CLASS XI

One Paper 3 Hours 100 Marks

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<th>Periods</th>
<th>Marks</th>
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<td><strong>Part A : Financial Accounting - I</strong></td>
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<td>1. Introduction to Accounting</td>
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<td>2. Theory Base of Accounting</td>
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<td>3. Recording of Transactions</td>
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<td>4. Preparation of Ledger, Trial Balance and Bank Reconciliation Statement.</td>
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<td>5. Depreciation, Provision and Reserves</td>
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<td>6. Accounting for Bills of Exchange</td>
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<td>7. Rectification of Errors</td>
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<td>8. Financial statements of sole proprietorship</td>
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<td><strong>Total</strong></td>
<td><strong>130</strong></td>
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<td>10. Accounts from incomplete records</td>
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<td>11. Computers in Accounting</td>
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<td>12. Project Work</td>
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<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>35</strong></td>
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**CLASS XI**

**Part A: Financial Accounting - I**

*Unit 1: Introduction to Accounting* (Periods 10)

- 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)

- 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.
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,

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

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.
Accounting and database system
- Accounting and database Management system.
- 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.
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.