

# ACCOUNTANCY

## SYLLABUS FOR HIGHER SECONDARY COURSE

### **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 Secondary 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 the process of accounting leading to the preparation of accounts for a sole proprietorship firm. Computerised accounting is becoming more and more popular with increased awareness about 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 Not-for-Profit Organisations and Partnership Firms are to be taught as a compulsory part. Students will also be given an opportunity to understand further about Computerised Accounting System, as an optional course to Company Accounts and Analysis of Financial Statements.

### **Objectives : The Objective of teaching Accountancy is :**

- ❖ to familiarise 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 of partnership firms;
- ❖ to enable the students to understand and analyse the financial statements; and
- ❖ to familiarise students with the fundamentals of computerised system of accounting.

## ACCOUNTANCY

### SYLLABUS FOR HIGHER SECONDARY SECOND YEAR COURSE

**One Paper      Three Hours**

**Marks 100**

**Unitwise Distribution of Marks and Periods :**

**Part A : Accounting for Not-for-Profit Organisations and Partnership Firms (50 Marks)**

Unit No.	Topics	Marks	Periods
Unit No-I	Accounting for nor Not-for Profit Organisations	10	20
Unit No-II	Accounting for Partnership : Basic Concepts	10	20
Unit No-III	Reconstitution of Partnership Firm–		
	Admission of a Partner	10	25
Unit No-IV	Recnostitution of Partnership Firm–Retirement/Death of a Partner	10	20
Unit No-V	Dissolution of Partnership Firm	10	15
		50	100

**EITHER**

**Part B : Company Accounts and**

**Analysis of Financial Statements (50 Marks)**

Unit No.	Topics	Marks	Periods
Unit No-I	Accounting for Share Capital	15	30
Unit No-II	Issue and Redemption of Debentures	10	20
Unit No-III	Financial Statements of a Company	08	15
Unit No-IV	Analysis of Financial Statements	07	15
Unit No-V	Accounting Ratios	05	10
Unit No-VI	Cash Flow Statement	05	10
		50	100

**Or**

**Part C : Computerised Accounting System**

Unit No.	Topics	Marks	Periods
Unit No-I	Overview of Computerised Accounting System	10	20
Unit No-II	Using Computerised Accounting System	15	30
Unit No-III	Accounting Using Database Management System	15	30
Unit No-IV	Accounting Applications of Electronic Spreadsheet	10	20
		50	100

**Unitwise Distribution of Course Contents :**

**Part A : Accounting for Not-for-Profit Organisations and Partnership Firms**

**[Total Marks 50/ Total Periods -100]**

**Unit I : Accounting for Not-for-profit Organisations :**

- ★ Meaning, characteristics and accounting records of Not-for-profit Organisations.
- ★ Receipts and Payments Account : Meaning and Preparation.
- ★ Income and Expenditure Account : Meaning, special terms used in Not-for-profit Organisations, treatment of some peculiar items in Income and Expenditure Account, Concept of Fund Based

and Non-fund Based accounting, Preparation of Income and Expenditure Account and Balance Sheet from a Receipts and Payments Account and additional information and from a given Trial-Balance. Incidental Trading Activities by a Not-for-Profit Organisation.

**Unit II : Accounting of Partnership :**

- ★ Basic Concepts, Characteristics of Partnership, Partnership Deed, Contents of Partnership Deed.
- ★ Maintenance of Capital Accounts of Partners : Fixed and Fluctuating Capital, Distribution of profit among partners, interest on capital, drawings.  
interest on drawings, interest on Partner's loan to a firm, salary/commission to a partner, Guarantee of Profit to a partner, Past adjustments.
- ★ Preparation of Final Accounts of Partnership Firm.

**Unit-III : Reconstitution of Partnership Firm – Admission of a Partner :**

- ★ Modes of Reconstruction of Partnership Firm.
- ★ Admission of New Partner : Matters relating to admission of a New Partner, New Profit Sharing Ratio, Sacrificing Ratio.
- ★ Goodwill: Nature, needs, factors affecting and methods of valuation : Average profits, Super profits and Capitalisation method, accounting treatment of goodwill on admission of a partner.
- ★ Treatment of Accumulated Profits and Losses, Revaluation of assets and Re-assessment of Liabilities.
- ★ Adjustment of capitals, change in Profit sharing ratio among the Existing Partners.

**Unit-IV : Reconstitution of Partnership Firm – Retirement/Death of a Partner :**

- ★ Ascertaining the Amount Due to Retiring/Deceased Partner.
- ★ Matters requiring attention at the time of retirement : New Profit Sharing Ratio, Gaining Ratio, Treatment of Goodwill, Revaluation of assets and Re-assessment of Liabilities, Adjustment of accumulated Profits/Reserve and Losses.
- ★ Disposal of Amount due to Retiring Partner.
- ★ Adjustment of Partners capital.
- ★ Death of a partner : Calculation of profit for the current period. Treatment of Joint Life Policy and Individual Life Policy in case of death of a partner.

**Unit-V : Dissolution of Partnership Firm :**

- ★ Meaning, Dissolution of Partnership, Dissolution of a Firm.
- ★ Settlement of Accounts : Preparation of Realisation Accounts and other related accounts; (excluding Piece meal distribution, insolvency of a partner and sale to a company).

**EITHER**

**Part-B : Company Accounts and Analysis of Financial Statements**

**(Total Marks : 50/ Total Periods : 100**

**Unit-I : Accounting for Share Capital :**

- ★ Company : Meaning and definitions, features and types.
- ★ Share Capital : Meaning, classifications, Nature and class of shares. Accounting for Issue and allotment of Equity and Preference shares, Oversubscription – proportionate allotment, under subscription, Calls-in-Arrears, Calls-in-Advance, Issue of share at par, at a premium and at a discount, Issue of shares for consideration other than cash.  
Accounting for forfeiture of shares and Re-issue of forfeited shares.  
Buy-back of shares – meaning.

**Unit-II : Issue and Redemption of Debentures :**

- ★ Debentures : Meaning and Types.
- ★ Accounting for Issue of Debentures : Issue of debentures at par, at a premium, at a discount, oversubscription, issue of debentures for consideration other than cash, issue of debentures as a

Collateral Security.

- ★ Terms of Issue of Debentures.
- ★ Accounting for Interest on Debentures, writing off Discount/Loss on Issue of Debentures.
- ★ Redemption of debentures : by payment in Lump-sum, purchase in open market, by conversion, Sinking Fund Method.

**Unit-III : Financial Statements of a Company :**

- ★ Financial Statement : Meaning, Nature, Objectives, Types, Uses and Importance, Limitations.
- ★ Income Statement : Form and Contents.
- ★ Balance Sheet : Form and Contents.

**Unit-IV : Analysis of Financial Statements :**

- ★ Meaning, Significance, Objectives, Tools of Financial Statements : Comparative Statement, Common Size Statements, Trend Analysis, Limitations of Analysis of Financial Statements.

**Unit-V : Accounting Ratios :**

- ★ Meaning of Accounting Ratios.
- ★ Ratio Analysis : Objectives, Advantages, Limitations and Types – Liquidity Ratios, Solvency Ratios, Activity (Turnover) Ratios and Profitability Ratios.

**Unit-VI : Cash Flow Statements:**

- ★ Meaning, Nature and Objectives of Cash Flow Statements.
- ★ Preparation of Cash Flow Statements (as per Accounting Standard issued by ICAI)

OR

**Part - C : Computerized Accounting System :**

(Total Marks : 50/Total Periods : 100)

**Unit - I : Overview of Computerised Accounting System :**

- ★ Concept and Types of Computerised Accounting System (CAS).
- ★ Features of a Computerised Accounting System.
- ★ Structure of a Computerised Accounting System.

**Unit - II : Using Computerised Accounting System :**

- ★ Steps in installation of CAS. Preparation of chart of accounts, Codification and Hierarchy of account heads.
- ★ Data Entry, Date Validation and Data verification.
- ★ Adjusting Entries. Preparation of financial statements. Closing entries and opening entries, Security features generally available in CAS (Students are expected to understand and practise the entire accounting process).

**Unit -III : Accounting Using Database management System (DBMS):**

- ★ Concept of DBMS.
- ★ Objective of DBMS : Tables, Queries, Forms, Reports.
- ★ Creating data tables for accounting.
- ★ Using Queries, forms and Reports for generating accounting information, Applications of DBMS in generating accounting information such as shareholders records, sales reports, customers profile, suppliers profile, pay roll, employees profile, petty cash register.

**Unit - IV : Accounting Applications of Electronic Spreadsheet :**

- ★ Concept of an Electronic Spreadsheet (ES).
- ★ Features offered by Electronic Spreadsheet (ES).
- ★ Applications of Electronic Spreadsheet in generating accounting information, preparing depreciation schedule, loan repayment schedule, pay-roll accounting and other such applications.

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