

**K L UNIVERSITY**  
**DEPARTMENT OF COMMERCE**  
**B.Com (Honours) (Accounting & Finance)**  
**I - SEMESTER**

**PRINCIPLES OF ACCOUNTING**

---

**Unit I: Meaning and Scope of Accounting: (Hours 10)**

Need, development and definition – Book keeping and Accounting - Branches of Accounting – objectives of Accounting – Accounting Concepts – Standards – Policies - Double entry system – Accounting Equation – uses of Accounting Equation – classification of accounts - Rules of debit and Credit – Journal – Ledger – Preparation of Trial Balance.

**Unit II: Subsidiary Books: (Hours 15)**

Preparation of Subsidiary Books - Sales Journal – Sales Returns Journal – Purchases Journal – Purchase Returns Journal – Journal Proper - cashbook- simple cashbook – Double Column Cash Book – Triple Column Cash Book – Petty Cash Book - Preparation of Bank Reconciliation Statement.

**Unit III: Bills of Exchange :( Hours 10)**

Features of Bills of Exchange – Accounting entries for Trade Bills – Bills Retained with the Drawer – Bills Discounting in the Bank - Bills Sent for Collection – Endorsement of Bills – Accommodation Bills – Accounting Entries for Accommodation Bills

**UNIT IV: Depreciation, Provisions and Reserves: (Hours 10)**

Meaning of Depreciation – Causes – Features - objects of providing for depreciation - Factors affecting depreciation - Accounting Treatment- Methods of providing depreciation – Fixed Installment Method - Diminishing Balance Method – Annuity Method – Depreciation Fund Method – Accounting treatment of Sale of Asset. - Change in depreciation methods -Provisions and Reserves – Provision for Depreciation.

**Unit V: Final Accounts: (Hours 15)**

Preparation of Final Accounts of a Sole Trader - Preparation of Manufacturing Account - Trading Account - Profit & Loss Account - Balance Sheet.

**Text Book:**

1. *S.N.Maheshwari*, Fundamentals of Accounting, *Vikas Publishing co.*, 2008, 7<sup>th</sup> Edition, New Delhi
2. *S.P.Jain and K.L.Narang*, Financial Accounting – I, Kalyani Publishers, 2007, 2<sup>nd</sup> Edition, New Delhi

**Reference Books:**

1. *Kimmel*, Financial Accounting, , Wiley India Pvt Ltd , 2007, 4<sup>th</sup> Edition, New Delhi
2. *R.L. Gupta and Radhaswamy* , Advanced Accountancy: Sulthan Chand &sons, 2009, 6<sup>th</sup> Edition, New Delhi.
3. *J.R Monga & Girish Ahuja*, Financial Accounting, *Mayur Paperbacks*, 2008, 2<sup>nd</sup> Edition, New Delhi

4. *L.S.S Porwal* , Accounting Theory - an Introduction, *Tata Mcgraw Hill co*, 2009, 7<sup>th</sup> Edition, *New Delhi*.
5. *Andrew Thomas*, An Introduction to Financial Accounting, *Tata Mcgraw Hill co*, 2008, 2<sup>nd</sup> Edition, *New Delhi*