

ACCOUNTANCY FIRST YEAR 1st Elective (Compulsory) Paper - I

To provide fundamental ideas to the students about accounting as an information system

To enable the students to learn basic concepts of accounting and accounting standards;

To develop the skills for application of accounting equation in processing business transactions;

To develop an understanding about recording of business transactions and Preparation of Trial Balance To enable the students to learn the concept and process of preparation of Bills of Exchange along with the fundamentals of computerized accounting;

To enable the students to understand, analyze and rectify various errors prevailed in the process of recording business transactions and

To make the students enable to understand and prepare Bank Reconciliation Statement;

Course Inputs

Unit - I

Introduction to Accounting Evolution of Accounting and Need for Accounting, Book-Keeping and Accounting - Meaning, definition and characteristics, Relationship between Book-Keeping, Accounting and Accountancy, Accounting as a language of business, Objectives, Advantages and Limitations of Accounting, Accounting as an information system, Users of accounting information, Branches of Accounting, Accounting Cycle.

Basic Accounting Concepts Accounting Principles (GAAP),

Concepts and Conventions, Accounting Standards: Concept and Objectives, IFRS: Concept and Objectives, Basic Terms: Event, Transaction, Vouchers, Debtors, Creditors, Purchases, Sales, Assets, Liabilities, Goods, Stock, Profit, Loss, Expense, Revenue, Income, Drawings and Capital, Accounting Equation: Meaning and Preparation, System of Record Keeping: Double Entry System and Single Entry System, Basis of Accounting : Cash Basis, Accrual Basis and Hybrid Basis, Classification of Accounts: British Approach and American Approach Rules of Debit and Credit.

Unit - II

Journal

Meaning & Format of Journal, Advantages and Disadvantages of using journal, Rules of Journalizing, Recording of journal entries with narration

Ledger

Meaning & Format of Ledger, Rules of Posting and Balancing of Ledger Accounts. Subsidiary Book Cash Book, Purchase Book, Sales Book, Return Books, Bills Books and Journal Proper

Trial Balance

Meaning, objectives, advantages and limitations of Trial Balance, Preparation of Trial Balance from ledger accounts & Redrafting of trial balance from incorrect trial balance

Unit - III

Bills of Exchange

Bills of Exchange - Meaning, Definition, Parties, Specimen, Distinction Between bills of Exchange and Promissory note, Important Terms - Demand Bill, Time Bill, Terms of Bills, Days of Grace, Calculation of Due Date, Treatment of Bill, Accounting Treatment - Honour, Dishonour, Renewal, Retirement of Trade Bills and Accommodation Bill.

Computerized Accounting

Computers and its Components, Functions, Need and Advantages of Computerized Accounting, Accounting Information System (AIS)

Unit -IV

Rectification of Errors

Rectification of Errors - Meaning of Errors and Types of Errors, Errors disclosed and not disclosed by Trial Balance, Rectification of Errors after preparation of trial balance and final accounts, use of suspense account.

Bank Reconciliation Statement

Meaning, Need and Preparation of Bank Reconciliation Statement from cash book balance as well as pass book balance