



B.COM. SEMESTER – 2

1	MAJOR 3	FINANCIAL ACCOUNTING – 2
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Name of the Course:	Financial Accounting – 2
Course credit:	04
Teaching Hours:	60 (Hours)
Total marks:	100

Objectives:

The course aims to help learners to acquire conceptual knowledge on financial accounting, to impart skills for recording various kinds of business transactions and to prepare financial statements.

Learning Outcomes:

After completion of the course, learners will be able to:

1. Compute purchase consideration of business under different methods;
2. Recording transactions and preparing accounts for conversion of partnership firm into company in the books of vendor firm;
3. Recording transactions of purchase of firm's business and preparing balance sheet in the books of new company;
4. Prepare accounts under Self Balancing System;
5. Provide services to departmental stores in preparing departmental accounts;
6. Give accounting treatment of joint life policy premium paid by firm under different methods.

PARTICULAR	NO. OF LECTURES
UNIT NO. 1 : CONVERSION OF PARTNERSHIP FIRM INTO COMPANY	
<ul style="list-style-type: none"> - Introduction & Meaning - Difference of Dissolution of partnership firm and Conversion of Partnership Firm into Company - Procedure for Conversion of Partnership firm into Company - Purchase Consideration [PC] - Accounting treatments to close the books of Partnership Firm - Practical Questions (accounts in the books of vendor firm only) 	12
UNIT NO. 2 : PURCHASE [ACQUISITION] OF PARTNERSHIP FIRM'S BUSINESS BY COMPANY	
<ul style="list-style-type: none"> - Introduction & Meaning - Purchase Consideration - Goodwill and Capital reserve - Accounting treatments: Journal-Ledger Entries and Initial Balance Sheet in the books of Purchasing Company - Practical Questions (Accounts in the Books of Purchasing Company only) 	12
UNIT NO. 3 : SELF BALANCING LEDGERS	
<ul style="list-style-type: none"> - Introduction and Meaning - Procedure to introduce the Self Balancing System - Accounting treatment, Journal entries and ledgers, - Advantages and disadvantages of Self Balancing System, - Practical Questions 	12
UNIT NO. 4 : DEPARTMENTAL ACCOUNTS	





<ul style="list-style-type: none"> - Introduction, Meaning and Objectives - Advantages of departmental accounting - Allocation of expenses - Inter departmental transfer - Types of Department: <ul style="list-style-type: none"> A. Independent Department B. Dependent Department - Methods of Departmental Accounting <ul style="list-style-type: none"> A. Accounts of all departments are kept in one book only B. Separate Set of books are kept for each department. <p>Practical Questions</p>	12
UNIT NO. 5 : ACCOUNTS OF JOINT LIFE POLICY	
<ul style="list-style-type: none"> - Introduction and Meaning - Accounting Treatment of premium paid by the firm: <ul style="list-style-type: none"> [A] When premium is considered as Revenue expenditure [B] When premium is considered as Capital expenditure [C] When policy is shown and treated at surrender value and Amount of difference is debited to Profit and Loss A/C [D] When policy is shown and treated at Surrender Value with the help of Joint Life Policy (JLP) A/C - All partners' Individual policy and Joint Life Policy [Joint and Several policies] - Amount payable to successor of deceased partner - Practical Questions 	12
Total Lectures/Hours	
60	

Only practical questions are important for Semester End University Exam.

Suggested Readings:

1. Dr. M. A. Arulanandam and Dr. K. S. Raman, Advanced Accountancy (Vol.I & II), Edition 2023, Himalaya Publishing House, Mumbai
2. Robert N Anthony, David Hawkins, Kenneth A. Merchant, Accounting: Text and Cases. McGraw-Hill Education
3. Charles T. Horngren and Donna Philbrick, Introduction to Financial Accounting, Pearson Education.
4. J.R. Monga, Financial Accounting: Concepts and Applications. Mayur Paper Backs, Delhi.
5. M. C. Shukla, T. S. Grewal and S. C. Gupta. Advanced Accounts. Vol.-I. S. Chand & Co., Delhi.
6. S.N. Maheshwari, and S. K. Maheshwari. Financial Accounting. Vikas Publishing House, New Delhi.
7. Deepak Sehagal. Financial Accounting. Vikas Publishing H House, New Delhi.
8. Bhushan Kumar Goyal and HN Tiwari, Financial Accounting, International Book House
9. Goldwin, Alderman and Sanyal, Financial Accounting, Cengage Learning.
10. Tulsian, P.C. Financial Accounting, Pearson Education.

Note: Learners are advised to use latest edition of books.

