

Program : <b>Diploma in Commercial Practice</b>	
Course Code : <b>2142</b>	Course Title: <b>Financial Accounting II</b>
Semester : <b>2</b>	Credits: <b>4</b>
Course Category: <b>Foundation Course</b>	
Periods per week: <b>5 (L:3, T:0, P:2)</b>	Periods per semester: <b>75</b>

### Course Objectives:

- To provide a practical knowledge in the preparation of Bank Reconciliation statement.
- To give awareness about rectification of accounting errors.
- To prepare final accounts of sole proprietor with and without adjustments.
- To prepare Bill of Exchange.

### Course Prerequisites:

Topic	Course code	Course name	Semester
Basic knowledge of accounting		Financial accounting-I	1

### Course Outcomes:

On completion of the course, the student will be able to:

CO n	Description	Duration (Hours)	Cognitive Level
CO1	Utilize the concepts of Bank Reconciliation Statement - solve problems relating mismatch between cash book and pass book.	20	Applying
CO2	Identify types of errors and prepare accounting entries for rectification of errors.	14	Applying
CO3	Prepare final accounts with and without adjustments.	25	Applying
CO4	Identify Bill of Exchange and prepare accounting entries.	14	Applying
	Series Test	2	

**CO - PO Mapping:**

Course Outcomes	PO1	PO2	PO3	PO4	PO5	PO6	PO7
CO1		3					
CO2		3					
CO3			3				
CO4			3				

3-Strongly mapped, 2-Moderately mapped, 1-Weakly mapped

**Course Outline:**

Module outcomes	Description	Duration (Hours)	Cognitive Level
CO1	<b>Utilize the concepts Bank Reconciliation Statement - solve problems relating difference between cash book and pass book.</b>		
M1.01	Explain BRS, meaning of pass book.	5	Understanding.
M1.02	Explain the causes of difference between passbook and cash book.	5	Understanding.
M1.03	Prepare Bank Reconciliation Statement.	10	Applying.

**Contents:**

**Bank Reconciliation Statement:** Meaning of Bank Reconciliation Statement - Purpose - Meaning of Pass Book - Meaning of statement of account - Difference between Pass Book and Cash Book - Causes of differences between passbook balance and cash book balance - Preparation of Bank Reconciliation Statement - Preparation of BRS under condition of Bank Over Draft.

CO2	<b>Identify types of errors and prepare accounting entries for rectification of errors.</b>		
M2.01	Summarize the types of errors.	5	Understanding
M2.02	Identify various steps to locate errors and journalise entries for rectifying errors.	7	Applying
M2.03	Explain suspense account.	2	Understanding
	Series Test - I	1	

**Contents:**

**Rectification of errors:** Types of errors - Clerical errors - Error of omission - Error of commission - Compensating errors - Error of principle -Steps to locate errors - One sided error - Two sided errors - Rectifying journal entries - Suspense account.

<b>CO3</b>	<b>Prepare final accounts with and without adjustments.</b>		
M3.01	Prepare final accounts without adjustments.	5	Applying
M3.02	Identify various adjustments in final accounts.	3	Applying
M3.03	Prepare Balance sheet.	2	Applying
M3.04	Prepare final accounts with all adjustments.	15	Applying

**Contents:**

**Preparation of final accounts with and without adjustments:** Importance of making adjustments in the final accounts - Various adjustments - Outstanding expenditure - Unexpired expenditure - Accrued income - Unearned income - Depreciation - Bad debts - Provision for bad debts - Provision for discount on debtors - Provision for discount on creditors - Interest on capital - Interest on drawings - Managerial commission - Accidental loss of stock - Presentation of items in the Balance Sheet.

<b>CO4</b>	<b>Identify Bill of Exchange and prepare accounting entries.</b>		
M4.01	Define bill of exchange, promissory note and cheque.	3	Remembering
M4.02	Distinguish between bill of exchange and promissory note.	2	Applying
M4.03	Identify various kinds of bills.	2	Applying
M4.04	Apply method of recording bill of exchange transactions and give journal entries and ledger accounts on various occasions.	7	Applying
	Series Test - II	1	

**Contents:**

**Bills of Exchange:** Meaning and definition of Bills of Exchange - Parties to Bills of Exchange - Meaning of Promissory Note - Meaning and definition of Cheque - Bills of exchange vs. Promissory note- Important terms in bills of exchange transactions -Acceptance - Endorsement - Dishonor - Noting and Protesting - Renewal of bills - Retiring of bills - Kinds of bills - Journal Entries.

**Text / Reference:**

<b>T/R</b>	<b>Book Title/Author</b>
T1	P K Lazar. <i>Accountancy II</i> . Excel Publications, Thrissur.
T2	T S Grewal. <i>Double Entry Book keeping</i> . Sulthan Chand, Delhi.
R1	M C K Nambiar. <i>Elements of Book keeping</i> . Cannore, Kamalalayam.

**Online Resources:**

<b>Sl. No</b>	<b>Website Link</b>
1	<a href="http://www.principlesofaccounting.com">http://www.principlesofaccounting.com</a>
2	<a href="https://www.youtube.com/watch?v=8I4F3UE-bbA">https://www.youtube.com/watch?v=8I4F3UE-bbA</a>