

Paper 6

FINANCIAL ACCOUNTING (FA)

100 Marks

Module No.	Module Description	Weight
Section A: Accounting Fundamentals		15%
1	Accounting Fundamentals	15%
Section B: Accounting for Special Transactions		10%
2	Bills of Exchange, Consignment, Joint Venture	10%
Section C: Preparation of Financial Statements		20%
3	Preparation of Final Accounts of Commercial Organisations, Not-for-Profit Organisations and from Incomplete Records	20%
Section D: Partnership Accounts		20%
4	Partnership Accounts	20%
Section E: Lease, Branch and Departmental Accounts etc.		15%
5	Lease Accounting	15%
6	Branch (including Foreign Branch) and Departmental Accounts	
7	Insurance Claim for Loss of Stock and Loss of Profit	
8	Hire Purchase and Installment Sale Transactions	
Section F: Accounting Standards		20%
9	Accounting Standards	20%

SECTION A: ACCOUNTING FUNDAMENTALS

1. Accounting Fundamentals

- 1.1 Four Frameworks of Accounting (Conceptual, Legal, Institutional and Regulatory)
- 1.2 Accounting Principles, Concepts and Conventions
- 1.3 Capital and Revenue Transactions - Capital and Revenue Expenditures, Capital and Revenue Receipts
- 1.4 Accounting Cycle – Charts of Accounts and Codification Structure, Analysis of Transaction – Accounting Equation, Double Entry System, Books of Original Entry, Subsidiary Books and Finalisation of Accounts
- 1.5 Journal (Day Books and Journal Proper - Opening Entries, Transfer Entries, Closing Entries, Adjustment entries, Rectification entries), Ledger

- 1.6 Cash Book, Bank Book, Bank Reconciliation Statement
- 1.7 Trial Balance (Preparation and Scrutiny)
- 1.8 Adjustments and Rectifications
 - 1.8.1 Depreciation and Amortisation
 - 1.8.2 Adjustment Entries and Rectification of Errors
 - 1.8.3 Accounting Treatment of Bad Debts and Provision for Doubtful Debts, Provision for Discount on Debtors and Provision for Discount on Creditors

SECTION B: ACCOUNTING FOR SPECIAL TRANSACTIONS

2. Bills of Exchange, Consignment, Joint Venture

SECTION C: PREPARATION OF FINANCIAL STATEMENTS

3. Preparation of Final Accounts of Commercial Organisations, Not-for-Profit Organisations and from Incomplete Records

- 3.1 Preparation of Financial Statements of Commercial Organisations (other than Corporate Form of Organisation)
 - 3.1.1 Income Statement
 - 3.1.2 Balance Sheet
- 3.2 Preparation of Financial Statements of Not-for-Profit Organisation
 - 3.2.1 Preparation of Receipts and Payments Account
 - 3.2.2 Preparation of Income and Expenditure Account
 - 3.2.3 Preparation of Balance Sheet
- 3.3 Preparation of Financial Statements from Incomplete Records

SECTION D: PARTNERSHIP ACCOUNTS

4. Partnership Accounting

- 4.1 Admission of Partner
- 4.2 Retirement of Partner
- 4.3 Death of Partner
- 4.4 Treatment of Joint Life Policy
- 4.5 Dissolution of Partnership Firms Including Piecemeal Distribution
- 4.6 Amalgamation of Partnership Firms
- 4.7 Conversion of Partnership Firm into a Company and Sale of Partnership Firm to a Company
- 4.8 Accounting of Limited Liability Partnership

SECTION E: LEASE, BRANCH AND DEPARTMENTAL ACCOUNTS ETC.

- 5. Lease Accounting**
- 6. Branch (including Foreign Branch) and Departmental Accounts**
- 7. Insurance Claim for Loss of Stock and Loss of Profit**
- 8. Hire Purchase and Installment Sale Transactions**

SECTION F: ACCOUNTING STANDARDS**9. Accounting Standards**

9.1 Introduction to Accounting Standards

9.1.1 GAAP

9.1.2 AS

9.1.3 Convergence to Ind AS – Applicability and Scope

9.2 Specified Accounting Standards with Comparative Provisions under Ind AS

9.2.1 Disclosure of Accounting Policies (AS 1)

9.2.2 Property Plant and Equipment (AS 10)

9.2.3 The Effects of Changes in Foreign Exchange Rate (AS 11)

9.2.4 Accounting for Government Grants (AS 12)

9.2.5 Borrowing Costs (AS 16)

9.2.6 Accounting for Taxes on Income (AS 22)

