

D.A.V Public School, Uppal's Southend, Gurgaon

Academic Plan (2019-20)

ACCOUNTANCY

CLASS – XI

TIME: 3 HRS MARKS: 80+20

Objectives:

- 1. To familiarize students with new and emerging areas in the preparation and Presentation of financial statements.**
- 2. To acquaint students with basic accounting concepts and accounting standards.**
- 3. To develop the skills of designing need based accounting database.**
- 4. To appreciate the role of ICT in business operations.**
- 5. To develop an understanding about recording of business transactions and preparation of financial statements.**

Accountancy (Code No.055)

Course Structure

Class-XI (2019-20)

Theory: 80 Marks 3 Hours Project: 20 Marks

Part- A Financial Accounting-1		Marks
Unit-1:	Theoretical Framework	12
Unit-2:	Accounting Process	40
Part B: Financial Accounting-II		
Unit-3:	Financial Statements of Sole Proprietorship from Complete	20

	and	
	Incomplete Records	
Unit-4:	Computers in Accounting	8
Part- C Project Work		20

Month	No. of Periods	Content
April and May	37	<p style="text-align: center;"><u>PART A:- FINANCIAL ACCOUNTING -1</u></p> <p style="text-align: center;"><u>CONCEPT</u></p> <p>At the end of each year, all the businessmen want to know how much they have gained or lost during the year, how much capital is invested in the business at the end of the year, how much amount they are liable to pay and to whom they owe it; it is essential to keep a complete and systematic record of each and every business transaction entered into during the year. Accountancy helps to get answers of all these.</p> <p><u>Introduction to Accounting</u></p> <ul style="list-style-type: none"> • Accounting- Objectives, Advantages & Limitations • Types of Accounting information; users of accounting information and their needs. <ul style="list-style-type: none"> • Basic Accounting Terms: • Business transactions, capital, drawings, liabilities(internal & external, long term & short term, current , non-current), Asset (tangible & intangible , fixed , current, liquid & fictitious), receipts (capital & revenue), expenditure (capital, revenue & deferred), expense, income , profits , gains & losses, purchases, sales , stock, debtors, bills receivable, creditors, bills payable, goods, cost , vouchers, discount- trade and cash. <p><u>Theory Base of Accounting</u></p>
Unit- 1:-		

- Fundamental Accounting Assumptions :-
- GAAP Concept
- Accounting principles : Business entity, money

measurement, Going Concern, 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),

Applicability in Ind AS.

Good and Services Tax(GST):-Characteristics and Objectives.

ACCOUNTING PROCESS:-

Recording of Business Transactions

Accounting Equation Approach : Meaning and Analysis,

Rules of Debit and Credit.

- Recording of Transactions: Books of Original Entry-

Journal

Note: Including trade discount, freight and cartage expenses for simple GST calculation.

Continued

Unit 2:-		
July	27	<p><u>Special Purpose books:</u></p> <ul style="list-style-type: none"> ▪ Cash Book: Simple, cash book with bank column and petty cashbook ▪ Purchase book ▪ Sales book ▪ Purchases return book ▪ Sales return book <p><i>Note: Including trade discount, freight and cartage expenses for simple GST calculation</i></p> <p><u>Ledger:</u></p> <p>Format, Posting from journal and subsidiary books, Balancing of accounts.</p>
August	25	<p><u>Bank Reconciliation Statement:</u></p> <ul style="list-style-type: none"> • Need and preparation, Bank Reconciliation Statement with Adjusted Cash Book. <p><u>Depreciation</u></p> <ul style="list-style-type: none"> • Concept, Features, Causes, factors • Other similar terms: Depletion and Amortisation • Methods of Depreciation: <ul style="list-style-type: none"> i. Straight Line Method (SLM) ii. Written Down Value Method (WDV) Note: Excluding change of method

		<ul style="list-style-type: none"> • Difference between SLM and WDV; Advantages of SLM and WDV • Accounting treatment of depreciation <ul style="list-style-type: none"> i. Charging to asset account ii. Creating provision for depreciation/accumulated depreciation account iii. Treatment for disposal of asset • Voucher and Transactions: Source documents and Vouchers, Preparation of Vouchers. <p><u>Trial balance and Rectification of Errors</u></p> <ul style="list-style-type: none"> • Trial balance: objectives and preparation (Scope: Trial balance with balance method only) • Errors: types-errors of omission, commission, principles, and compensating; their effect on Trial Balance. • Detection and rectification of errors; preparation of suspense account. <p>Continued -----in October(Rectification entries)</p>
September	26	<p>Revision for Term I</p> <p>Discussion of Assignments and Tests</p>
October	21	<p><u>Provisions and Reserves:</u> Difference</p> <ul style="list-style-type: none"> • Types of Reserves: <ul style="list-style-type: none"> i. Revenue reserve ii. Capital reserve iii. General reserve iv. Specific reserve

		<p>v. Secret Reserve</p> <ul style="list-style-type: none"> • Difference between capital and revenue reserve <p><u>Accounting for Bills of Exchange</u></p> <ul style="list-style-type: none"> • Bill of exchange and Promissory Note: Definition, Specimen, Features, Parties. • Difference between Bill of Exchange and Promissory Note • Terms in Bill of Exchange: <ol style="list-style-type: none"> Term of Bill Accommodation bill (concept) Days of Grace Date of maturity Discounting of bill Endorsement of bill Bill after due date Negotiation Bill sent for collection Dishonour of bill Retirement of bill Renewal of bill • Accounting Treatment <p>Note: excluding accounting treatment for accommodation bill</p>
November	24	Part B: <u>Financial Accounting - II</u>

<p>Unit -3</p>		<ul style="list-style-type: none"> • Financial Statements of Sole Proprietorship <p>Financial Statements Meaning, objectives and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure; Deferred Revenue expenditure. Trading and Profit and Loss Account: Gross Profit, Operating profit and Net profit. Preparation. Balance Sheet: need, grouping and marshalling of assets and liabilities. Preparation. 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/staff welfare, interest on capital and managers commission. Preparation of Trading and Profit and Loss account and Balance Sheet of a sole proprietorship with adjustments.</p>
<p>December</p>	<p>21</p>	<p><u>Incomplete Records</u></p> <ul style="list-style-type: none"> • Features, reasons and limitations. • Ascertainment of Profit/Loss by Statement of Affairs method. Difference between accounts from incomplete records and Statement of Affairs. • Preparation of Trading , Profit and Loss account and Balance Sheet <p><u>Part C: Project Work (Any One)</u></p> <ol style="list-style-type: none"> 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 of any sole proprietorship business. This may state with journal entries and their ledgering, preparation of Trial balance. Trading and Profit and Loss Account and Balance Sheet. Expenses, incomes and profit (loss), assets and liabilities are to be depicted using pie chart / bar diagram.
<p>January</p> <p>Unit 4:</p>	<p>14</p>	<p><u>Computers in Accounting</u></p> <p>Introduction to computer and accounting information system {AIS}: Introduction to computers (elements, capabilities, limitations of computer system)</p>

		<ul style="list-style-type: none"> • Introduction to operating software, utility software and application software Introduction to accounting information system (AIS) as a part of Management Information System. • 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 • Scope: <ul style="list-style-type: none"> (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. (ii) 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
February	9	Revision work and discussion of sample papers

Common Errors while attempting Accountancy Paper

- Misinterpretation of Accounting Principles in application based questions
- Proper Formats not made and narrations omitted.
- Debit and credit aspects are not posted correctly while preparing ledger accounts
- Time period is not taken into consideration in case of sale of fixed assets during the year for calculation of depreciation
- Misinterpretation of statements where multiple transfers takes place in case of bills of exchange.
- Identification of errors is not done correctly which leads to incorrect rectified entry.
- Generally, manager's commission (in case it is to be calculated after charging such

commission) is not done correctly.

- Multiple adjustments are not incorporated properly for calculation of subscriptions during the year.

DAVPS, SECTOR-49, GURUGRAM