

CLASS XI

One Paper	3 Hours	100 Marks	
Units	Periods	Marks	
Part A : Financial Accounting-I			
1. Introduction to Accounting	10	5	
2. Theory Base of Accounting	14	7	
3. Recording of Transactions	18	9	
4. Preparation of Ledger, Trial Balance and Bank Reconciliation Statement.	18	9	
5. Depreciation, Provision and Reserves	16	8	
6. Accounting for Bills of Exchange	16	8	
7. Rectification of Errors	14	7	
8. Financial statements of sole proprietorship	24	12	
	130	65	
Part B: Financial Accounting-II			
9. Financial statements of not-for-profit organizations	22	10	
10. Accounts from incomplete records	14	5	
11. Computers in Accounting	22	10	
12. Project Work	22	10	
	80	35	

CLASS XI

Part A: Financial Accounting - I	(Periods 120)
Unit 1: Introduction to Accounting	(Periods 10)
<ul style="list-style-type: none"> ➤ Accounting- objectives, advantages and limitations, types of accounting information; users of accounting information and their needs. Basic accounting terms: business transaction, account, capital, drawings, liability (internal & external, long term & short term) asset (tangible & intangible, fixed, current, liquid and fictitious) receipts (capital & revenue), expenditure (capital, revenue & deferred), expense, income, profits, gains and losses, purchases, sales, stock, debtors, bills receivable, creditors, bills payable, goods, cost, vouchers, discount - trade and cash. 	
Unit 2: Theory Base of Accounting	(Periods 14)
<ul style="list-style-type: none"> ➤ Fundamental accounting assumptions: going concern, consistency, and accrual. ➤ Accounting principles: accounting entity, money measurement, accounting period, full disclosure, materiality, prudence, cost concept, matching concept and dual aspect. ➤ Double entry system. ➤ Basis of accounting - cash basis and accrual basis. ➤ Accounting standards: concept & objective. IFRS (International Financial Reporting Standards). 	

Unit 3: Recording of Transactions (Periods 18)

- Accounting equation: analysis of transactions using accounting equation.
- Rules of debit and credit: for assets, liabilities, capital, revenue and expenses.
- Origin of transactions- source documents (invoice, cash memo, pay in slip, cheque), preparation of vouchers - cash (debit & credit) and non cash (transfer).
- Books of original entry: format and recording - Journal.
- Cash book: simple, cash book with bank column, petty cash book,
- Other books: purchases book, sales book, purchases returns book, sales returns book, bills receivable book, bills payable book and journal proper.

Unit 4: Preparation of Ledger, Trial Balance and Bank Reconciliation Statement (Periods 18)

- Ledger - format, posting from journal, cash book and other special purpose books, balancing of accounts.
- Trial balance: objectives and preparation
- Bank reconciliation statement: need and preparation. Corrected cash book balance.

Unit 5: Depreciation, Provisions and Reserves (Periods 16)

- Depreciation: concept, need and factors affecting depreciation; methods of computation of depreciation: straight line method, written down value method (excluding change in method)
- Accounting treatment of depreciation: by charging to asset account, by creating provision for depreciation/ accumulated depreciation account, treatment of disposal of asset.
- Provisions and reserves: concept, objectives and difference between provisions and reserves; types of reserves- revenue reserve, capital reserve, general reserve, specific reserves and secret reserves.

Unit 6: Accounting for Bills of Exchange (Periods 16)

- Bills of exchange and promissory note: definition, features, parties, specimen and distinction.
- Important terms : term 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, insolvency of acceptor.
- Accounting treatment of bill transactions

Unit 7: Rectification of Errors (Periods 14)

- Errors: types-errors of omission, commission, principles, and compensating; Their effect on Trial Balance.
- Detection and rectification of errors; preparation of suspense account.

Unit 8: Financial Statements of Sole proprietorship (Periods 24)

- 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 and goods distributed as free sample .
- Preparation of Trading and Profit and Loss Account and Balance Sheet of sole proprietorship.

Part B: Financial Accounting-II

Unit 9: Financial Statements of not-for-Profit Organizations (Periods 22)

- Not-for-profit organizations: concept.
- Receipts and payment account: features.
- Income and expenditure account: features. preparation of income and expenditure account and balance sheet from the given receipt and payment account with additional information.

Unit 10: Accounts from Incomplete Records (Periods 14)

- Incomplete records: use and limitations.
- Ascertainment of profit/loss by statement of affairs method.

Unit 11: Computers in Accounting (Periods 22)

- Introduction to Computer and Accounting Information system { AIS }
- Application of computers in Accounting: automation of accounting process, designing accounting reports, MIS reporting, data exchange with other information systems.
- Comparison of accounting process in manual and computerized accounting highlighting advantages and limitations of automation. sourcing of accounting system: Readymade, customized and tailormade accounting system. Advantages and disadvantages of each option.

- > Accounting and database system
 - o Accounting and database Management system.
 - o Concept of entity and relationship: entities and relationships in an Accounting system: designing and creating simple tables, forms, and reports in the context of accounting system.

Unit 12: Project Work (Any One)

(Periods 22)

1. Collection of Source Documents, Preparation of Vouchers, Recording of Transactions with the help of vouchers.
2. Preparation of Bank Reconciliation Statement with the help of given Cash book and Pass book.
3. Project Work on any Windows based Accounting package: Installing & starting the package, setting up a new Company, Setting up account heads, voucher entry, viewing and editing data.

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