

BASICS OF FINANCIAL ACCOUNTING

Paper Code: BCMHMDC01T

(W.E.F. 2024-25)

Full Marks: 50

Total Credits: 3 [45 Hours]

Unit 1: Introduction to Accounting

[10 Hours]

Accounting: Meaning, Need for Accounting; Financial Accounting: Meaning, Users, Concepts and Conventions; Cash basis and Accrual basis of Accounting; Concepts of Transaction, Account, Asset, Liability, Capital, Revenue, Income, Expenditure, Profit, Loss, Accounting Period, Accounting Equation; Concepts of invoice, cash memo, receipt, challan, voucher.

Unit 2: Recording of Transactions

[15 Hours]

Types of Accounts, Double Entry System, Golden Rules of Accounting, Debit and Credit, Journal entries, Ledger Posting (simple problems); Subsidiary Books.

Unit 3: Preparation of Final Accounts & Balance Sheet

[20 Hours]

Preparation of Trial Balance, Trading Account, Profit and Loss Account, and Balance Sheet of Sole-proprietorship business (simple problems). Accounting for Not-for-Profit Organisations – Concepts of Receipts & Payments Account, Income & Expenditure Account and Balance Sheet.

Activity: Prepare Final Accounts and Balance Sheet on the basis of hypothetical transactions related to a small sole-proprietorship business firm.

Suggested Readings:

1. A. K. Bhattacharyya, Financial Accounting for Business Managers, Prentice-Hall.
2. Mukherjee, A., & Hanif, M., Financial Accounting, Tata McGraw Hill Publishing Co. Ltd.
3. Tulsian, P. C., Financial Accounting, Tata McGraw Hill Publishing Co. Ltd.
4. Maheshwari, S. N., Maheshwari, S. K., & Maheshwari, S. K., Financial Accounting, Vikas Publishing House Pvt. Ltd.
5. Gupta, R. L., and Radhaswamy, M., Financial Accounting, Sultan Chand and Sons.