



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

Kot Bhalwal, Jammu

COURSE HANDOUT

FUNDAMENTALS OF FINANCIAL ACCOUNTING (BCMMJ-
201)

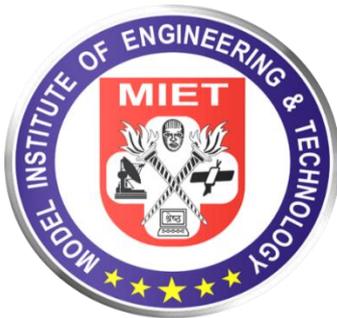
BCOM Hons-2ND SEMESTER

ACADEMIC YEAR (2024-25)

Dr. Priyanka Sharma

Associate Professor

Department of Commerce



UG School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

www.mietjmu.in

Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



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Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCMMJ-201	Fundamentals 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 principles for financial transactions in books of accounts.
CO2	Articulate the recording of transactions and verify its arithmetical accuracy by preparation of Trial Balance.
CO3	Compare the difference between revenue and capital expenditure and income.
CO4	Analyze the elementary level adjustments and preparation of Final Accounts.
CO5	Evaluate the adjustment entries affecting financial statements.

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

(9 Hours)

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.

(10 Hours)

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.

(10 Hours)

Section B

Unit-IV

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 rail balance and balance sheet; Preparation of balance sheet with elementary level adjustments and rationale behind adjustments.

(10 Hours)

Unit-V

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

(9 Hours)

Textbooks

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Financial Accounting- NEP 2020	Dr S.K.Singh	Pearson Education	1st (2020)
2.	Financial Accounting	Shukla, M.C. Grewal T.S. Gupta	S. Chand and Co	12th (2019)



Reference Books

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Financial Statement Analysis and Reporting	Rao & Peddina Mohana	PHI Learning	2nd (2022)

COURSE PLAN

Unit-I Theoretical Framework

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



	Diminishing Balance Method	Book 2, Ch.5
Unit-IV Preparation of Financial Statement		
22	Classification of Receipts and Expenditure into capital and revenue	Book 2, Ch.8
23	Contents of Trading and Profit & Loss account and closing entries of trading account	Book 2, Ch.8
24	Preparation of profit and loss account	Book 2, Ch.8
25	Classification and arrangement of assets and liabilities in balance sheet-grouping and marshalling	Book 2, Ch.8
26	Distinction between trial balance and balance sheet	Book 2, Ch.8
27	Preparation of balance sheet with elementary level adjustments and rationale behind adjustments	Book 2, Ch.8
Unit-V Analysis of Financial Statements		
29	Objectives of financial statement analysis	Ref Book , Ch.2-5
30	Sources of information	Ref Book , Ch.2-5
31	Standard of comparison	Ref Book , Ch.2-5
32	Preparation of comparative and common size statements.	Ref Book , Ch.2-5

ADDITIONAL WEB RESOURCES

1.	MOOC: Introduction to Financial Accounting https://www.coursera.org/learn/wharton-accounting?action=enroll
2.	NPTEL: Financial Accounting https://onlinecourses.nptel.ac.in/noc23_mg65/preview https://archive.nptel.ac.in/courses/110/106/110106147/

GRADING AND ASSESSMENT

- **Sessional Test:** total 20 marks, 2 Sessional for 10 Marks Each
- **Assignment:** 10 marks
- **Attendance:** 10 marks
- **Final Examination:** 60 marks

COURSE POLICIES

- **Attendance:** Minimum 75% 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 Submissions:** Assignments and projects must be submitted by the specified timelines.

FACULTY INFORMATION

- **Office Hours**
Monday (12:05 PM - 12:55 PM)
Friday (12:05 PM - 12:55 PM)

- **Contact Information**
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