

Accountancy

Class-XII

Units		
Part A	Accounting for Partnership Firms and Companies	
	Unit 1. Accounting for Partnership Firms	
	Unit 2. Accounting for Companies	
Part B	Financial Statement Analysis	
	Unit 3. Analysis of Financial Statements	
	Unit 4. Cash Flow Statement	
Part C	Project Work	
	Project work will include:	
	Project File	12 Marks
	Viva Voce	8 Marks
Or		

Part B	Computerized Accounting	
	Unit 4. Computerized Accounting	
Part C	Practical Work	
	Practical work will include:	
	Practical File 12 Marks	
	Viva Voce 8 Marks	

Part A: Accounting for Partnership Firms and Companies

Unit 1: Accounting for Partnership Firms

	Units/Topics	Learning Outcomes
Unit 1	<p>Partnership: features, Partnership Deed.</p> <p>Provisions of the Indian Partnership Act 1932 in the absence of partnership deed.</p> <p>Fixed v/s fluctuating capital accounts.</p> <p>Preparation of Profit and Loss Appropriation account- division of profit among partners, guarantee of profits.</p> <p>Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio).</p> <p>Goodwill: meaning, nature, factors affecting and methods of valuation - average profit, super profit and capitalization.</p> <p>Accounting for Partnership firms - Reconstitution and Dissolution.</p> <p>Change in the Profit Sharing Ratio among the existing partners- sacrificing ratio, gaining ratio, accounting for revaluation of assets and reassessment of liabilities and treatment of reserves, accumulated profits and losses.</p> <p>Preparation of revaluation account and balance sheet.</p>	<p>After going through this Unit, the students will be able to:</p> <p>state the meaning of partnership, partnership firm and partnership deed.</p> <p>Describe the characteristic features of partnership and the contents of partnership deed.</p> <p>Discuss the significance of provision of Partnership Act in the absence of partnership deed.</p> <p>Differentiate between fixed and fluctuating capital, outline the process and develop the understanding and skill of preparation of Profit and Loss Appropriation Account.</p> <p>Develop the understanding and skill of preparation of profit and loss appropriation account involving guarantee of profits.</p> <p>Develop the understanding and skill of making past adjustments.</p> <p>State the meaning, nature and factors affecting goodwill</p> <p>Develop the understanding and skill of valuation of goodwill using different methods.</p> <p>State the meaning of sacrificing ratio, gaining ratio and the change in profit sharing ratio among existing partners.</p> <p>Develop the understanding of accounting treatment of revaluation assets and reassessment of liabilities and treatment of reserves and accumulated profits by preparing revaluation account and balance sheet.</p>

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Unit 2	<p>Admission of a partner - effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re-assessment of liabilities, treatment of reserves, accumulated profits and losses, adjustment of capital accounts and preparation of capital, current account and balance sheet.</p> <p>Retirement and death of a partner: effect of retirement / death of a partner on change in profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and reassessment of liabilities, adjustment of accumulated profits, losses and reserves, adjustment to capital accounts and preparation of capital, current account and balance sheet. Preparation of loan account of the retiring partner. : Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account and his executor's account.</p> <p>Dissolution of a partnership firm: meaning of dissolution of partnership and partnership</p>	<p>Explain the effect of change in Profit sharing ratio on admission of a new partner. Develop the understanding and skill of treatment of goodwill as per AS-26, treatment of revaluation of assets and re-assessment of liabilities, treatment of reserves and accumulated profits, adjustment of capital accounts and preparation of capital, current account and balance sheet of the new firm. explain the effect of retirement / death of a partner on change in profit sharing ratio. develop the understanding of accounting treatment of goodwill, revaluation of assets and re-assessment of liabilities and adjustment of accumulated profits, losses and reserves on retirement / death of a partner and capital adjustment. develop the skill of calculation of deceased partner's share till the time of his death and prepare deceased partner's and executor's account. discuss the preparation of the capital accounts of the remaining partners and the balance sheet of the firm after retirement / death of a partner. understand the situations under which a partnership firm can be dissolved. develop the understanding of preparation of realisation account and other related accounts.</p>
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	<p>firm,typesofdissolutionof a firm.Settlement of accounts - preparation of realization account, and other related accounts: capital accounts of partners and cash/bank a/c (</p>	
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Unit-3Accountingfor Companies

	Units/Topics	Learning Outcomes
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Unit 3	Accounting for Share Capital Features and types of companies. Share and share capital: nature and types.	After going through this Unit, the students will be able to: state the meaning of share and share capital and differentiate between equity shares and preference shares
	Accounting for share capital: issue and allotment of equity and preference shares. Public subscription of shares - over subscription and under subscription of shares; issue at par and at premium, calls in advance and arrears (excluding interest), issue of shares for consideration other than cash. Concept of Private Placement and Employee Stock Option Plan (ESOP), Sweat Equity. Accounting treatment of forfeiture and reissue of shares	Different types of share capital Explain the accounting treatment of share capital transactions regarding issue of shares Develop the understanding of accounting. Understand the meaning of private placement of shares and Employee Stock Option Plan Treatment of forfeiture and re-issue of forfeited shares

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Disclosure of share capital in the Balance sheet of a company

Describe the presentation of share capital in the balance sheet of the company as per schedule 111 part 1 of the Companies Act 2013

Accounting for Debentures

Debentures: Meaning, types, Issue of debentures at par, at a premium and at a discount. Issue of debentures for

Explain the accounting treatment of different categories of transactions related to issue of debentures

Develop the understanding and skill of writing off discount/loss on issue of debentures

	<p>consideration other than cash; Issue of debentures with terms of redemption; Debentures as collateral security-concept, Interest on debentures (concept of TDS is excluded). Writing off discount/loss on issue</p>	<p>Understand the concept of collateral security and its presentation in balance sheet</p> <p>Develop the skill of calculating interest on debentures and its accounting treatment</p>
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	of debentures.	
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Part B: Financial Statement Analysis

Unit 4: Analysis of Financial Statements

	Units/Topics	Learning Outcomes
	<p>Financial statements of a Company: Meaning, Nature, Uses and importance of financial Statement. Statement of Profit and Loss and Balance Sheet in prescribed form with major headings and sub-headings (as per Schedule III to the Companies Act, 2013)</p> <p>Financial Statement Analysis: Meaning, Significance Objectives, importance and limitations.</p> <p>Tools for Financial Statement Analysis: Comparative statements, common size statements, Ratio analysis, Cash flow analysis.</p> <p>Accounting Ratios: Meaning, Objectives, Advantages, classification and computation.</p> <p>Liquidity Ratios: Current ratio and Quick ratio.</p> <p>Solvency Ratios: Debt to Equity Ratio, Total Asset to Debt Ratio, Proprietary Ratio and Interest Coverage Ratio. Debt to Capital Employed Ratio.</p> <p>Activity Ratios: Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio, Fixed Asset Turnover Ratio, Net Asset Turnover Ratio and Working Capital Turnover Ratio.</p> <p>Profitability Ratios: Gross Profit Ratio, Operating Ratio, Operating Profit Ratio, Net Profit Ratio and Return on Investment.</p>	<p>After going through this Unit, the students will be able to: Develop the understanding of major headings and sub-headings (as per Schedule III to the Companies Act, 2013) of balance sheet as per the prescribed norms/ formats. State the meaning, objectives and limitations of financial statement analysis. Discuss the meaning of different tools of 'financial statements analysis'. Develop the skill of preparation of comparative and common size statement, Understand their uses and difference between the two. State the meaning, objectives and significance of different types of ratios. Develop the understanding of computation of current ratio and quick ratio. Develop the skill of computation of debt equity ratio, total asset to debt ratio, proprietary ratio and interest coverage ratio. Develop the skill of computation of inventory turnover ratio, trade receivables and trade payables ratio and working capital turnover ratio and others.</p>

		develop the skill of computation of gross profit ratio, operating ratio, operating profit ratio, net profit ratio and return on investment.
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Unit5: CashFlowStatement

	Units/Topics	LearningOutcomes
	Meaning, objectives Benefits, Cash and Cash Equivalents, Classification of Activities and preparation (as per AS 3 (Revised) (Indirect Method only)	After going through this Unit, the students will be able to: state the meaning and objectives of cash flow statement.
		develop the understanding of preparation of Cash Flow Statement using indirect method as per AS 3 with given adjustments.

ProjectWork

One specific project based on financial statement analysis of a company covering any two aspects from the following:

Comparative and common size financial statements
Accounting Ratios
Segment Reports
Cash Flow Statements

OR

PartB:ComputerisedAccounting

Unit4:ComputerisedAccounting

OverviewofComputerisedAccountingSystem

Introduction: ApplicationinAccounting.

FeaturesofComputerisedAccountingSystem.

Structureof CAS.

SoftwarePackages:Generic;Specific;Tailored.

AccountingApplicationofElectronicSpreadsheet.

Conceptofelectronicspreadsheet.

Featuresofferedbyelectronicspreadsheet.

Applicationingeneratingaccountinginformation-bankreconciliationstatement;assetaccounting;loan repayment of loan schedule, ratio analysis

Datarepresentation- graphs,chartsand diagrams.

UsingComputerizedAccountingSystem.

StepsininstallationofCAS,codificationandHierarchyofaccounthead,creationofaccounts.

Data:Entry,validationandverification.

Adjustingentries,preparationofbalancesheet,profitandlossaccountwithclosingentriesandopening entries.

Needandsecurityfeaturesofthesystem.

PartC:PracticalWork

PreparedBy

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