

### 103 : Financial Accounting

1. **Meaning and Scope of Accounting:** Need, development, and definition of accounting; Book-keeping and accounting; Persons interested in accounting; Branches of accounting; Objectives of accounting.  
**Accounting Principles:** Accounting standards in India. (Setting Process, names).  
**Accounting Transactions:** Accounting Cycle: Journal: Rules of debit and credit: Compound Journal entry; Opening entry; Relationship between journal and ledger; Rules regarding posting; Trial balance; Sub division of journal and preparation of final accounting.
2. **Capital and Revenue:** Classification of Income; Classification of expenditure: Classification of receipts.  
**Final accounts;** Manufacturing account; Trading account; Profit and loss account; Balance sheet; Adjustment entries.  
**Rectification of errors:** Classification of errors; Location of errors and their rectification, Suspense account; Effect on profit.
3. **Depreciation Provisions and Reserves:** Concept of depreciation; Elementary knowledge of AS-6 Causes of depreciation; Depreciation, depletion, amortization, Methods of Accounting for depreciation; SLM, WDV, Annuity Method and S.F. Method.  
**Sectional Balancing System:** Self Balancing System, including rectification of errors.
4. **Special Accounting Areas:** Consignment Accounts: Important terms; Accounting records; Valuation of unsold stock and treatment of Losses.  
**Joint Venture Accounts:**  
  
Insurance claims; Fire Insurance claim for loss of stock and loss of profit.
5. **Partnership Accounts:** Essential characteristics of partnership; Partnership deed; Final accounts; Adjustments after closing the accounts; Fixed and fluctuating capital; Goodwill; Joint Life Policy; Change in Profit sharing Ratio.  
**Reconstitution of a partnership firm** Admission of a partner; Retirement of a partner; Death of a partner; Dissolution of a partnership firm-Modes of dissolution of a firm; Insolvency of partners; Sales of firm to a company; Gradual realization of assets and piecemeal distribution.

#### Suggested Readings:

1. Agarwal A. N., Agarwal K. N.: Higher Sciences of Accountancy: Kitab Mahal, Allahabad.
2. Anthony, R. N. and Reece, J. S. : Accounting Principles: Richard Irwin Inc.
3. Compendium of Statement and Standards of Accounting: The Institute of Chartered Accountants of India, New Delhi.
4. Gupta, R. L. and Radhaswamy, M : Financial Accounting; Sultan Chand and Sons, New Delhi.
5. Monga J. R., Ahuja Girish, and Sehgal Ashok : Financial Accounting; Mayur Paper Bock, Noida.
6. Shukla, M. C., Grewal T.S., and Gupta, S.C.: Advanced Accounts; S. Chand & Co. New Delhi.