



Semester: II	
Paper Name: Fundamentals of Accounting	
Type: Major	Code: C1BMS2321
Credit: 5	Marks: 100

LEARNING OBJECTIVES:

To familiarize students with the basics of accounting, mechanics of preparation of financial statements and role of Accounting Standards in accounting discipline.

LEARNING OUTCOMES:

On successful completion of the course the learner will be able to:

1. Understand the process of recording and classifying the business transactions and events
2. Understand the financial statements, viz., Profit and Loss Account, Balance Sheet, of a sole proprietor.
3. Understand the role of IFRS/ Ind-AS/ AS in accounting discipline.

DETAILED SYLLABUS:

Unit No.	Unit Name	Topics (# Lectures)	
1	Introduction to Financial Accounting	<ul style="list-style-type: none">• Concept of Accounting, Accounting as an Information System, Importance, Scope, and Limitations. Users of Accounting Information, Accounting cycle.• Generally Accepted Accounting Principles (GAAPs), Accounting Concepts & Conventions, Capital & Revenue transactions	4L
2	Double entry Book-keeping System	<ul style="list-style-type: none">• The Accounting Equation, Classification of Accounts and Rules of Debit and Credit.• Recording Transactions in Journal, Cash Book, Ledger, and Trial Balance.• An overview of Subsidiary books - Purchase Book, Purchase Returns Book, Sales Book, and Sales Returns Book.• Opening and Closing Entries, Adjustment & Rectification Entries, Post-adjusted Trial Balance	10L
3	Preparation of Financial Statements of Sole Proprietorship Business	<ul style="list-style-type: none">• Preparation of -Trading Account, -Profit & Loss Account and -Balance Sheet• Accounting cycle from journal to balance sheet and its continuity over the years	12L
4	Introduction to AS	<ul style="list-style-type: none">• Overview of relevant Accounting Standards and their applicability	4L

5	Accounting of Inventory, Property, Plant and Equipment, Depreciation and Impairment	<ul style="list-style-type: none"> • Application of Accounting Standard 2, 10 and 28 • Accounting of Inventory • Accounting of PPE • Methods of charging Depreciation – Straight-line Method and Written-down-value Method including Change in Method • Accounting of impairment losses 	14L
6	Introduction to International Financial Reporting Standards (IFRS) and Ind AS	<ul style="list-style-type: none"> • IFRS – Concept and need • Ind AS – Convergence, benefits and applicability to different class of entities • Conceptual Framework (theoretical part only) 	6L

SUGGESTED TEXT BOOKS/ READING MATERIALS:

1. Mukherjee & Mukherjee, *Financial Accounting I*, Oxford University Press
2. Hanif and Mukherjee: *Financial Accounting*, Tata McGraw Hill
3. S.N. Maheshwari, Suneel K. Maheshwari, and Sharad K. Maheshwari: *An Introduction to Accountancy*, Vikas Publishing House Pvt. Ltd.
4. R. Narayanaswamy, *Financial Accounting: A Managerial Perspective*, PHI Learning Pvt. Ltd.
5. Charles T. Horngren, Gart L. Sundem, John A. Elliott, and Donna R. Philbrick,
6. *Introduction to Financial Accounting*, Pearson.
7. J.R. Monga, *Financial Accounting: Concepts and Applications*, Mayur Paperbacks.
8. T.P. Ghosh, *Financial Accounting for Managers: Taxmann Allied Services Pvt. Ltd.*
9. D.S. Rawat, *Students' Guide to Ind ASs*, Taxmann