

# Syllabus

## Jharkhand Academic Council (JAC), Ranchi ACCOUNTANCY XI

Paper One	3 Hours	100 Marks	
Units		Periods	Marks
<b>Part A : Financial Accounting-I</b>			
1. Introduction to Accounting		14	7
2. Theory Base of Accounting		14	7
3. Recording of Business Transactions		26	16
4. Trial Balance and Rectification of Errors		22	8
5. Depreciation, Provision and Reserves		22	12
6. Accounting for Bills of Exchange Transactions		22	10
		120	60
<b>Part B : Financial Accounting-II</b>			
7. Financial Statements		44	25
8. Computers in Accounting		24	10
9. Accounting and Database System		20	5
		88	40

### PART A : FINANCIAL ACCOUNTING-I

(Periods 120)

#### Unit 1 : Introduction to Accounting

(Periods 14)

- Accounting—Meaning, Objectives, Accounting as Source of Information, Internal and External Users of Accounting Information and their Needs.
- Qualitative Characteristics of Accounting Information—Reliability, Relevance, Understandability and Comparability.
- Basic Accounting Terms—Assets, Liability, Capital, Expense, Income, Expenditure, Revenue, Debtors, Creditors, Goods, Cost, Gain, Stock, Purchase, Sales, Loss, Profit, Voucher, Discount, Transaction, Drawing.

#### Unit 2 : Theory Base of Accounting

(Periods 14)

- Accounting Principles—Meaning and Nature
- Accounting Concepts : Entity, Money Measurement, Going Concern, Accounting Period, Cost Concept, Dual Aspect, Revenue Recognition (Realisation), Matching, Accrual, Full Disclosure, Consistency, Conservatism, Materiality.
- Accounting Standards—Concept
- Process of Accounting from Recording of Business Transactions to Preparation of Trial Balance.
- Bases of Accounting : Cash Basis, Accrual Basis.

#### Unit 3 : Recording of Business Transactions

(Periods 26)

- Voucher and Transactions : Origin of Transactions—Source Documents and Vouchers, Preparation of Vouchers : Accounting Equations Approach—Meaning and Analysis of Transactions Using Accounting Equation, Rule of Debit and Credit.
- Recording of Transactions : Books of Original Entry—Journal, Special Purpose Books : (i) Cash Book—Simple, Cashbook with Bank Column and Petty Cashbook, (ii) Purchases Book, Sales Book, Purchase Returns Book, Sales Returns Book; Ledger : Meaning, Utility, Format; Posting from Journal and Subsidiary Books; Balancing of Accounts.
- Bank Reconciliation Statement : Meaning, Need and Preparation, Corrected Cash Book Balance.

#### Unit 4 : Trial Balance and Rectification of Errors

(Periods 22)

- Trial Balance : Meaning, Objectives and Preparation.
- Errors : Types of Errors; Errors affecting Trial Balance; Errors not affecting Trial Balance.
- Detection and Rectification of Errors (One Sided and Two Sided); Use of Suspense Account.

#### Unit 5 : Depreciation, Provisions and Reserves

(Periods 22)

- Depreciation : Meaning and Need for Charging Depreciation, Factors affecting Depreciation, Methods of Depreciation—Straight Line Method, Written Down Value Method (excluding change in method), Method



of Recording Depreciation—Charging to Asset Account, Creating Provision for Depreciation/Accumulated Depreciation Account; Treatment of Disposal of an Asset. ● Provisions and Reserves : Meaning, Importance, Difference Between Provisions and Reserves, Types of Reserves : Revenue Reserves, Capital Reserve, General Reserve, Specific Reserve and Secret Reserves.

### Unit 6 : Accounting for Bills of Exchange Transactions (Periods 22)

- Bills of Exchange and Promissory Note : Definition, Feature, Parties, Specimen and Distinction.
- Important Terms : Term of Bill, Concept of Accommodation Bill, Days of Grace, Date of Maturity, Bill at Sight, Negotiation, Endorsement, Discounting of Bill, Dishonour, Retirement and Renewal of Bill.
- Accounting Treatment of Bill Transactions.

## PART B : FINANCIAL ACCOUNTING-II (Periods 88)

### Unit 7 : Financial Statements (Periods 44)

- Financial Statements : Meaning and Users. ● Distinction Between Capital Expenditure and Revenue Expenditure ● Trading and Profit and Loss Account : Gross Profit, Operating Profit; Net Profit. ● Balance Sheet : Need, Grouping Marshalling of Assets and Liability, Vertical Presentation of Financial Statement.
- Adjustments in Preparation of Financial Statements with respect to Closing Stock, Outstanding Expenses, Prepaid Expenses, Accrued Income, Income Received in Advance, Depreciation and Bad Debts, Provision for Doubtful Debts, Provision for Discount on Debtors, Manager's Commission. ● Preparation of Trading and Profit & Loss Account and Balance Sheet of Sole Proprietorship.

### Unit 8 : Computers in Accounting (Periods 24)

- Introduction to Computer and Accounting Information System (AIS) ● Applications of Computers in Accounting : Automation of Accounting Process, Designing Accounting Reports, MIS Reporting, Data Exchange with Other Information Systems. ● Comparison of Accounting Process in Manual and Computerized Accounting, Highlighting Advantages and Limitations of Automation. ● Sourcing of Accounting System : Readymade and Customized and Tailor-made Accounting System. Advantages and Disadvantages of Each Option.

### Unit 9 : Accounting and Database System (Periods 20)

- Accounting and Database Management System. ● Concept of Entity and Relationship : Entities and Relationship in an Accounting System : Designing and Creating Simple Tables Forms, Queries and Reports in the Context of Accounting System.



# Central Board of Secondary Education (CBSE)

## ACCOUNTANCY XI

Theory : 80 Marks

3 Hours

Project : 20 Marks

Units	Periods	Marks
<b>Part A : Financial Accounting-I</b>		
Unit-1 : Theoretical Framework	25	12
Unit-2 : Accounting Process	105	40
<b>Part B : Financial Accounting-II</b>		
Unit-3 : Financial Statements of Sole Proprietorship from Complete and Incomplete Records	55	20
Unit-4 : Computers in Accounting	15	08
<b>Part C : Project Work</b>	20	20

### Part A : Financial Accounting-I

#### Unit-1 : Theoretical Frame Work

##### Introduction to Accounting

- Accounting-concept, objectives, advantages and limitations, types of accounting information, users of accounting information and their needs. Qualitative Characteristics of Accounting Information. Role of Accounting in Business.
- Basic Accounting Terms-Business Transaction, Capital, Drawings. Liabilities (Non Current and Current). Assets (Non Current, Current). Fixed assets (Tangible and Intangible), Expenditure (Capital and Revenue), Expense, Income, Profit, Grain, Loss, Purchase, Sales, Goods, Stock, Debtor, Creditor, Voucher, Discount (Trade discount and Cash Discount)

##### Theory Base of Accounting

- Fundamental accounting assumptions : GAAP : Concept
- Business Entity, Money Measurement, Going Concern, Accounting Period, Cost Concept, Dual Aspect, Revenue Recognition, Matching, Full Disclosure, Consistency, Conservation, Materiality and Objectivity.
- System of Accounting. Basis of Accounting : cash basis and accrual basis.
- Accounting Standards : Applicability in IndAS
- Goods and Services Tax (GST) : Characteristics and Objective.

#### Unit-2 : Accounting Process

##### Recording of Business Transactions

- Voucher and Transactions : Source documents and Vouchers, Preparation of Vouchers, Accounting Equation Approach : Meaning and Analysis, Rules of Debit and Credit.
- Recording of Transactions : Books of Original Entry-Journal
- Special Purpose books
- Cash Book : Simple, cash book with bank column and petty cashbook
- Purchases book
- Sales book
- Purchases return book
- Sales return book

**Note : Including trade discount, freight and cartage expenses for simple GST calculation.**

- Ledger : Format, Posting from journal and subsidiary books, Balancing of accounts.

##### Bank Reconciliation Statement :

- Need and preparation, Bank Reconciliation Statement with Adjusted Cash Book



### Depreciation, Provisions and Reserves

- Depreciation : Concept, Features, Causes, factors
- Other similar terms : Depletion and Amortisation
- Methods of Depreciation :
  - (i) Straight Line Method (SLM)
  - (ii) Written Down Value Method (WDV)

### Note : Excluding change of method

- Difference between SLM and WDV; Advantages of SLM and WDV
- Accounting treatment of depreciation
  - (i) Charging to asset account
  - (ii) Creating provision for depreciation/ accumulated depreciation account
  - (iii) Treatment for disposal of assets
- Provisions and Reserves : Differences
- Types of Reserves :
  - (i) Revenue reserve
  - (ii) Capital reserve
  - (iii) General reserve
  - (iv) Specific reserve
  - (v) Secret Reserve
- Difference between capital and revenue reserve

### Accounting for Bills of Exchange

- Bill of exchange and Promissory Note : Definition, Specimen, Features, Parties.
- Difference between Bill of Exchange and Promissory Note
- Terms in Bill of Exchange :
  - (i) Term of Bill
  - (ii) Accommodation bill (concept)
  - (iii) Days of Grace
  - (iv) Date of maturity
  - (v) Discounting of bill
  - (vi) Endorsement of bill
  - (vii) Bill after due date
  - (viii) Negotiation
  - (ix) Bill sent for collection
  - (x) Dishonour of bill
  - (xi) Retirement of bill
  - (xii) Renewal of bill
- Accounting Treatment

### Note : excluding accounting treatment for accommodation bill

### Trial balance and Rectification of Errors

- Trial balance : objectives and preparation  
(Scope : Trial balance with balance method only)
- Errors : types-errors of omission, commission, principles, and compensating; their effect on Trial Balance.
- Detection and rectification of errors; preparation of suspense account.

## Part B : Financial Accounting -II

### Unit 3 : Financial Statement of Sole Proprietorship

#### Financial Statements

Meaning, objectives and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure  
Deferred Revenue expenditure.

Trading and Profit and Loss Account : Gross Profit, Operating profit and Net profit. Preparation.

Balance Sheet : need, grouping and marshalling of assets and liabilities. Preparation.

Adjustments in preparation of financial statements with respect to closing stock, outstanding expenses, prepaid expenses, accrued income, income received in advance, depreciation, bad debts, provision for doubtful debts, provision for discount on debtors, Abnormal loss, Goods taken for personal use/staff welfare, interest on capital and managers commission.

Preparation of Trading and Profit and Loss account and Balance Sheet of a sole proprietorship with adjustments.

### Incomplete Records

Features, reasons and limitations

Ascertainment of Profit/ Loss by Statement of Affairs method.

Difference between accounts from incomplete records and Statement of Affairs. Preparation of Trading, Profit and Loss account and Balance Sheet.

### Unit 4 : Computers in Accounting

- Introduction to computer and accounting information system (AIS): Introduction to computer (elements, capabilities, limitations of computer system)
- Introduction to operating software, utility software and application software. Introduction to accounting information system (AIS) as a part of Management Information System.
- Automation of accounting process : meaning
- Stages in automation : (a) Accounting process in a computerised environment; comparison between manual accounting process and computerised accounting process, (b) Sourcing of accounting software; kinds of software : readymade software; customised software and tailor-made software; generic considerations before sourcing accounting software (c) creation of account groups and hierarchy (d) generation of reports-trial balance, profit and loss account and balance sheet.

#### Scope :

- (i) The scope of the unit is to understand accounting as an information system for the generation of accounting information and preparation of accounting reports.
- (ii) It is presumed that the working knowledge of any appropriate accounting software will be given to the students to help them learn basic accounting operations on computers.

### Part C : Project Work (Any One)

1. Collection of source documents, preparation of vouchers, recording of transactions with the help of vouchers.
2. Preparation of Bank Reconciliation Statement with the given cash book and the pass book with twenty to twenty-five transactions.
3. Comprehensive project of any sole proprietorship business. This may state with journal entries and their ledgering, preparation of Trial balance. Trading and Profit and Loss Account and Balance Sheet. Expenses, incomes and profit (loss), assets and liabilities are to be depicted pie chart /bar diagram.