

19. ACCOUNTANCY (Code No. 055)

Rationale

The course in Accountancy is introduced at +2 stage of Senior Secondary education, as formal commerce education is provided after first ten years of schooling. With the fast changing economic scenario and business environment in a state of continuous flux, elementary business education along with accountancy as the language of business and as a source of financial information has carved out a place for itself at the Senior School stage. Its syllabus content should give students a firm foundation in basic accounting principles and methodology and also acquaint them with the changes taking place in the presentation and analysis of accounting information, keeping in view the development of accounting standards and use of computers.

Against this background, the course puts emphasis on developing basic understanding about the nature and purpose of the accounting information and its use in the conduct of business operations. This would help to develop among students logical reasoning, careful analysis and considered judgement. Accounting as an information system aids in providing financial information. The emphasis at Class XI is placed on basic concepts and process of accounting leading to the preparation of accounts for a sole proprietorship firm. Computerized accounting is becoming popular with the increasing use of computers in business. Keeping this in view, the students are exposed compulsorily to the basic knowledge about computers and its use in accounting in the same year.

In class XII, Accounting for Partnership Firms and Companies are to be taught as a compulsory part. Students will also be given an opportunity to understand further about Computerized Accounting System, as an optional course to Analysis of Financial Statements.

Objectives:

- to familiarize the students with accounting as an information system;
- to acquaint the students with basic concepts of accounting and accounting standards;
- to develop the skills of using accounting equation in processing business transactions;
- to develop an understanding about recording of business transactions and preparation of financial statements;
- to enable the students with accounting for reconstitution and dissolution of partnership firms;
- to enable the students to understand and analyse the financial statements; and
- to familiarize students with the fundamentals of computerized system of accounting.

Accountancy (Code No.055)

Course Structure Class-XI (2015-16)

One Paper

Theory: 90 Marks
3 Hours

Units	Periods	Marks
Part A: Financial Accounting-1		
Unit-1: Theoretical Framework	25	15
Unit-2: Accounting Process	95	35
	120	50

Part B: Financial Accounting-II			
	Unit-3: Financial Statements of Sole Proprietorship from Complete and Incomplete Records	40	15
	Unit-4: Financial Statements of Not-for-Profit Organizations	30	15
	Unit-5: Computers in Accounting	20	10
		90	40
Part C: Project Work		30	10

SYLLABUS: CLASS-XI ACCOUNTANCY

PART A: FINANCIAL ACCOUNTING - I

50 Marks

Unit-1: Theoretical Frame Work

25 Periods

Units/Topics	Learning Outcomes
<p>Introduction to Accounting 11 Periods</p> <ul style="list-style-type: none"> ● Accounting- concept, objectives, advantages and limitations, types of accounting information; users of accounting information and their needs. ● Basic accounting terms: business transaction, account, capital, drawings, liabilities (non - current and current); assets (non-current and current) fixed assets (tangible and intangible assets), receipts (capital and revenue), expenditure (capital, revenue and deferred), expense, income, profits, gains and losses, purchases, purchases returns, sales, sales returns, goods, stock, inventory, trade receivables (debtors and bills receivable), trade payables (creditors and bills payable), cost, vouchers, discount - trade and cash. <p>Theory Base of Accounting 14 Periods</p> <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. ● Accounting Standards and IFRS (International Financial Reporting Standards): concept and objectives ● Double entry system of accounting. ● Bases of accounting - cash basis and accrual basis. 	<p>After going through this Unit, the students will be able to:</p> <ul style="list-style-type: none"> ● describe the meaning, significance, objectives, advantages and limitations of accounting in the modern economic environment with varied types of business and non-business economic entities. ● identify / recognise the individual(s) and entities that use accounting information for serving their needs of decision making. ● explain the various terms used in accounting and differentiate between different related terms like current and non-current, capital and revenue. ● give examples of terms like business transaction, liabilities, assets, receipts, expenditure and purchases. ● explain that sales/purchases include both cash and credit sales/purchases relating to the accounting year. ● differentiate among income, profits and gains. ● state the meaning of fundamental accounting assumptions and their relevance in accounting. ● describe the meaning of accounting principles and the situation in which a principle is applied during the accounting process. ● explain the meaning and objectives of accounting standards. ● appreciate that various accounting standards developed nationally and globally are in

	<p>practice for bringing parity in the accounting treatment of different items.</p> <ul style="list-style-type: none"> ● acknowledge the fact that recording of accounting transactions follows double entry system. ● explain the bases of recording accounting transaction and to appreciate that accrual basis is a better basis for depicting the correct financial position of an enterprise.
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Unit-2: Accounting Process

95 Periods

Units/Topics	Learning Outcomes
<p>Recording of Transactions 23 Periods</p> <ul style="list-style-type: none"> ● 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/ supporting vouchers (invoice, cash memo, pay in slip, cheque), debit note, credit note, preparation of accounting vouchers - cash (debit and credit) and non cash (transfer). ● Books of original entry: format and recording - Journal. ● Cash book: simple cash book, cash book with discount column and cash book with bank and discount columns, petty cash book. ● Other books: purchases book, sales book, purchases returns book, sales returns book and journal proper. <p>Preparation of Bank Reconciliation Statement, Ledger and Trial Balance 23 Periods</p> <ul style="list-style-type: none"> ● Bank reconciliation statement- concept, calculating bank balance at an accounting date: need and preparation. Corrected cash book balance. ● Ledger - format, posting from journal, cash book and other special purpose books, balancing of accounts. ● Trial balance: objectives and preparation {Scope: Trial balance with balance method only} <p>Depreciation, Provisions and Reserves. 16 Periods</p> <ul style="list-style-type: none"> ● Depreciation: concept, need and factors affecting depreciation; methods of computation 	<p>After going through this Unit, the students will be able to:</p> <ul style="list-style-type: none"> ● explain the concept of accounting equation and appreciate that every transaction affects either both the sides of the equation or a positive effect on one item and a negative effect on another item on the same side of accounting equation. ● explain the effect of a transaction (increase or decrease) on the concerned assets, liabilities, capital, revenue and expenses. ● appreciate that on the basis of source documents, accounting vouchers are prepared for recording transaction in the books of accounts. ● develop the understanding of recording of transactions in journal. ● explain the purpose of maintaining a Cash Book and develop the skill of preparing the format of different types of cash books and the method of recording cash transactions in Cash book. ● describe the method of recording transactions other than cash transactions as per their nature in different subsidiary books according to their nature. ● appreciate that at times bank balance as indicated by cash book is different from the bank balance as shown by the pass book / bank statement and to reconcile both the balances, bank reconciliation statement is prepared. ● develop understanding of preparing bank reconciliation statement. ● appreciate that for ascertaining the position of individual accounts, transactions are posted from subsidiary books and journal proper into

<p>of depreciation: straight line method, written down value method (excluding change in method)</p> <ul style="list-style-type: none"> 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 and specific reserves. <p>Accounting for Bills of Exchange. 16 Periods</p> <ul style="list-style-type: none"> 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, discounting of bill, endorsement of bill, bill sent for collection, dishonor of bill, noting of bill , retirement and renewal of a bill. Accounting treatment of bill transactions. ' <p>Rectification of Errors 17 Periods</p> <ul style="list-style-type: none"> Errors: types-errors of omission, commission, principles, and compensating; their effect on Trial Balance. Detection and rectification of errors; preparation of suspense account. 	<p>the concerned accounts in the ledger and develop the skill of ledger posting.</p> <ul style="list-style-type: none"> state the need and objectives of preparing trial balance and develop the skill of preparing trial balance. explain the necessity of providing depreciation and develop the skill of using different methods for computing depreciation. understand the accounting treatment of providing depreciation directly to the concerned asset account or by creating provision for depreciation account. appreciate the method of asset disposal through the concerned asset account or by preparing asset disposal account. appreciate the need for creating reserves and also making provisions for events which may belong to the current year but may happen in next year. appreciate the difference between reserve and reserve fund. acquire the knowledge of using bills of exchange and promissory notes for financing business transactions; understand the meaning and distinctive features of these instruments and develop the skills of their preparation. state the meaning of different terms used in bills of exchange and their implication in accounting. explain the method of recording of bill transactions. appreciate that errors may be committed during the process of accounting. understand the meaning of different types of errors and their effect on trial balance. develop the skill of identification and location of errors and their rectification and preparation of suspense account.
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Part B: Financial Accounting - II

40 Marks

Unit 3: Financial Statements of Sole Proprietorship: From Complete and Incomplete Records 40 Periods

Units/Topics	Learning Outcomes
<ul style="list-style-type: none"> Financial statements: objective and importance. Trading and profit and loss account: gross 	<p>After going through this Unit, the students will be able to:</p>

<p>profit, operating profit and net profit.</p> <ul style="list-style-type: none"> ● 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, abnormal loss, goods taken for personal use, goods distributed as free samples and manager’s commission. ● Preparation of Trading and Profit and Loss account and Balance Sheet of sole proprietorship. ● Incomplete records: uses and limitations. ● Ascertainment of profit/loss by statement of affairs method. 	<ul style="list-style-type: none"> ● describe the meaning of financial statements and the purpose they serve. ● state the meaning of gross profit, operating profit and net profit and develop the skill of preparing trading and profit and loss account. ● explain the need for preparing balance sheet. ● understand the technique of marshalling of assets and liabilities. ● appreciate that there may be certain items other than those shown in trial balance which may need adjustments while preparing financial statements. ● develop the knowledge and understanding to do adjustments for items and their presentation in financial statements like depreciation, closing stock, provisions etc. ● develop the understanding of preparation of trading and profit and loss account and balance sheet. ● state the meaning of incomplete records and their uses and limitations. ● develop the skill of computation of profit / loss using the statement of affairs method.
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Unit 4: Financial Statements of Not-for-Profit Organizations

30 Periods

Units/Topics	Learning Outcomes
<ul style="list-style-type: none"> ● Not-for-profit organizations: concept. ● Receipts and Payments Account: features and preparation. ● Income and Expenditure Account: features, preparation of income and expenditure account and balance sheet from the given receipts and payments account with additional information. <p>Scope:</p> <p>(i) <i>Adjustments in a question should not exceed 3 or 4 in number and restricted to subscriptions, consumption of consumables and sale of assets/ old material.</i></p> <p>(ii) <i>Entrance/ admission fees and general donations are to be treated as revenue receipts.</i></p> <p>(iii) <i>Trading Account of incidental activities is not to be prepared.</i></p>	<p>After going through this Unit, the students will be able to:</p> <ul style="list-style-type: none"> ● state the meaning of a Not-for-profit organisation and its distinction from a profit making entity. ● describe the meaning of receipts and payments account, its features and develop the understanding that only cash transactions concerning current, past & future periods whether of revenue or capital nature are recorded in receipts and payments account. ● develop the skill of preparing receipts and payments account. ● explain the meaning of income and expenditure account and its features. ● develop the understanding of preparing income and expenditure account and balance sheet of a not-for-profit organisation with the help of given receipts and payments account and additional information.

Units/Topics	Learning Outcomes
<ul style="list-style-type: none"> ● Introduction to computer and accounting information system {AIS}: Introduction to computers (elements, capabilities, limitations of computer system), ● Introduction to operating software, utility software and application software. Introduction to accounting information system (AIS) as a part of MIS ● Automation of accounting process: meaning ● Stages in automation: (a) Accounting process in a computerised environment; comparison between manual accounting process and computerised accounting process, (b) Sourcing of accounting software; kinds of software: readymade software; customised software and tailor-made software; generic considerations before sourcing accounting software (c) creation of account groups and hierarchy (d) generation of reports - trial balance, profit and loss account and balance sheet. <p>Scope:</p> <p>(i) <i>The scope of the unit is to understand accounting as an information system for the generation of accounting information and preparation of accounting reports.</i></p> <p>(ii) <i>It is presumed that the working knowledge of any appropriate accounting software will be given to the students to help them learn basic accounting operations on computers. For this, the teachers may refer to Chapter 4 of Class XII NCERT textbook on Computerized Accounting System.</i></p>	<p>After going through this Unit, the students will be able to:</p> <ul style="list-style-type: none"> ● state the meaning of components of a computer, capabilities and limitations. ● state the meaning of accounting information system. ● appreciate the need for use of computers in accounting leading to automation of accounting process for designing accounting reports and MIS. ● Develop the technique of data exchange with other information systems. ● develop the understanding of comparing the manual and computerized accounting process and appreciate the advantages and limitations of automation. ● develop the knowledge of different styles of computerized accounting. ● explain the understanding of database system and its related concepts in context of accounting system. ● describe the meaning of electronic spreadsheet and develop the understanding of using the spreadsheet. <p>develop the skill of preparing graphs, charts and diagrams using electronic spreadsheet.</p>

Part C: Project Work (Any One)**10 Marks 30 Periods**

1. Collection of source documents, preparation of vouchers, recording of transactions with the help of vouchers.
2. Preparation of Bank Reconciliation Statement with the given cash book and the pass book with twenty to twenty-five transactions.
3. Comprehensive project starting with journal entries regarding any sole proprietorship business, posting them to the ledger and preparation of Trial balance. The students will then prepare Trading and Profit and Loss Account and Balance Sheet on the basis of the prepared trial balance. Expenses, incomes and profit (loss), assets and liabilities are to be depicted using pie chart / bar diagram.

Note: The Board has introduced Learning Outcomes in the syllabus to motivate students to constantly explore all levels of learning. However these are only indicative. These do not in any way restrict the scope

17. ECONOMICS (Code No. 030)

(2015-16)

Rationale

Economics is one of the social sciences, which has great influence on every human being. As economic life and the economy go through changes, the need to ground education in children's own experience becomes essential. While doing so, it is imperative to provide them opportunities to acquire analytical skills to observe and understand the economic realities.

At senior secondary stage, the learners are in a position to understand abstract ideas, exercise the power of thinking and to develop their own perception. It is at this stage, the learners are exposed to the rigour of the discipline of economics in a systematic way.

The economics courses are introduced in such a way that in the initial stage, the learners are introduced to the economic realities that the nation is facing today along with some basic statistical tools to understand these broader economic realities. In the later stage, the learners are introduced to economics as a theory of abstraction.

The economics courses also contain many projects and activities. These will provide opportunities for the learners to explore various economic issues both from their day-to-day life and also from issues, which are broader and invisible in nature. The academic skills that they learn in these courses would help to develop the projects and activities. The syllabus is also expected to provide opportunities to use information and communication technologies to facilitate their learning process.

Objectives:

- Understanding of some basic economic concepts and development of economic reasoning which the learners can apply in their day-to-day life as citizens, workers and consumers.
- Realisation of learners' role in nation building and sensitivity to the economic issues that the nation is facing today.
- Equipment with basic tools of economics and statistics to analyse economic issues. This is pertinent for even those who may not pursue this course beyond senior secondary stage.
- Development of understanding that there can be more than one view on any economic issue and necessary skills to argue logically with reasoning.

ECONOMICS CLASS - XI (2015-16)

Paper 1

3 Hours
90 Marks

Units		Marks	Periods
Part A	Statistics for Economics		
	1. Introduction	13	7
	2. Collection, Organisation and Presentation of Data		27
	3. Statistical Tools and Interpretation	27	66
		40	100

Part B	Indian Economic Development		
	4. Development Experience (1947-90) and Economic Reforms since 1991	13 12	18 16
	5. Current Challenges facing Indian Economy	15	60
	6. Development Experience of India - A Comparison with Neighbours (OTBA)	10	14
	Theory Paper (40+50 = 90 Marks)	50	108
Part C	Project Work	10	12

Note: The question paper will include a Section on Open Text Based Assessment (OTBA) of 10 marks from unit-6 of Part-B. From this unit, no other questions will be asked in the theory examination. The OTBA will be asked only during the annual examination to be held in the March 2016. The open text material on the identified unit will be supplied to students in advance. The OTBA is designed to test the analytical and higher order thinking skills of students.

Part A: Statistics for Economics

In this course, the learners are expected to acquire skills in collection, organisation and presentation of quantitative and qualitative information pertaining to various simple economic aspects systematically. It also intends to provide some basic statistical tools to analyse, and interpret any economic information and draw appropriate inferences. In this process, the learners are also expected to understand the behaviour of various economic data.

Unit 1: Introduction 07 Periods

What is Economics?

Meaning, scope and importance of statistics in Economics

Unit 2: Collection, Organisation and Presentation of data 27 Periods

Collection of data - sources of data - primary and secondary; how basic data is collected, with concepts of Sampling; methods of collecting data; some important sources of secondary data: Census of India and National Sample Survey Organisation.

Organisation of Data: Meaning and types of variables; Frequency Distribution.

Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data: (i) Geometric forms (bar diagrams and pie diagrams), (ii) Frequency diagrams (histogram, polygon and ogive) and (iii) Arithmetic line graphs (time series graph).

Unit 3: Statistical Tools and Interpretation 66 Periods

(For all the numerical problems and solutions, the appropriate economic interpretation may be attempted. This means, the students need to solve the problems and provide interpretation for the results derived.)

Measures of Central Tendency- mean (simple and weighted), median and mode

Measures of Dispersion - absolute dispersion (range, quartile deviation, mean deviation and standard deviation); relative dispersion (co-efficient of range, co-efficient of quartile-deviation,

co-efficient of mean deviation, co-efficient of variation); Lorenz Curve: Meaning, construction and its application.

Correlation - meaning, scatter diagram; Measures of correlation - Karl Pearson's method (two variables ungrouped data) Spearman's rank correlation.

Introduction to Index Numbers - meaning, types - wholesale price index, consumer price index and index of industrial production, uses of index numbers; Inflation and index numbers.

Part B: Indian Economic Development

Unit 4: Development Experience (1947-90) and Economic Reforms since 1991: 18 Periods

A brief introduction of the state of Indian economy on the eve of independence. Common goals of Five Year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy, etc.), industry (industrial licensing, etc.) and foreign trade.

Economic Reforms since 1991: 16 Periods

Need and main features - liberalisation, globalisation and privatisation;

An appraisal of LPG policies

Unit 5: Current challenges facing Indian Economy 60 Periods

Poverty- absolute and relative; Main programmes for poverty alleviation: A critical assessment;

Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming

Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India

Employment: Formal and informal, growth and other issues: Problems and policies.

Inflation: Problems and Policies

Infrastructure: Meaning and Types: Case Studies: Energy and Health: Problems and Policies- A critical assessment;

Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming.

Unit 6: Development Experience of India: (OTBA) 14 Periods

A comparison with neighbours

India and Pakistan

India and China

Issues: growth, population, sectoral development and other developmental indicators.

Part C: Developing Projects in Economics

12 Periods

The students may be encouraged to develop projects, as per the suggested project guidelines. Case studies of a few organisations / outlets may also be encouraged. Under this the students will do only one comprehensive project using concepts from both part A and part B.

Some of the examples of the projects are as follows (they are not mandatory but suggestive):

- (i) A report on demographic structure of your neighborhood.
- (ii) Changing consumer awareness amongst households.
- (iii) Dissemination of price information for growers and its impact on consumers.
- (iv) Study of a cooperative institution: milk cooperatives, marketing cooperatives, etc.
- (v) Case studies on public private partnership, outsourcing and outward Foreign Direct Investment.
- (vi) Global warming.
- (vii) Designing eco-friendly projects applicable in school such as paper and water recycle.

The idea behind introducing this unit is to enable the students to develop the ways and means by which a project can be developed using the skills learned in the course. This includes all the steps involved in designing a project starting from choosing a title, exploring the information relating to the title, collection of primary and secondary data, analysing the data, presentation of the project and using various statistical tools and their interpretation and conclusion.