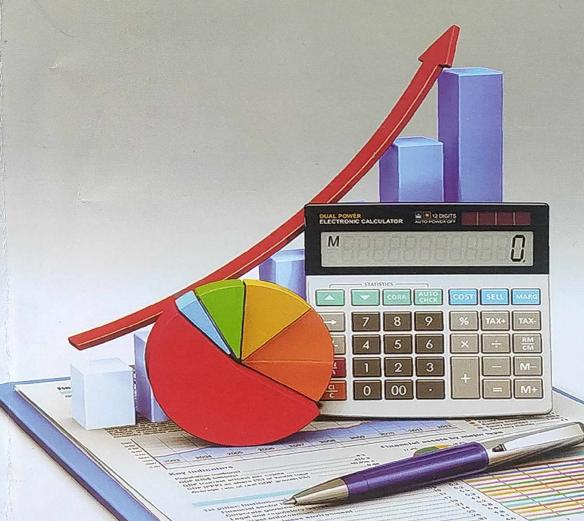


FINANCIAL ACCOUNTING



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FINANCIAL ACCOUNTING

for B.Com. 1st Semester As per New syllabus, Davanagere University

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Narayana Shastri Road, Mysuru : 9538752666 Akkamahadevi Road, Davanagere : 8050408899 Basavasadana, Neharu Road, Shivamogga A.V.K. College Road, Hassan, : 8050407799 FINANCIAL ACCOUNTING (For B.Com. 1st Semester Students of Davanagere University): Written By - H. Ravi Singh, Prof. G.C. Neelambika., S.F. Nallanavar, Prof. R.C. Nagaraj, Davanagere. And Published by Chethana Book House "Anjanadri", Renukacharya Temple Road, (Behind Lakshmi Talkies) Mysuru 570 024.

©: Publisher

First Edition: 2016

Pages: 156

Price: Rs. 200/- 17 my M. Agniz Lenst in

for copies

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BACHELOR IN COMMERCE

I - Semester

Course Code: (B.Com. Core 1.3)

Financial Accounting

Course Objectives: To make students to learn the basic principles of financial accounting. Pedagogy: Combination of direct teaching, assignment and small group discussions.

COURSE INPUTS

Module - 1: Basics of Accounting Introduction: Accounting as an information system, Branches of Accounting, Meaning of financial accounting users of Accounting information.

of financial accounting users of Accounting information. GAAPS - Basic concepts and conventions - Accounting standards issued by ICAI and IFRS issued by IASB - manual Vs computerized Accounting.

Module-2: Financial Statements of Sole Proprietor Introduction, preparation of manufacturing August 20-58

Introduction, preparation of manufacturing Account Trading and profit and loss Account and Balance Sheet.

Module - 3: Accounting for consignment Transactions Meaning Consignment V/a Selver Base 59-114

115-138

139-151

Meaning, Consignment V/s Sales - Proforma Invoice - Account Sales - Types of commission Accounting for consignment in the books of Consignor and Consignee - Valuation of Stock-goods sent at cost price and Invoice price. Normal and Abnormal loss of goods sent on consignment,

Module - 4: Single Entry System of Accounting:

 $\label{thm:conversion} Meaning\ Limitations\ of\ Single\ Entry\ System.\ Problems\ on\ conversion\ of\ single\ entry\ into\ Double\ Entry.$

Module - 5: Accounting for Agricultural Farms:

Meaning - Objectives of Farm Accounting - Preparation of crop and cattle Account - Preparation of Crop and cattle Account - Preparation of Balance Sheet.

Module - 6: Inculcation of Soft Skills

- Visit proprietary concern and discuss the accounting methods adopted by them and give your suggestions for improvement
- 2. Visit a progressive farmer in your area collect information relating to the income and expenses connected with cultivation for the year and produce the relevant accounts to enable him to a avail loan from a bank.

Skill Development Activities:

IV

I. Single Entry/System - Tracing missing figures. Final Accounts of Sole Trader - Correcting a wrong trial balance.

Preparation of proforma Invoice and A/c Sales

References :

Maheswari S.N. Financial Accounting

Shukla and Grewal, Advanced Accounting Raman B.S. Financial Accounting

2

Radha Swamy and R.L. Gupta, Advanced A/c

Anil Kumar and others Financial Accounting

H. Ravisingh and others G.F.G.C., Davangere

6 5

Basics of Accounting Module - 1

Introduction:

particular period. It is a system of recording and reporting business transactions in financial terms classifies, analyse and communicates all the business transactions that have taken place during a to interested parties. Accounting is generally termed as the language of business throughout the world. It records

information about the activities of a concern so that intelligent decisions can be made about the concern. Accounting is a discipline which records classifies, summerises and interprets financial

of accounts for the purpose of presenting final accounts to management shareholders and tax authorities etc. Financial accounting is mainly concerned with recording business transactions in the books

Definitions of Accounting:

transactions and events which are in part at least of a financial character and interpreting the "the art of recording classifying and summerising in a significant manner and in terms of money, American Institution of certified Public Accountants (AICPA) which defines accounting as

events of an organization to the interested users of such informations. identifying measuring recording and communicating the required information relating to economic The American Accounting Association (AAA) defines accounting as "It is the process of

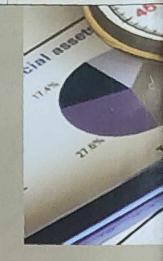
shareholders, managers, creditors, debenture holders, bankers tax authorities and others The following parties are interested in accounting information. financial information relating to activities of a business such information is provided to Accounting as an information system: Accounting serves the purpose of providing

survive, prosper and to pay dividend. investment opportunities in the business. The need information to assess whether to buy or hold or sell their investment. They are also interested to know ability of the business to and potential investors need the information to judge the prospectus of present and potential 1) Investors and owners: Investors provides risk capital to the business. Both present

position to decide whether to continue or shut-down. separated, the owner needs information about performance of the business and its financia In non-corporate enterprises, where ownership and management are not essentially

- and interest will be paid when due. Lenders: Lendors or Loan creditors are interested to know whether their loan principal
- the form of godos and services. Trade creditors are those parties who supply goods and 3) Suppliers and trade creditors: Suppliers imply persons who supply resources in

FINANCIAL ACCOUNTING







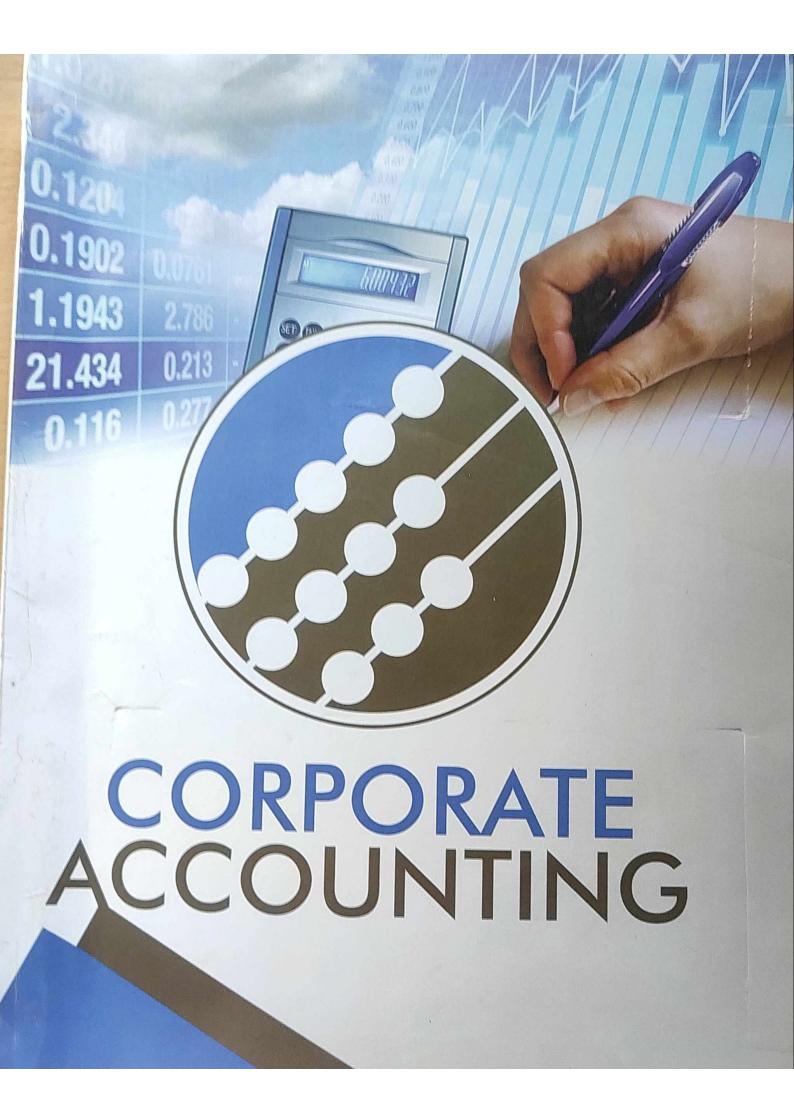


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CORPORATE ACCOUNTING

As per the Syllabus for IIIrd B.Com., Karnataka State Open University

Prof., H.Ravi Singh

M.Com., M.Phil., Govt. First Grade College and P.G. Centre Davanagere

CHETHANA BOOK HOUSE

"Anjanadri", Renukacharya Temple Road, (Behind Lakshmi Talkies), Mysore-570 024.

CORPORATE ACCOUNTING - Written by Prof. H. Ravi Singh, Davanagere and Published by CHETHANA BOOK HOUSE "Anjanadri", Renukacharya Temple Road, (Behind Lakshmi Talkies), Mysore-570 024.

©: Publisher

First Edition: 2016

Pages: iv + 268 = 272

Copies Available

CHETHANA BOOK HOUSE

Muttu Ranga Vilas, # 810, Narayana Shastri Road,
Opp. Mahadeshwara Temple, Sunnadakeri, Mysore - 24. : 4000054
Akkamahadevi Road, Davanagere. Mob: 8050407799
B. M. Road, Hassan. Mob: 8050408899
E-Mail ID: chethanabookhouse@gmail.com
Web: www.chethanaonline.com

Price: ₹ 300

Printers Printers

Lakshmi Printing & Publishing House No. 34C, Hootagalli, Industrial Area, Mysore.

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Unit-23 Concept of Mutual Owings – unrealised profits – Issue of Bonus share – payment of dividend.

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Block- I INTRODUCTION TO COMPANY ACCOUNTS

UNIT-I TYPES- PROVISIONS OF COMPANY ACT RELATING TO MAINTENANCE OF ACCOUNTS

Meaning and definition of company

Introduction: A Company is an association of persons who contribute money or money's worth to a common stock and used it for a common stock and used it for common purpose it is a created by law. It is a legal persons just as much as an individual but with no physical existence.

Meaning: "A Joint Stock company is a voluntary association of persons formed for the purpose of some business for profit-registered under the law having an independent legal entity as distinctive name common seal and perpetual succession with a common capital."

Definition of a Company: According to 566 of the Companies Act 1956. " A Company is an artificial person created by law having a legal entity with a legal succession and a common Seal."

In the words of L.H.Honey "A Joint-Stock company is an voluntary association of individuals for profit having a capital dividend into transferable shares the ownership of which is the contribution of members."

Chief Justice Marshall of the USA has defined a Joint Stock Company has "a person artificial invisible intangible and existing only in contemplation of law."

Q.1 What are the characteristics of a company? Explain.

- 1) It is voluntary association: No law own creation and thinking to form a company. It is their own creation and thinking.
- 2) Legal Entity: Every company is Registered under the existing law and it has a legal entity apart from the members or shareholders.
- 3) Limited Liability: The Liability of each company consists of shares of a fixed value which are freely transferable.

 4) Transferable.
- 4) Transferable shares: The capital of a company consists of shares of a fixed value which are freely transferable.







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