

## Jyoti Nivas College Autonomous

### Department of Commerce and Management

#### 2.3 FINANCIAL ACCOUNTING II

##### Objectives:

- a) To familiarize the students with concepts and applications of accounting principles to select business firms/concerns.
- b) To enable students to acquire required skills to maintain the books of accounts on their own.
- c) To also have a knowledge about the different departments in the companies and their functioning.

##### Outcome

- d) a) It helps in applying quantitative skills and to solve business problems.
- e) b) It will enable the students to take Economic decisions.
- f) c) It will enable the students to apply Accounting knowledge in taking major business decisions.

Unit	Content of Subject	Hours
I	<b>Royalty Accounts</b> Introduction – meaning – Technical terms – Royalty - Landlord – Tenant – Minimum rent – Short Workings – Recoupment of short workings under (Fixed Period) restrictive and restrictive (Floating Period) Recoupment within Life of Lease – Treatment of Strike and Stoppage of Work – Accounting Treatment in the books of the Lessee and Lesser – passing of Journal entries and preparation of necessary Ledger accounts, including minimum rent account. Accounting for Sub lease.	14
II	<b>Branch Accounts</b> Introduction – types of branches – dependent branches – preparation of accounts in the books of head office according to stock and debtors method – independent branches – features – incorporation of branch Trial balance in H.O books – adjusting entries in H.O. books only – goods in transit, cash in transit, inter branch transactions, depreciation of branch fixed assets – sharing of H.O expenses – preparation of branch accounts in the books of the H.O after incorporation.	12

III	<p><b>Departmental Accounting</b></p> <p>Introduction - distinction between branch and departments, need for departmental accounting – allocation of expenses – inter departmental transfer, preparation of Final accounts</p>	10
IV	<p><b>Insolvency Accounts (Individuals)</b></p> <p>Acts governing insolvency in India, preferential creditors, distinction between statement of affairs under insolvency and balance sheet – preparation of statement of affairs and deficiency account</p>	12
V	<p><b>Accounting for Joint Ventures</b></p> <p>Introduction – Meaning – Objectives – Distinction between joint venture and consignment – Distinction between joint venture and partnership – maintenance of accounts in the books of co-venturers – maintaining separate books for joint venture – preparation of memorandum joint venture –problems.</p>	12

**Skill Development:**

- Collection and recording of Royalty agreement
- Specimen of Statement of affairs and list of preferential creditors
- Preparation of Joint Venture accounts with imaginary figures.
- Collection and recording of Royalty agreement with regard to any suitable situation.

**Books for Reference:**

1. S.P.Jain and K.L Narang – Financial Accounting I and II, Kalyani Publishers

2. Dr. Arulnandam - Financial Accounting I and II, Himalaya Publishers
3. Tulsian P.C – Introduction of Accounting, S. Chand Publication
4. Paul S. Kr – Advanced Accounting
5. Radha Swamy & Guptha – Advanced Accounting, S. Chand Publication
6. Shukla & Grewal & Guptha – Advanced Accountancy, Sultan Chand Publication
7. Dr. Maheshwari S.N – Financial Accounting, Vikas Publishing House
8. Patil & Korahalli – Financial Accounting, R.Chand and Company
9. Basu & Das – Advanced Accountancy
10. Anil Kumar – Advanced Financial Accounting, Himalaya Publishers