through a book-keeping mechanism to prepare financial statements, and also to impart skills in accounting for recording various kinds of business transactions. This paper aims to make students learn about the differences in financial statement preparation, measurement & presentation.

**Pre-requisites:** Open for all streams for B.Com (H)

**Course Contents/Syllabus:**

	Weightage (%)
<b>Module I Conceptual, System &amp; Regulatory frame work</b>	<b>15</b>
<ul style="list-style-type: none"><li>• <b>Descriptors/Topics</b> Basics of Book keeping and Accounting — Meaning, definition, Nature, Functions and its usefulness. Accrual and Cash basis of Accounting.</li><li>• Branches of accounting. Financial accounting principles, concepts and convention – measurement of business income.</li><li>• Accounting Standards – national and international (basic knowledge).</li><li>• System of Book keeping — Double Entry System, books of prime entry, subsidiary books, recording of cash and bank.</li></ul>	

<b>Module II Final Accounts with adjustments</b>	<b>20</b>
<b>Descriptors/Topics</b> Books of Accounts leading to the preparation of Trial Balance. <ul style="list-style-type: none"> <li>• Capital and revenue expenditures.</li> <li>• Capital and revenue receipts.</li> <li>• Contingent assets and contingent liabilities.</li> <li>• Opening, entries, closing entries, adjustment entries and rectification entries.</li> <li>• Trading, manufacturing and profit and loss account and balance sheet.</li> <li>• Fundamental errors, including rectifications thereof.</li> <li>• Introduction to depreciation &amp; methods of Depreciation-SLM &amp; WDM , Salient features of revised AS-6.</li> </ul>	
<b>Module III Accounting for Partnership firms –Fundamentals</b>	<b>20</b>
<b>Descriptors/Topics</b> Partnership: features <ul style="list-style-type: none"> <li>• Partnership deed Provisions of the Indian Partnership Act 1932 in the absence of partnership deed</li> <li>• Fixed v/s fluctuating capital accounts. . Limited Liability Partnership.</li> <li>• Division of profit among partners, guarantee of profits, past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio)</li> <li>• Preparation of P&amp;L Appropriation Account</li> <li>• Goodwill: nature, factors affecting and methods of valuation -average profit, super profit, and capitalization</li> </ul>	
<b>Module IV Accounting for Partnership firms -Reconstitution and Dissolution</b>	<b>25</b>

<ul style="list-style-type: none"> <li>• <b>Descriptors/Topics</b> Change in the Profit Sharing Ratio among the existing partners -sacrificing ratio, gaining ratio.</li> <li>• Accounting for revaluation of assets and re-assessment of liabilities and distribution of reserves and accumulated profits</li> <li>• Admission of a partner -effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re -assessment of liabilities, treatment of reserves and accumulated profits, adjustment of capital accounts and preparation of balance sheet</li> <li>• Retirement and death of a partner: effect of retirement /death of a partner on change in profit sharing ratio, treatment of goodwill, treatment for revaluation of assets and re -assessment of liabilities, adjustment of accumulated profits and reserves. Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account, executor's account and preparation of balance sheet</li> </ul> <p>Dissolution of partnership firms: types of dissolution of firm. Settlement of accounts-preparation of realization account, and other related accounts (excluding piecemeal distribution, sale to a company and insolvency of partner's firm.</p>	
<p><b>Module V Bills of Exchange</b></p>	<p><b>20</b></p>
<p><b>Descriptors/Topics</b></p> <p>Bills Receivables and payables, acceptance, endorsement, discounting, dishonour, and renewal of bills, accommodation bill.</p>	

- **Student Learning Outcomes:** To familiarize and develop an understanding of the skills of accounting principles for effective recording of business operations of an entity.
- To Define the function of accountancy in communicating, reporting and assuring financial information.
- To understand the objectives of financial statement.  
To explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information
- To calculate an estimate of the value of goodwill in the partnership firm.

**Pedagogy for Course Delivery:**

Lecture Method along with practical case studies and assignments will be used to help the students understand the concepts and application of the subject.

**Assessment/ Examination Scheme:**

<b>Theory L/T (%)</b>	<b>Lab/Practical/Studio (%)</b>	<b>End Term Examination</b>
<b>100</b>	<b>N.A</b>	<b>70</b>

**Theory Assessment (L&T):**

<b>Continuous Assessment/Internal Assessment</b>					
<b>Components (Drop down)</b>	<b>Class Test (%)</b>	<b>Projects</b>	<b>Case study (%)</b>	<b>Attendance</b>	<b>End Term Examination</b>
<b>Weightage (%)</b>	15	5	5	5	70

**Text Reading: Text& References**

- Dr. S.N. Maheswari, Financial Accounting
- BS Raman, Financial Accounting
- Grewal and Gupta, Advanced Accounting
- P.C. Tulasian, Pearson Editions, Introduction to Accounting
- Jain & Narang, Financial Accounting
- Sehgal, A and Sehgal, D “Advanced Accounting”, Part – 1, Taxmann Applied services, New Delhi