NIRMA UNIVERSITY

Institute:	Institute of Law
Name of Programme:	B.COM.,LL.B (Hons.) B.B.A., LL.B (Hons.)
Course Code:	1LB101CC23
Course Title:	Financial Accounting
Course Type:	Core
Year of Introduction	2018

L	T	Practical component				C
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Course Learning Outcomes (CLO):

At the end of the course student will be able to:

1. Understand the basic concepts of accounting and importance of accounting standards.
2. Apply the accounting rules in recording, classifying and summarising the financial events.
3. Analyse the legal provisions related to presentation of periodic financial statements.

Content **Teaching Hours: 60**

Unit I Meaning and Scope of Accounting: **9 hours**

1.1 Need for Accounting
1.2 Meaning and Process/Activities of Accounting
1.3 Book Keeping, Accounting and Accountancy
1.4 Objectives of Accounting
1.5 Users of Accounting Information and their needs
1.6 Functions of Accounting
1.7 Limitations of Accounting
1.8 Branches of Accounting: Financial Accounting, Cost Accounting and Management Accounting
1.9 Relationship of Accounting with other disciplines
1.10 Legal Framework of Accounting

Unit II Accounting Principles and Standards: **7 hours**

2.1 Meaning of Generally Accepted Accounting Principles
2.2 Accounting Concepts, Conventions and Assumptions
2.3 Meaning and Objectives of Accounting Standards
2.4 Significance or Importance of Accounting Standards
2.5 Meaning and Areas of Accounting Policies

Unit III Recording of Transactions and Journals: **7 hours**

3.1 Meaning of Journal, Journalizing and Journal Entry
3.2 Types of Journals: Journal Proper/General Journal and Special Journals
3.3 Different types of accounts and Rules of Debit & Credit
3.4 Various types of entries recorded in Journal Proper
3.5 Simple and Compound Journal Entry
3.6 Preparation of Journal Proper by recording various types of entries

Unit IV Sub-division of Journal and Preparation of Various Special Journals: 5 hours

4.1 Limitations of preparing only Journal Proper/Need for sub-division of Journal
4.2 Preparation of Purchase Book and Purchase Return Book
4.3 Preparation of Sales Book and Sales Return Book
4.4 Preparation of Cash Book
4.5 Preparation of Petty Cash Book

Unit V Ledger Posting and Trial Balance: 10 hours

5.1 Meaning, Format and Utility of Ledger
5.2 Meaning of Posting and Necessity of Posting
5.3 Posting of simple and compound journal entries from Journal Proper to Ledger
5.4 Posting from Purchase Book and Purchase Return Book to Ledger
5.5 Posting from Sales Book and Sales Return Book to Ledger
5.6 Posting from Cash Book to Ledger
5.7 Posting from Petty Cash Book to Ledger
5.8 Balancing of various accounts and preparation of Trial balance

Unit VI Depreciation and Measurement of Assets: 10 hours

6.1 Meaning and Causes of Depreciation
6.2 Need for Charging/Providing Depreciation
6.3 Factors Affecting Calculation of amount of Depreciation
6.4 Methods of Allocating/Calculating Depreciation: SLM and WDV Methods
6.5 Methods of Recording Depreciation: By Charging to Asset and By Creating Provision For Depreciation
6.6 Depreciation Policy – Accounting Standard 6 (Important Provisions in Theory only)

Unit VII Preparation of Final Accounts of Sole Proprietorship firm 12 hours

7.1 Meaning of Final Accounts and Annual Accounts
7.2 Meaning and Usefulness of Financial Statements
7.3 Contents & Format of Manufacturing, Trading and P&L Account, Balance Sheet
7.4 Adjustment Entries and their Rational at the time of preparing Final Accounts
7.5 Closing Journal Entries and Carry Forward of Accounts
7.6 Preparation and Presentation of Manufacturing, Trading and P&L Account and Balance Sheet

Self-Study:

Suggested List of Experience: NA

Suggested Reading Reference:

1. Financial Accounting-(2017) A Managerial Perspective, latest edition, by R. Narayanaswamy, PHI publication.
2. B.K. Banerjee – (2016)Financial Accounting – Concepts, Analyses, Methods and Uses, latest edition, by, PHI publication
3. V. Rajasekaran and R. Lalitha (2016)Financial Accounting, PEARSON publication.
4. Monga, J.R. and Girish Ahuja (2003); Financial Accounting, Eighteenth Edition, Mayur Paper Backs.
5. Bhattacharya, S.K. and J. Dearden (2003), Accounting For Manager-Text and Cases, Third Edition, Vikas Publishing House.

6. Maheshwari, S.N. and S.K. Maheshwari (2003); Advanced Accountancy, Eighth Edition, Vol. I & II, Vikas Publishing House.
7. Maheshwari, S.N. and S.K. Maheshwari (2003); An Introduction to Accountancy, Eighth Edition, Vikas Publishing House.
8. Gupta, R.L. and V.K. Gupta (2003); Financial Accounting: Fundamental, Sultan Chand Publishers.
9. Monga, J.R. (2005), An Introduction to Financial Accounting, First Edition
Mayur Paper Backks

Suggested Case List: NA