

ACCOUNTANCY (ACCT)**CLASS - XI**

Full Marks 100

Part A: Financial Accounting-I**1. Introduction to Accounting (5 marks)**

- **Accounting-** Meaning, objectives, Types of accounting information, advantages and limitations. Users of Accounting information and their needs. Qualitative characteristics of accounting information, Basis of accounting – Cash basis, accrual basis and hybrid basis, Types of accounting: Financial, cost and management.
- **Basic Accounting terms:** Business transaction, Event, Account, Capital, drawings, Liability, Asset (current and non-current) Receipts (capital & revenue), Expenditure (capital, revenue & Deferred revenue), Expense, Income, Profits, Losses, Purchases, Sales, Stock, Debtors, Bills Receivables, Creditors, Bills Payables, Goods, Cost, Vouchers, Discount, gain (trade, cash, received & allowed).

2. Theory Base of Accounting (6 marks)

- **Fundamental accounting assumptions:** Going concern, Consistency, accrual.
- **Accounting Principles:** Accounting entity, Money Measurement, Accounting Period, full Disclosure, Materiality, Prudence, Cost Concept, and Dual Aspect, revenue recognition, matching, full disclosure.
- **Indian Accounting Standards:** Concept & objective. Brief introduction to International financial reporting standards (IFRS).

3. Recording of Transactions & Preparation of Trial Balance (12 marks)

- **Accounting Equation:** Meaning, Analysis of transactions using Accounting Equation.
- **Double Entry system**
- **Rules of Debit and Credit:** For Assets, Liabilities, Capital Revenue and Expenses.

- **Evidence of transactions-** Sources documents (invoice, cash memo, pay in slip, cheque). Preparation of vouchers – cash (Debit & Credit), Non Cash (Transfer).
- **Books of original Entry:** Meaning, Format and Recording there in.
- **Cash book:** Simple, cash book with bank column, Petty cash book.
- **Special purpose books:** Purchases book, Sales book, Purchases Returns Book, Sales Returns book, Bills Receivable Book, Bills Payable book and Journal Proper.
- **Bank Reconciliation Statement:** Meaning, Need and Preparation.
- **Ledger:** Meaning, Utility, Format, Posting from Journal, Cash Book and other Special Purpose Books, Balancing of Accounts.
- **Trial Balance:** Meaning, Objectives and Preparation.

4. Rectification of Errors (6 marks)

- **Type and Location of Errors:** Errors not affecting trial balance and Errors affecting trial balance.
- **Rectification of errors**
- **Suspense account:** Meaning, preparation and treatment of suspense account balance in final statements.

5. Depreciation, Provisions and Reserves (6 marks)

- **Depreciation:** Meaning, Need and Factors affecting depreciation.
- **Methods of computation of depreciation:** straight Line Methods, Written Down Value Method (exchange change in method).
- **Accounting Treatment of Depreciation:** By charging to asset account, by creating provision for depreciation/ accumulated depreciation account.
- **Provisions and Reserves:** Meaning, Objective and Difference between Provisions and Reserves.
- **Types of Reserves:** Revenue Reserve, Capital Reserve, General Reserve, Specific reserves, secret reserves.

6. Accounting for Bills of Exchange (6 marks)

- **Bills of Exchange and Promissory Note:** Definition, features, parties, specimen and distinction.
- **Important Terms:** terms of bill, due date, days of Grace, date of maturity, bill at sight, bill after date, discounting of bill, endorsement of bill, bill sent for collection, dishonor of bill, noting of bill, retirement and renewal of a bill.
- **Accounting treatment**

7. Financial Statements (12 marks)

- **Financial statements:** objective and importance.
- **Trading and profit and loss account:** Gross profit, operating profit and net profit.
- **Balance sheet:** Need, grouping, marshalling of assets and liabilities.
- **Adjustments in Preparation of Financial Statements:** With respect to closing stock, outstanding expenses, prepaid expenses, accrued income, income received in advance, depreciation, Bad debts, Provision for doubtful debts, provision for discount on debtors, manager's commission, abnormal loss, goods taken for personal use, goods distributed as free sample.
- Preparation of Trading and profit and loss account and Balance sheet of sole proprietorship concerns.

Part B: Financial Accounting-II

8. Financial Statements of not for profit Organizations (10 marks)

- **Not for profit organizations:** Concept
- **Receipts and payments account:** Features.
- **Income and Expenditure account and Balance sheet:** Meaning and features. Preparation of income and expenditure account and balance sheet from the given receipt and payment account with additional information.

9. Accounts from Incomplete Records (10 marks)

- **Incomplete records:** Meaning, uses and limitations.
- Ascertainment of profit/ loss by statement of Affairs Method.
- Preparation of Trading and profit and loss account and balance sheet (with missing figures in total debtors account, total creditors account, bills receivable a/c, bills payable a/c, cash book and opening statements of Affairs).

10. Computers in Accounting (7 marks)

- **Introduction to computer Accounting System (CAS):** Components of CAS, features, grouping of accounts, using software of CAS, Advantages & Limitations of CAS, Accounting Information System.
- Application of computers in accounting – automation of accounting process, designing accounting reports, data exchange with other information systems.

SYLLABUS

- Comparison of accounting processes in manual and computerized accounting highlighting advantages and limitations of automation.
- **Sourcing of accounting system:** Readymade, customized, tailor-made accounting system. Advantages and disadvantages of each option.

11. Project Work (Any one)

(20 marks)

File – 04 marks
Written – 12 marks
Viva – 04 marks

1. Collection of Sources Documents, Preparation of vouchers, recording of transactions with help of vouchers.
2. Preparation of Bank Reconciliation Statement with the Help of given cash book and pass book.
3. Preparation of financial statements of NGOs
4. Visit 5 different small business establishments and comment on their accounting system.
5. Visit the Panchayat office and observe their accounting system.