

9th Ed.

FINANCIAL ACCOUNTING

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SULTAN CHAND & SONS

FINANCIAL ACCOUNTING

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Preface

P

“Accounting is the language of business.”

Warren Buffett

We are delighted to present the Revised 9th Edition of Financial Accounting, meticulously crafted as a comprehensive and student-focused textbook for B.Com. Semester I and II students. This edition underscores our unwavering dedication to academic excellence, thoughtfully addressing the evolving landscape of commerce education. Updated with current content and enriched with powerful pedagogical tools, this book is designed to build a strong foundation in financial accounting, simultaneously cultivating essential analytical and problem-solving skills.

Financial accounting forms the foundation of any commerce curriculum. A strong grasp of its principles is essential not only for academic success but also for building professional competence in business, finance, and management. In recognition of its importance, this edition has been developed to offer a holistic and engaging learning experience that supports conceptual understanding, skill development, and exam preparedness.

The book comprises 25 carefully structured chapters, beginning with the basics and gradually progressing to more advanced areas of financial accounting. The initial chapters focus on the fundamentals: Accounting: Introduction, Accounting Concepts and Conventions, and the Basic Accounting Process. These set the stage for deeper exploration by grounding students in the essential rules, frameworks, and terminology that govern accounting.

Subsequent chapters take a step forward, introducing students to practical processes such as Bank Reconciliation Statements, Rectification of Errors, and Accounting for Bills of Exchange. The importance of Depreciation Accounting, Reserves and Provisions, and understanding Capital and Revenue Items is also addressed in depth. These chapters help students grasp the day-to-day functioning of accounting in real business settings.

The book then transitions into more structured financial reporting through topics like Final Accounts of Sole Trading Concerns, Single Entry System (Accounting from Incomplete Records), and Accounting for Not-for-Profit Organisations. These chapters reflect different organizational structures and their unique accounting needs, including the preparation of Receipts and Payments Accounts.

Chapters on Branch and Departmental Accounting provide insights into decentralized business operations, while topics like Royalty Accounts, Hire-Purchase Accounts, Installment Purchase Accounts, and Fire Insurance Claims deal with specialized transactions and agreements that students are likely to encounter in various industries.

A substantial portion of the book is devoted to Partnership Accounting, a vital area of study for undergraduate commerce students. This section spans six chapters: Introduction and Special Aspects, Admission of a Partner, Retirement or Death of a Partner, Dissolution, Piecemeal Distribution, and Amalgamation & Sale of Firms. Each chapter presents legal considerations, accounting treatments, and illustrative examples to build a complete understanding of the topic.

The final chapter on Accounting Standards for Financial Reporting serves as an essential primer on the modern regulatory environment. It familiarizes students with key national and international standards, ensuring that they are aligned with the latest trends in corporate reporting and compliance.

What sets this edition apart is its student-centric approach and structured pedagogy. Each chapter begins with a Chapter Outline and clearly outlined Learning Objectives, offering students a clear path to navigate the topic. The textual explanations are written in simple and precise language, followed by relevant illustrations that help translate theory into practice.

To further enhance learning and retention, the book is enriched with nearly 500 solved illustrations and examples, allowing students to witness the step-by-step application of concepts. At the end of each chapter, students will find comprehensive practice exercises that include over 400 objective-type questions, 197 theoretical questions, and more than 440 numerical problems. These have been carefully selected and categorized to facilitate self-assessment and targeted revision, making the book an excellent tool for exam preparation.

The book is particularly effective in catering to diverse learning needs. Whether a student is encountering accounting for the first time or is preparing for university-level examinations, this book supports their academic journey through a progressive, practice-based approach. Its depth of coverage, clarity in explanation, and ample practice material make it an indispensable resource for classroom learning as well as self-study.

The Revised 9th Edition also incorporates updates wherever relevant to reflect the latest academic requirements and changes in accounting practice. We have made every effort to ensure accuracy, relevance, and coherence in the content, while maintaining the engaging and reader-friendly tone that has characterized earlier editions.

In conclusion, this edition of Financial Accounting continues to uphold the standards of quality and academic rigor that previous versions have established. It aims to serve not only as a textbook but also as a comprehensive learning guide—supporting students in developing a firm conceptual foundation and the confidence to apply their knowledge effectively.

We express our sincere gratitude to all faculty members, students, and subject experts whose feedback and encouragement have guided the improvement of this work over the years. We hope this book continues to be a reliable companion in your journey toward mastering financial accounting and excelling in your academic pursuits.

Editorial Team
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<i>Sl. No.</i>	<i>Chapter Name</i>	<i>Pages</i>	<i>Illustrations</i>	<i>True/False</i>	<i>Fill in the Blanks</i>	<i>Multiple Choice Questions</i>	<i>Theoretical Questions</i>	<i>Numerical Questions</i>	<i>Examples</i>
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25.	Accounting Standards for Financial Reporting	34	–	–	–	–	10	–	–
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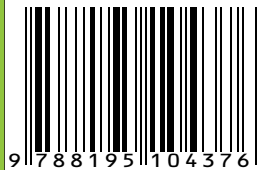
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