



Kot Bhalwal, Jammu



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

COURSE HANDOUT

FINANCIAL ACCOUNTING (BCMMJ 201)

B.COM (H) – 2nd Semester

ACADEMIC YEAR (2023-2024)

Dr. Mamta Sharma

Assistant Professor

School of Management-UG



School of Management-UG

Model Institute of Engineering and Technology (Autonomous)

KotBhalwal, Jammu-181122

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Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



Please Do Not Print Unless Necessary

Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCMMJ-201	Fundamentals of Financial Accounting	Major	4	5	0	0	40	60	100

COURSE OUTCOMES

At the end of the course the student will be able to: -

CO1	Understand the Indian standard accounting concepts and principles.
CO2	Analyze business transactions for preparation of Journal, Ledger and Trial Balance.
CO3	Articulate the concepts of revenue and depreciation.
CO4	Demonstrate competency in the preparation of financial statements.
CO5	Analyze financial statements for business decision making.

Detailed Syllabus Section A

Unit I: Theoretical Framework: Introduction, Meaning of Accountancy, Difference between Bookkeeping and Accounting, Accounting Process, Objectives for accounting, Limitations of Accounting, Basic terminologies in accounting, Accounting Concepts, conventions and Principles; Users of accounting Information, Double Entry Accounting: Introduction, Meaning of double entry accounting, Classification of accounts in relation to Rules of debit and credit; Accounting equation.

(10Hrs)

Unit II: Review of Basic Accounts: Journal and its characteristics, analyzing business transactions and passing entries in a journal, Journal entries passed for accounting of Goods and Service Tax (GST), Posting entries into Ledger and significance of Ledger balances; Difference between Journal and Ledger; Preparation of Trial Balance.

(09Hrs)

Unit III: Revenue Recognition: Preparation of Cash Book and Subsidiary Book (Sales Book, Purchase Book). Revenue: Concept, Revenue Recognition Principles, Recognition of Expenses, Nature of Depreciation, and Accounting Concept of Depreciation, Methods of Computing Depreciation: Straight Line Method and Diminishing Balance Method.

(09Hrs)

Section B

UnitIV: Preparation of Financial Statement: Classification of Receipts and Expenditure into capital and revenue; Contents of Trading and Profit & Loss account; closing entries of trading account. Preparation of profit and loss account. Classification and arrangement of assets and liabilities in balance sheet-grouping and marshalling; Distinction between trial balance and balance sheet; Preparation of balance sheet with elementary level adjustments and rationale behind adjustments.

(10 Hrs)

UnitV: Analysis of Financial Statements: Objectives of Financial Statement Analysis, Sources of Information, standard of comparison, Preparation of comparative and common size statements, Preparation of cash flow statement.

(10 Hrs)

Text Books

S.No	NameoftheBooks	Author	Publisher	Edition (Pub. Yr.)
1.	Financial accounting for Management An Analytical Perspective	Gupta Ambrish	Pearson Education	6 th (2008)
2.	Financial Accounting	Shukla, M.C. Grewal T.S. Gupta	S. Chand and Co	12th (2019)



Reference Books

S. No	NameoftheBooks	Author	Publisher	Edition(Pub. Yr.)
1.	Accountancy Text and Cases	Robert N. Anthony, David F. Hawkins, Kenneth A. Merchant	Mc Graw Hill Education	13th (2017)
2.	Corporate Accounting	S. N Maheashwari, Suneel K Maheshwari, Sharad K Maheshwari	Vikas Publishing House Pvt Ltd.	6 th (2018)
3.	Financial Accounting	Jain, S.P., Narang, K. I., Agrawal, S., & Sehgal, M.	Kalayani	3 rd (2021)
4.	Financial Statement Analysis and Reporting	P. Mohan Rao	PHI Learning Pvt. Ltd.	2 nd (2021)



COURSE PLAN

S. No.	Topics	Recommended Books
Unit-1 Theoretical Framework		
1	Introduction, Meaning of Accountancy	Ref. Book 3, Ch.1
2	Difference between Book-Keeping and Accounting	Ref. Book 3, Ch.1
3	Accounting Process, Objectives for accounting	Ref. Book 3, Ch.1
4	Limitations of Accounting	Ref. Book 3, Ch.1
5	Basic terminologies in accounting	Ref. Book 3, Ch.1
6	Accounting Concepts, conventions and Principles; Users of accounting Information	Ref. Book 3, Ch.2
7	Double Entry Accounting: Introduction, Meaning of double entry accounting	Ref. Book 3, Ch.1
8	Classification of accounts in relation to Rules of debit and credit; Accounting equation.	Ref. Book 3, Ch.1
Unit-2 Review of Basic Accounts		
9	Journal and its characteristics	Ref. Book 3, Ch.1
10	Analyzing business transactions and passing entries in a journal	Ref. Book 3, Ch.1
11	Journal entries passed for accounting of Goods and Service Tax (GST)	Ref. Book 2, Ch. 5 Ref. Book 3, Ch.3
12	Posting entries into Ledger and significance of Ledger balances	Ref. Book 3, Ch.4
13	Difference between Journal and Ledger	Ref. Book 3, Ch.4
14	Preparation of Trial Balance	Ref. Book 3, Ch.4
Unit-3 Revenue Recognition		
15	Preparation of Cash Book and Subsidiary Book	Ref. Book 3, Ch.4
16	Revenue: Concept, Revenue Recognition Principle and Recognition of Expenses	Ref. Book 2, Ch.5
17	Nature of Depreciation	Ref. Book 2, Ch.5
18	Accounting Concept of Depreciation	Ref. Book 2, Ch.5



19	Methods of Computing Depreciation Straight Line Method and Diminishing Balance Method	Ref. Book 2, Ch.5
Unit-4 Preparation of Financial Statement		
20	Classification of Receipts and Expenditure into capital and revenue	Ref. Book 2, Ch.6
21	Contents of Trading and Profit & Loss account and closing entries of trading account	Ref. Book 2, Ch.6
22	Preparation of profit and loss account	Ref. Book 2, Ch.6
23	Classification and arrangement of assets and liabilities in balance sheet-grouping and marshalling	Ref. Book 2, Ch.6
24	Distinction between trial balance and balance sheet	Ref. Book 2, Ch.6
25	Preparation of balance sheet with elementary level adjustments and rationale behind adjustments	Ref. Book 2, Ch.6 Ref. Book 5, Ch. 2
Unit-5 Analysis of Financial Statements		
26	Objectives of financial statement analysis	Ref. Book 5, Ch. 3
27	Sources of information	Ref. Book 5, Ch. 3
28	Standard of comparison	Ref. Book 5, Ch. 2
29	Preparation of comparative and common size statements.	Ref. Book 5, Ch. 4 https://books.google.com/books/about/FINANCIAL_STATEMENT_ANALYSIS_AND_REPORTING.html?id=iWtnEAAAQBAJ
30	Preparation of cash flow statement.	Ref. Book 2, Ch.4



1.	<p>Coursera:</p> <p>A. Introduction to Financial Accounting</p> <p>1. https://www.coursera.org/learn/wharton-accounting?action=enroll</p> <p>B. Accounting: Principles of Financial Accounting</p> <p>https://www.coursera.org/learn/financial-accounting?irclickid=S-3V8LWZWxyPTEIw-AQwnTMLUkHwtJR-UXuY3M0&irgwc=1&utm_medium=partners&utm_source=impact&utm_campaign=3307331&utm_content=b2c</p>
2.	<p>NPTEL: Financial Accounting</p> <ol style="list-style-type: none">1. https://onlinecourses.nptel.ac.in/noc23_mg65/preview2. https://archive.nptel.ac.in/courses/110/106/110106147/

GRADING AND ASSESSMENT

- **Sessional Test:** 20 marks
- **Assignment:** 10 Marks
- **Attendance:** 10 Marks
- **Final Examination:** 60 Marks

COURSE POLICIES

- **Attendance:** Minimum 75% of attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submission:** Assignments and projects must be submitted by the specified timeline.

FACULTY INFORMATION

- **Office Hours**
Monday (12:55PM-1:45PM)
Friday (12:55PM-1:45PM)

- **Contact Information**

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