

The background of the cover is a collage of financial and accounting-related images. At the top, there's a close-up of a calculator's keypad with buttons like MC, MR, M-, and M+. Below this, a bar chart with purple bars is visible. In the center, a large red arrow points upwards, passing through a 3D bar chart with blue bars. In the foreground, a 3D pie chart with segments in red, orange, yellow, green, and blue sits on a document. A purple pen lies across the document. Another calculator, labeled 'DUAL POWER ELECTRONIC CALCULATOR' and '12 DIGITS', is positioned behind the pie chart. The document itself contains various charts, including a line graph and a bar chart with multiple colors.

# FINANCIAL ACCOUNTING

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# FINANCIAL ACCOUNTING

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

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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**

**1-19**

Introduction : Accounting as an information system, Branches of Accounting, Meaning 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**

**20-58**

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

#### **Module - 3 : Accounting for consignment Transactions**

**59-114**

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 :**

**115-138**

Meaning Limitations of Single Entry System. Problems on conversion of single entry into Double Entry.

#### **Module - 5 : Accounting for Agricultural Farms :**

**139-151**

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**

1. 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 avail loan from a bank.



**Skill Development Activities :**

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

**Preparation of proforma Invoice and A/c Sales****References :**

1. Maheswari S.N. Financial Accounting
2. Raman B.S. Financial Accounting
3. Shukla and Grewal, Advanced Accounting
4. Radha Swamy and R.L. Gupta, Advanced A/c
5. Anil Kumar and others Financial Accounting
6. H. Ravisingh and others G.F. G.C., Davangere

**Module - 1****Basics of Accounting****Introduction :**

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

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

**Meaning :**

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

**Definitions of Accounting :**

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

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

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

- 1) **Investors and owners :** Investors provides risk capital to the business. Both present and potential investors need the information to judge the prospectus of present and potential 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 survive, prosper and to pay dividend.

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

- 2) **Lenders :** Lenders or Loan creditors are interested to know whether their loan principal and interest will be paid when due.

- 3) **Suppliers and trade creditors :** Suppliers imply persons who supply resources in the form of goods and services. Trade creditors are those parties who supply goods and



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# CORPORATE ACCOUNTING



# ***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  
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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 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 shares :** The capital of a company consists of shares of a fixed value which are freely transferable.





**Corporate Accounting**



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