

CONTENTS

PART I Financial Accounting

1. Introduction to Accounting

Introduction; Meaning and Definition; Features Accounting; Need for Accounting; Objectives of Accounting; Branches of Accounting; Limitations of Accounting; Importance of Accounting; Is accounting an Art or a Science; Profession of Accounting; Basis of Accounting; Accounting as an Information System; Basic terms of Accounting; Accounting Equation; Systems of Book Keeping; Nature of Accounting; Types of Accounts; Rules of Accounts; Summary; Self Evaluation Test; Case Study

2. Accounting Principles

Introduction; Accounting concepts; Accounting conventions; Accounting Principles connected with Profit and Loss Account; Accounting Principles connected with Balance Sheet; Assumptions of Fundamental accounting; Accounting Policies; Variations in Accounting Policies and their Disclosure; Distinction between Fundamental Accounting Assumptions and Accounting Policies; Disclosure of Accounting Policies as per Accounting Standard 1; Introduction to US GAAP; Meaning of GAAP; Sources of GAAP; Summary; Self Evaluation Test.

3. Journal & Ledger

Journal; Advantages of Journal; Ledger; Rules of posting; Balancing of ledger; Illustrations; Summary; Self Evaluation Test; Case Study.

4. Subsidiary Books

Introduction; Meaning; Reasons for maintaining of Subsidiary books; Features of subsidiary books; Advantages of subsidiary books; Kinds of subsidiary books; Cash Book: Kinds of Cash Book; Journal proper; Illustrations; Trial Balance: Objectives of Trial Balance; Limitations

of Trial Balance; Illustrations; Summary; Self Evaluation Test.

5. Bank Reconciliation Statement

Introduction, Meaning, Reasons for preparing Bank Reconciliation Statement, Steps in preparing BRS, Procedure, Illustrations, Self Evaluation Test.

6. Rectification of Errors

Introduction, Meaning, Classification of errors, Objectives of rectification of errors, Steps in detecting errors, Methods of rectifying the errors, Points to be noted while rectifying errors, Illustrations, Self Evaluation Test.

7. Final Accounts

Introduction; Trading account; Study of the items of the trading account; Profit and Loss account; Bad debts; Adjusting entries; Features of adjusting entries; Marshalling of Balance sheet; Explanation of the items of Balance sheet; Difference between the profit and loss account and the balance sheet; Final accounts of companies; Preparation of Financial Statements of a company; Profit and loss Appropriation account; Special Points; Managerial Remuneration; Illustrations; Summary; Self Evaluation Test.

PART II

Analysis of Financial Statements

1. Analysis of Financial Statements

Introduction; Meaning; Objectives of Financial Analysis; Steps involved in the Analysis of Financial Statements; Types of Financial Analysis; Methods, Tools or Techniques of Financial Analysis; Illustrations; Summary; Self Evaluation Test.

2. Ratio Analysis

Meaning; Advantages; Limitations; Classification; Balance sheet ratios; Current ratios or working capital ratios; Liquidity or quick or acid test ratio; Absolute liquid ratio; Debt equity ratio; Equity or proprietary or net worth ratio; Fixed assets to net worth ratio; Current assets to net worth ratio; Profit and loss account ratios; Gross profit ratio; Net profit ratio; Operating ratio; Operating profit ratio; Stock turnover ratio; Mixed or combined or inter statement ratios; Debtors turnover ratio;

Total assets turnover ratio; Return on capital employed ratio; Fixed assets turnover ratio; Current assets turnover ratio; Working capital turnover ratio; Profitability Ratios; Ratio analysis for inter firm and intra firm comparison; Over-trading and under-trading; Illustrations; Summary; Self Evaluation Test; Case Study.

3. Fund Flow Statement

Need for Fund Flow Statement; Meaning; Significance; Limitations; Steps involved in the Preparation of Fund Flow Statement; Preparation of schedule of changes in working capital; Fund flow statement; Adjusted profit and loss account; Depreciation; Is Depreciation A Source of Fund; Illustration; Summary; Self Evaluation Test.

4. Cash Flow Statement

Introduction; Meaning of Cash Flow Statement; Distinction between Fund Flow Statement and Cash Flow Statement; Uses of Cash Flow Statement; Limitations of Cash Flow Statement; Important Sources and Applications of Cash; Format of Cash Flow Statement; Illustrations; Summary; Self Evaluation Test.

PART III Cost Accounting

1. Cost Accounting

Introduction; Limitations of Financial Accounting; Meaning and definition of cost and cost accounting; Objectives of cost accounting; Cost accounting Vs. Financial accounting; Advantages of costing; Limitations of costing; Objections to cost accounting; Methods of costing; Techniques of costing; Installation of Cost Accounting System; Classification of cost; Elements of cost; Self Evaluation Test.

PART IV Management Accounting

1. Management Accounting

Introduction; Definition of Management Accounting; Nature or Characteristics of Management Accounting; Scope of Management

Accounting; Objectives of Management Accounting; Functions of Management Accounting ; Limitations of Management Accounting; Tools used in Management Accounting; Installation of Management Accounting System; Summary; Self Evaluation Test.

2. Marginal Costing

Introduction; Absorption costing; Cost-Volume -Profit (CVP) Analysis; Techniques of CVP analysis; Contribution margin concept; Profit Volume (P/V) ratio; Break-even analysis; Advantages of Break-even Analysis; Margin of safety; Assumptions of marginal costing; Uses of marginal costing; Limitations of marginal costing; Illustrations; Summary; Self Evaluation Test; Case Study.

3. Relevant Costing

Introduction; Relevant costs; Differential costs; Characteristics of Differential Cost; Types of alternative choice decisions in Differential Cost Analysis; Make or Buy Decision; Key Factor; Accept or Reject Decisions; Sell or Further Process Decisions; Continue or shut down Decision; Expand or reduce capacity decisions; Pricing Decisions; Sales or Product Mix; Illustrations; Summary; Self Evaluation Test.

4. Budgetary Control

Introduction; Characteristics of Budget Characteristics of Budgetary Control; Objectives of Budgetary Control; Advantages of Budgetary Control; Essentials of Successful Budgetary Control; Limitations of Budgetary Control; Steps required in Budgetary Control; Preliminaries in introducing a Budget; Key factors in Budget; Types of Budget; Zero based budgeting (ZBB); Performance Budgeting; Illustrations; Summary; Self Evaluation Test.

5. Standard Costing

Introduction; Standard Cost Historical Costing; Limitations of historical costing; Standard costing; Advantages and Limitations of Standard Costing; Types of Standards; Setting the standards; Variance Analysis; Computation of variances; Material Variances; Material Cost Variance; Material Usage Variance; Material Mix Variance; Material Yield Variance; Labour Variances; Labour Cost Variance; Labour Rate Variance; Labour Efficiency Variance; Labour Mix Variance; Labour Revised Efficiency Variance; Labour Idle Time Variance; Overhead Cost

Variance; Fixed and Variable Overhead Cost Variance; Classification of Volume Variances; Sales Variance; Sales Value Variance; Sales Price Variance; Sales Volume Variance; Sales Quantity Variance; Sales Mix Variance; Profit or Margin Method; Illustrations; Summary; Self Evaluation Test.

PART V

Accounting Standards

1. Accounting Standards

Need for Accounting Standards; Meaning of Accounting Standards; Objectives of accounting standards; Advantages of accounting standards; Significance of Accounting Standards; International Accounting Standards (IAS); Indian Accounting Standards; Procedure for issuing Accounting Standards; Compliance with the accounting Standards; Summary; Self Evaluation Test.

2. Depreciation Accounting

Introduction; Features; Causes; Reasons for charging depreciation; Depletion; Amortization; Depreciation Accounting; Nature of Depreciation; Methods of Depreciation; Straight Line Method; Diminishing Balance or Written Down Value Method; Annuity Method; Depreciation Fund Method or Sinking Fund Method; Insurance Policy Method; Sum of Year Digit Method; Revaluation Method; Depletion Method; Machine Hour Rate Method; Production Unit Method; Change in Depreciation Method; Disclosure on depreciation; Depreciation policy; Is Depreciation A Source of Fund; Illustrations; Summary; Self Evaluation Test.

3. Inventory Valuation

Introduction; Classification of Inventories; Importance of Inventory Valuation; Methods of Valuing Inventory; First In First Out (FIFO) method; Last In First Out (LIFO) method; Highest-in-First-out (HIFO) Method; Base stock Method; Inflated Price Method; Standard Price Method; Market or Replacement Price Method; Average Cost Method; Accounting Standard-2 (Revised) – Valuation of Inventories; Objective of the standard; Scope; Aspects of inventory valuation; How the cost of inventories is assigned; Summary; Self Evaluation Test; Case Study.

PART VI

Human Resource and Responsibility Accounting

1. Human Resource Accounting

Concept of Human Resource Accounting ; Definitions; Objectives of Human Resource Accounting; Assumptions; Methods of Valuation of Human Assets; Human Resource Value Accounting; Rewards Valuation Model; Flamholtz Model; Aggregate Payment Approach; Net Benefit Model; Total Cost Concept; Benefits of Human Resource Accounting; Limitations of Human Resource Accounting; Self Evaluation Test.

2. Responsibility Accounting

Introduction, meaning and definition, features, perquisites, responsibility centres, Controllability, advantages and limitations, Transfer pricing, methods. Dual pricing, multinational transfer pricing, Summary, Self Evaluation Test.