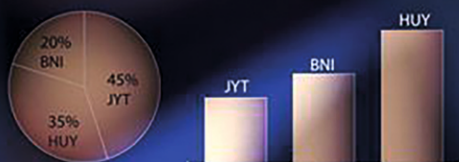


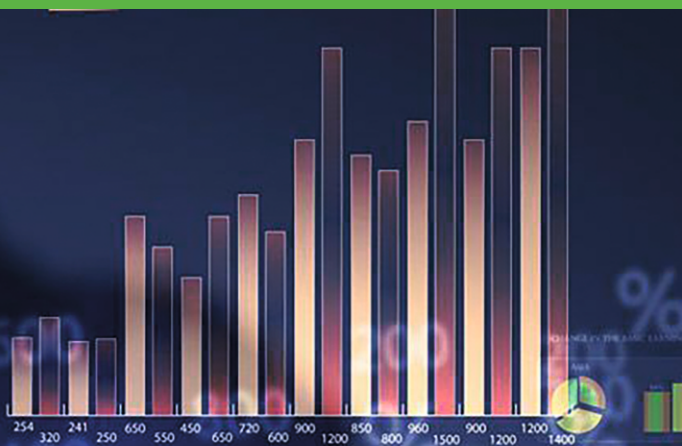
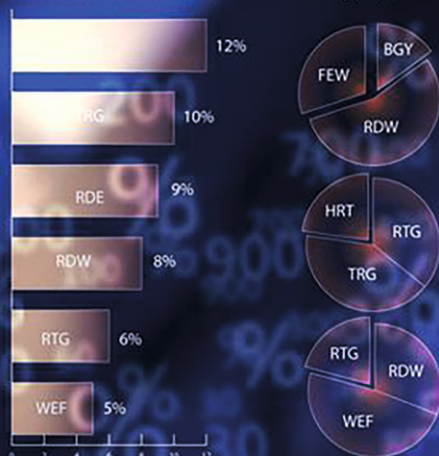
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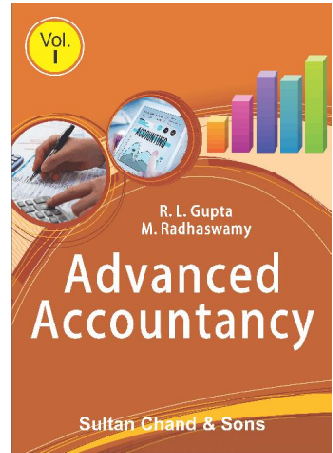
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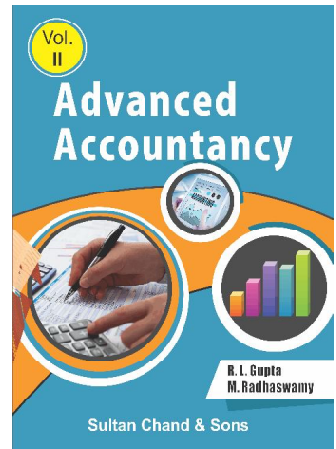
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I hear and I forget. I see and I remember. I do and I understand.

– *Confucius*

Preface

To the Eighth Edition

I feel great pleasure in introducing the Eighth Edition of Financial Accounting for the students of B.Com. I and II Semesters of the University of Madras.

The entire book has been revised thoroughly.

Volume I of the revised edition has the following distinctive features which make it a ‘must’ for every student preparing for B.Com. Degree examination:

- The subject-matter has been revised and enlarged as per the requirements of B.Com. Degree course (First & Second Semesters Core Courses), B.Com. (A & F), B.Com. (CS), B.Com. (BM), B.Com. (MM), B.Com. (CA) & B.Com. (ISM) effective from the academic year 2020-2021.
- In each chapter, objectives of the chapter, chapter scheme and summary have been given for better understanding of the text material.
- Helpful illustrations, and a wide range of graded problems taken from Madras University examination question papers have been given in all chapter.
- A determined attempt has been made to help students fully comprehend first the theory of topics before making use of the illustrations to enrich their understanding and subsequently to provide adequate material to enable them to enhance their capabilities in problem solving.
- 496 illustrations and solved problems to facilitate understanding of the subject-matter.
- 530 unsolved long problems with hints at suitable places to enable students to solve them easily.

Volume II of the book contains:

- Six Revisionary Test Papers to enable the students to have quick revision of the topics.
- Short Answers Theory Questions

- Short Problems, and
- The SCANNER covers completely the Theory Questions and 83 Practical Problems of B.Com. (First & Second Semesters Core Courses), B.Com. (A & F), B.Com. (CS), B.Com. (BM), B.Com. (MM), B.Com. (CA) & B.Com. (ISM) Madras University for the period 2000 to 2004 i.e. for a period of 5 years with solutions.
- Answers of practical problems have also been given.
- The SCANNER would be of immense use to both the teachers and students.
- The SCANNER clearly shows the nature of questions which have appeared during last 5 years. It can help teachers and students to find what type of problems can be expected. The SCANNER shows that practical problems appear almost every year out of chapters on:
 - Single Entry System
 - Partnership Accounts
 - Branch Accounts
 - Hire Purchase Accounts
 - Departmental Accounts
 - Fire Insurance Claims

I look forward to the suggestions of the readers and students for improving the subsequent edition of the book.

V.K. GUPTA

Syllabus

UNIVERSITY OF MADRAS

Syllabus with Effect from 2020-2021

CORE-I: FINANCIAL ACCOUNTING

Common to B.Com. (A & F), B.Com. (CS), B.Com. (BM),
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Unit I: Preparation of Financial Statement – Final accounts of sole trading concern- Adjustments-Receipts and Payments-Income and expenditure-Balance sheet of non trading organisation

Unit II: Depreciation and Insurance Claims – Depreciation Accounting: Depreciation-Meaning – Causes-Types-Straight Line Method-Written down value method – Concept of useful life under Companies Act 2015 Insurance Accounting: Insurance claims – Calculation of Claim amount – Average clause(Loss of stock only)

Unit III: Single Entry System – Meaning and Features of Single entry-Defects-Difference between single entry and double entry system-Methods of calculation of Profit-Statement of Affairs Method-Conversion Method

Unit IV: Rectification of Errors and Bank Reconciliation Statement – Classification of Errors – Rectification of Errors – Preparation of Suspense a/c. Bank Reconciliation Statement – Need and preparation.

Unit V: Hire Purchase and Instalment System – Hire Purchase System- Default and repossession-Hire purchase trading account Instalment System-Calculation of Profit.

CORE-III: ADVANCED FINANCIAL ACCOUNTING

Common to B.Com. (A & F), B.Com. (CS), B.Com. (CA) & B.Com. (ISM)

Unit I: Branch Accounts – Dependent Branches – Stock and Debtors system – Distinction between Wholesale Profit and Retail Profit – Independent Branches (Foreign Branches excluded)

Unit II: Departmental Accounts – Basis of Allocation of Expenses – Calculation of Profit – Inter-departmental Transfer at cost or Selling Price.

Unit III: Partnership Accounts – Admission of a Partner – Retirement of a Partner – Death of a Partner.

Unit IV: Partnership Accounts – Dissolution of a Partnership Firm – Insolvency of a Partner – Insolvency of all Partners – Piecemeal Distribution of cash in case of Liquidation of Partnership Firm.

Unit V: Accounting Standards for Financial Reporting – Objectives and uses of financial statements for users-Role of accounting standards – Development of accounting standards in India – Requirements of international accounting standards – Role of developing IFRS – IFRS adoption or convergence in India – Implementation plan in India – Ind AS-Difference between Ind AS and IFRS.

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Corporate Accounting

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Shri Ram College of Commerce
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Author of Advanced Accounting

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School of Business Management,
Accounting & Finance,
Sri Satya Sai Institute of Higher Learning,
Prasanthinilayam, A.P.

The latest edition of the book has been updated with consideration to the provision of the Companies Act, 2013, (as amended upto 2020) SEBI rules and regulations and Accounting Standards. Theory and accounting treatment has been revised as per Accounting Standards and Companies (Amendment) Act, 2019. Each aspect of chapter has been discussed in detail in order to meet the requirements of the syllabus prescribed by different Universities and Professional Institutes.

Salient Features

The following features are worth noting in the text:

- The illustrations and assignment material has been made to confirm to the requirements of Schedule III of the Companies Act, 2013. The relevant problems/solutions have also been revised.
- The revised revision of **Paragraph 14 of Accounting Standards-4** concerning Financial Statements regarding Proposed final dividend has been incorporated at relevant pages and the illustrations amended accordingly.
- The relevant provisions of Ind AS-7: Statements of Cash Flows dealing with Bank Overdraft and Proposed Dividend have also been taken care of in this book.
- In the chapter of Redemption of Debentures, the treatment of interest on Debenture Redemption Funds Investments or Profit (or Loss) on the sale of Debentures have been also summarised in the chapter.
- All chapters have been revised and updated. Problems of each chapter have been suitably graded and edited to include questions of topical interest.

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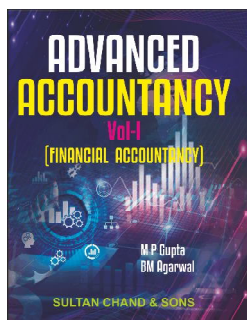
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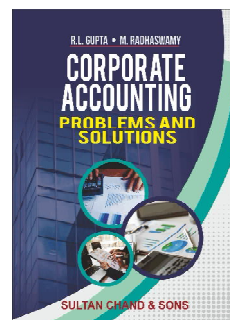
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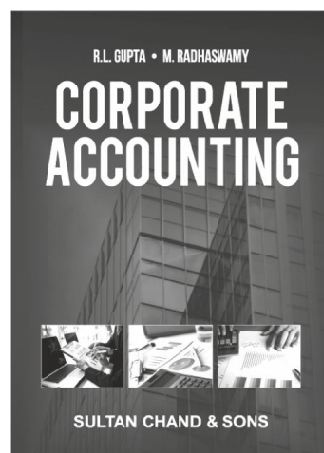
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