

**North Maharashtra University, Jalgaon
Faculty of Commerce and Management**

**SEMESTER SYSTEM FOR F. Y. B. COM COURSE
F. Y. B. Com (W.E.F.: June – 2014-15)**

SEMESTER – I

**Paper No.4: FINANCIAL AND COST ACCOUNTING - Paper I
(CORE COMPETENCE SUBJECT)**

Total Marks: 100 (Internal continuous Assessment 40 Marks + External Exam. 60 Marks)

Financial Accounting – 70 Marks and Cost Accounting – 30 Marks Total Lecturers: 48

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Objectives:

- a) To lay a foundation for the preparation of financial statement from incomplete records.
 - b) To lay a foundation for understanding the Accounting Standards issued by the ICAI.
 - c) To gain the ability to solve problems relating to settlement of obligations on dissolution of partnership firm and also relating to their business combinations
 - d) To introduce the concepts used in Cost Accounting, elements of costs and the concept of cost sheet.
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Topic – I - Accounting Standards –

Lectures-06

1. Introduction, Overview of Accounting Standards in India,
2. Objectives, Advantages and Applicability of Accounting Standards.
3. Elementary study of –
 - AS-1- Disclosure of Accounting policies.
 - AS-6 - Depreciation Accounting
 - AS-10 – Accounting for Fixed Assets

Topic – II - Gradual realisation and Piecemeal Distribution of cash

Lectures-06

on dissolution of partnership firm

1. Meaning of piecemeal distribution.
2. Piecemeal distribution of cash under -
 - i. Maximum loss method
 - ii. Highest Relative Capital Method (Surplus capital method)

Topic – III Amalgamation of partnership firms

Lectures-06

- i. Meaning of amalgamation
- i. Closing the books of the amalgamating firms (Realisation method only)
- ii. Opening the books of new firm, and Preparation of Balance Sheet of the new firm

Topic – IV Conversion of Partnership firm into a Limited Company

Lectures-08

- a) Meaning and Need for conversion,
- b) Calculation of Purchase Consideration,
- c) Closing entries and Ledger Accounts in the books of old firm,
- d) Accounting for Purchase of business on conversion of Partnership Firm into a limited company in the books of the limited company (Refer to AS-26- Intangible Assets)

Topic – V Preparation of final Accounts of Sole proprietor and Partnership firm from Incomplete records under Conversion method

Lectures-08

- a) Preparation of Trading and Profit and Loss Account, and
- b) Balance Sheet

Topic – VI Cost Accounting

Lectures-14

1. Introduction

- a. Basic concepts-
 - i. Cost, Expense, Loss,
 - ii. Costing, Cost Accounting, Cost Accountancy
 - iii. Cost Unit, Cost Centre
- b. Advantages and Limitations of Cost Accounting,
- c. Distinction between Financial and Cost Accounting
- d. Elements of Costs,
- e. Classification of Costs on the basis of various criteria,

2. Preparation of Cost Sheet including Quotations & Tenders.

Reference Books:

[a] Books on Financial Accounting –

1. Advanced Accountancy Vol. I, - R. L.Gupta & M. Radhaswamy - Sultan Chand & Sons
2. Fundamentals of Accounting, - Dr. T. P. Ghosh, - Sultan Chand & Sons
3. Accountancy For C.A. Foundation Course , - P.C. Tulsian, - Tata Mcgraw Hill
4. Advanced Accountancy Volume –I - P. C. Tulsian , Pearson Education, New Delhi
5. Advanced Accounts, - M.C. Shukla, T. S. Grewal & S.C. Gupta, - S. Chand & Co Ltd.
6. Fundamentals of Accounting, - Dr. S.N. Maheshwari & Dr. S.K. Maheshwari,- Vikas Publishing House, New Delhi
7. Financial Accounting - A Mukherjee & M.Haneef - Tata Mc-Graw Hill

[b] Books on Cost Accounting –

1. Fundamentals of Cost Accounting, - Dr. S.N. Maheshwari, - Sultan Chand & Sons
2. Cost Accounting - Maheshwari and Mittal :
3. Advanced Cost Accounting - Jain And Narang :
4. Cost Accounting - Nigam and Sharma :
5. Cost Accounting (Problem and Theory), S. N. Maheshwari, Mahavir Publication
6. Cost Accounting (Methods & Problems), B. K. Bhar, Academic Publisher, Calcutta
7. Principles and Practices of Cost Accounting, Ashish K. Bhattacharya, A.H. Wheeler Publisher
8. Also refer the websites of The Institute of Chartered Accountants of India –

www.icaai.org .

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SEMESTER – II
Paper No.4: FINANCIAL AND COST ACCOUNTING Paper II
(CORE COMPETENCE SUBJECT)

Total Marks: 100 (Internal continuous Assessment: 40 Marks + External Exam. 60 Marks)
Financial Accounting – 70 Marks and Cost Accounting – 30 Marks Total Lecturers: 48

Objective:

- a. To lay a theoretical foundation for recording of financial transactions concerning specialised area related to non-corporate entities, and for preparing the related accounts or statements.
- b. To introduce the technique of entering specialised transactions into the books of accounts with the understanding of their ultimate effect on final accounts.
- c. To lay a foundation for understanding the Accounting procedure for Material cost and pricing methods.

Topic – I Accounting for Branches (Dependent Branches only)

Lectures-06

- a. Meaning of branch
- b. Systems of Accounting for branch transactions under -
[1] Debtors System and [2] Stock and Debtors System

Topic – II Departmental Accounts

Lectures-06

- a) Meaning and Objectives of Departmental Accounts,
- b) Basis of Allocation of common expenses among different departments,
- c) Inter-Departmental transfers,
- d) Preparation of Final Accounts.

Topic – III Consignment Accounting

Lectures-06

- a. Meaning of Consignment
- b. Accounting for Consignment transaction in the books of the consigner and the consignee

Topic – IV Accounting for Hire-Purchases Transactions

Lectures-09

(Excluding - Hire Purchase Trading A/c, Debtors and Stock & Debtors Systems)

- a) Introduction,
- b) Terms used in Hire-Purchase agreement,
- c) Ascertainment of Interest, Cash price, Hire-purchase price
- d) Journal entries and Ledger Accounts in the books of Hire-Purchaser and Hire-Vendor
on purchase/sale of goods under hire-purchase including repossession of goods on default .

Topic – V Accounting for Investment**Lectures: 7**

- a. Preparation of Investment Account for Fixed Income bearing securities.
 - b. Cum-Interest Purchase ,Sale & Computation of profit On Securities
 - c. Ex-Interest Purchase ,Sale & Computation of profit On Securities
- Refer to AS -13- Accounting for Investment.

Topic – VI Materials**Lectures-14**

- a. Elementary Study of Accounting Standard AS 2 –Valuation of Inventory
- b. Importance of Materials accounting and control,
- c. Direct and Indirect Materials,
- d. Procedure and documentation of Purchasing and Storekeeping-
 - i. Purchase Requisition
 - ii. Purchase Order,
 - iii. Goods Received Note
 - iv. Inspection Report,
 - v. Materials Requisition
 - vi. Materials Transfer Note and Materials Return Note.
- e. Economic Ordering Quantity.
- f. Stores Accounting
 - i. Bin Cards, Store Ledger
 - ii. Pricing of Materials issues under FIFO, LIFO, Simple Average Method, and Weighted Average Method
- f) Stock levels – Reordering level, Maximum level, Minimum level, Average level

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