

Program : <b>Diploma in Commercial Practice</b>	
Course Code : <b>4141</b>	Course Title: <b>Financial Accounting IV</b>
Semester : <b>4</b>	Credits: <b>3</b>
Course Category: <b>Program Core</b>	
Periods per week: <b>4 (L:2, T:0, P:2)</b>	Periods per semester: <b>60</b>

### Course Objectives:

- To develop conceptual and practical knowledge of financial accounting system of Partnership Firm and Joint Stock Company.

### Course Prerequisites:

Topic	Course code	Course name	Semester
Fundamental knowledge in book keeping. Practical knowledge in accounting of sole proprietors.		Financial Accounting I	1
		Financial Accounting II	2

### Course Outcomes:

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

CO n	Description	Duration (Hours)	Cognitive Level
CO1	Prepare Profit and Loss Appropriation Account and Capital account of Partnership Firm.	15	Applying
CO2	Prepare accounts on reconstitution of Partnership Firm.	14	Applying
CO3	Prepare accounts in connection with dissolution of Partnership Firm.	12	Applying
CO4	Explain issue of shares and prepare final accounts of a Joint Stock Company as per Companies Act 2013.	17	Applying
	Series Test	2	

## CO - PO Mapping

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

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

## Course Outline

Module Outcomes	Description	Duration (Hours)	Cognitive Level
<b>CO1</b>	<b>Prepare Profit and Loss Appropriation Account and Capital account of Partnership Firm.</b>		
M1.01	Illustrate various methods of capital accounts.	2	Understanding.
M1.02	Prepare of profit and loss appropriation account.	3	Applying
M1.03	Describe valuation of goodwill under different methods.	3	Understanding
M1.04	Calculation of goodwill under different methods.	4	Applying
M1.05	Interpret change in profit sharing ratio.	3	Understanding
<b>Contents:</b> <b>Introduction to Partnership accounting:</b> Basic concept - Fixed Capital and Fluctuating Capital method - Interest on capital - Interest on drawings - Methods of valuing goodwill - Average profit method - Weighted Average Method - Super Profit Method - Capitalization Method - Present Value of Super Profits Method - Change in profit sharing ratio.			
<b>CO2</b>	<b>Prepare accounts on reconstitution of Partnership Firm.</b>		
M2.01	Explain accounting procedure on admission of a partner.	2	Understanding
M2.02	Solve problems on admission of a partner.	4	Applying
M2.03	Explain partnership accounting while a partner retires.	3	Understanding
M2.04	Solve problems on retirement of a partner.	3	Applying

M2.05	Solve problems on death of a partner.	2	Applying
	Series Test - I	1	
<b>Contents:</b> <b>Partnership Account on Reconstitution of Firm:</b> Admission of a partner - accounting procedure on admission of a partner - Revaluation, Accumulated profit and loss and Goodwill - Retirement of a partner - accounting treatment on retirement of a partner - Rights of an ongoing partner - New profit-sharing ratio and gaining ratio -Death of partner - Valuation goodwill, Methods of revaluation of assets and liabilities on death.			
<b>CO3</b>	<b>Prepare accounts in connection with Dissolution of Partnership Firm.</b>		
M3.01	Compare Dissolution of Partnership and Dissolution of Partnership Firm.	2	Understanding
M3.02	Explain realization of assets and liabilities.	2	Understanding
M3.03	Solve problems under dissolution of firm.	4	Applying
M3.04	Explain the principles laid down in Garner vs. Murray case.	1	Understanding,
M3.05	Solve problems as per principles laid down in Garner vs. Murray case.	3	Applying
<b>Contents:</b> <b>Dissolution of partnership:</b> Meaning of dissolution - Dissolution of partnership and dissolution of partnership firm - Reason for dissolution - Realization account - Accounting procedure on dissolution of firm - Meaning of Insolvency - Garner vs. Murray case - Principles laid down in the ruling on Garner vs. Murray case.			
<b>CO4</b>	<b>Explain issue of shares and prepare final accounts of a Joint Stock Company as per Companies Act 2013.</b>		
M4.01	Explain various classes of shares and types of share capital.	2	Understanding
M4.02	Explain accounting procedure of issue of shares under different situations.	4	Understanding
M4.03	Identify accounting procedure on over subscription and under subscription of shares.	3	Applying
M4.04	Explain procedure of forfeiture and reissue of shares.	3	Applying
M4.05	Prepare profit and loss account and balance sheet of a joint stock company as per Companies Act 2013.	2	Applying
M4.06	Solve problems of preparation of final accounts of company.	3	Applying
	Series Test - II	1	

**Contents:**

**Introduction to Company Accounts:** Shares and Share capital - Classes of shares - Types of share capital - Procedure of issue of shares - Journal entries of issue of shares under various situations - at par and at premium - Meaning of ASBA - pro-rata allotment of shares - Adjustment of calls in advance and calls in arrears - Forfeiture and reissue of shares.

**Final Accounts of Companies** - Preparation of final accounts according to revised schedule III - Form and contents of Balance Sheet (Vertical form with notes), Profit and Loss account (Vertical form with notes) - Solve simple problems of final accounts of company.

**Text/Reference:**

T/R	Book Title/Author
T1	Accounting II for Higher secondary, VHSE & CBSE.
T2	Corporate Accounting - B.com/BBA III Semester.
R1	M.C. Shukla & T.S. Grewal. <i>Advanced Accounts Volume I</i> . S. Chand Publishing.
R2	B.S. Raman. <i>Financial Accounting - Volume 2</i> . United Publishers, Mangalore.
R3	S.N. Maheswary. <i>Financial Accounting</i> . Vikas Publishing House.
R4	Dr. S. M. Shukla. (2020). <i>Advanced Financial Accounting</i> . Sahithya Bhawan Publications.

**Online Resources:**

Sl.No	Website Link
1	<a href="https://www.accountingcoach.com/">https://www.accountingcoach.com/</a>