

## Financial Accounting-I

Course Code	MGT111
Contact Hours	45
Credits	03
Marks	100

### Introduction

In this subject the students will learn the basic concepts of the Book-Keeping and maintain the accounts. The students will learn the history of book-keeping and its development across the globe. How the business world maintain its books of accounts. It is now very important for the students of BBA to get the basic knowledge and its mechanism.

### Objective

From the era of medieval period till date Accounting plays an very important role in the development of the different civilizations. As the business grows the importance of Accounting grows. The objective of financial accounting is to provide information to the end user, about the conceptual framework, or Statements of Financial Accounting Concepts. The course focuses to improve skill and employability.

### COURSE Outcome

After completing this subject in BBA the students have various scopes in different jobs arenas viz, as junior accountant in manufacturing and trading organizations. Apart from jobs, the students can go for the higher studies. After completion of the course student will improve their cross –functional skill, employability.

### Unit 1: Basic Concepts of Accounting

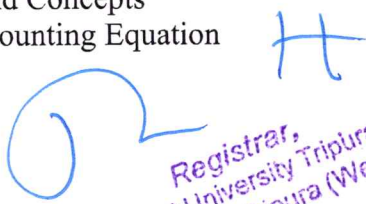
Meaning of Accounting; Characteristics Of Accounting; Role Of Accounting; Objectives Of Accounting; Modern Base Of Accounting; Methods Of Accounting; Systems Of Accounting; Branches Of Accounting; Modern Functions Of Accounting

Concept Of Double Entry System: Meaning Of Double Entry System; Advantages and Disadvantages of Double Entry System; Stages Of Double Entry System; Important words used In Accounting; Meaning and types of Account

Accounting Concepts and Conventions: Accounting Principles; Generally Accepted Accounting Principles (GAAP); Accounting Conventions and Concepts

Basic Concepts of Accounting Equation: Preparation of Accounting Equation

### Unit 2 Journal and Subsidiary Books

  
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Preparation Of Journal: Books Of Book-Keeping; Features and Characteristics Of Book Keeping; Types Of Journal Entries; Journal Entries Of GST  
Ledger: Basic concepts of Ledger; Features of ledger; Preparation of ledger; Method of posting

Subsidiary Books: Cash Book

- (a) Simple Column Cash Book
- (b) Double Column Cash Book
- (c) Three Column Cash Book
- (d) Petty Cash Book

Trial Balance: Meaning, Objects and Methods of Preparation Of Trial Balance; Errors Not Disclosed By Trial Balance Even On Its Agreement; Preparation Of Trial Balance

### **Unit 3 Bank Reconciliation Statement and Bills Of Exchange**

Concept Of Bank Reconciliation Statement; Features Of Bank Reconciliation Statement; Preparation Of Bank Reconciliation Statement as per the favorable Balance Of Cash Book and Pass Book; Preparation Of Bank Reconciliation Statement as per the unfavorable balance as the Cash Book and Pass Book

Introduction Of Bills Of Exchange; Features Of Bills Of Exchange; Types Of Bills Of Exchange; Terms in Bills Of Exchange; Journal Entries in The Books Of Drawer, Drawee and Endorsee. When (a) When Bill is retained (b) When Bill is discounted (c) When Bill is endorsed (d) When Bill is sent to bank for collection. Dishonor of Bill at different stages.

### **Unit 4 Depreciation and Rectification of Errors**

: Meaning & Definition of Depreciation; Causes of Depreciation; Objects, Need & Importance of Providing Depreciation , Methods of Depreciation: (i) Fixed Installment

Method (ii) Diminishing Balance Method(c) Change in the Method of Changing Depreciation

: Types Of Errors; Rectification of Errors before the preparation of Trial Balance and after the preparation of Trial Balance; Rectification Of Errors before and after preparation of Final Accounts; Concept of Suspense Account.

### **Unit 5 Provisions and Reserves and Consignment Accounts**

Meaning and Importance of Provisions; Concept of ; Objectives Of Provisions; Meaning, Importance & Types of Reserves; Revenue Reserve; & Capital Reserve; General Reserve and Specific Reserve; Secret Reserve; Difference between Reserve and Provision  
Consignment Accounts:

- (i) Introduction
- (ii) Distinction between Sale & Consignment
- (iii) Procedures For consignment Transactions
- (iv) Entries in the Books Of The Consignor
- (vi) Incomplete Consignment and Valuation Of Closing Stock
- (vii) Valuation Of unsold Stock

  
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- (viii) Entries in the Books of Consignee  
 (ix) Credit Sales and Del Credere Commission  
 (a) Concept  
 (b) Accounting Entries for Credit Sales where No Del Credere Commission is Given  
 (x) Simple Question on Journal Entries in the books of Consignee

**Unit 6: Case Study: Technical Analysis**

**Transaction:** (i) Lecture in class teaching. (ii) Assignments (iii) quiz

**Evaluation Scheme:**

Component	Duration	Weightage (%)	Remarks
Internal I	To be decided	25	Attendance (5%), Assignment (5%), Open Book (5%), Class Participation (5%), Presentation (5%).
Mid term	2 hrs.	20	Closed Book
Internal II	To be decided	25	Assignments (10%), Class Participation (5%), Presentation (10%).
Comprehensive Exam	3 hrs.	30	Closed Book

**Suggested Readings:**

1. Financial Accounting(2018) Hanif & Mukherjee, Macgraw Hills Publication
2. Financial Accounting(2019) Dr.S.N.Maheshwari Sultan Chand Publication
3. Financial Accounting(2019) Jain and Narang Kalyani Publishers
4. Financial Accounting(2019) Dr.S.M.Shukla, Sahitya Bhawan Publications.

  
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