

11th CBSE ACCOUNTANCY SYLLABUS

Part A: Financial Accounting-1 Unit-1:

Theoretical Framework Introduction

to Accounting

- Accounting- concept, objectives, advantages and limitations, types of accounting information; users of accounting information and their needs. Qualitative Characteristics of Accounting Information. Role of Accounting in Business
- Basic Accounting Terms- Business Transaction, Capital, Drawings. Liabilities (Non Current and Current). Assets (Non Current, Current); Fixed assets (Tangible and Intangible), Expenditure (Capital and Revenue), Expense, Income, Profit, Gain, Loss, Purchase, Sales, Goods, Stock, Debtor, Creditor, Voucher, Discount (Trade discount and Cash Discount)

Theory Base of Accounting

- Fundamental accounting assumptions: GAAP: Concept
- Business Entity, Money Measurement, Going Concern, Accounting Period, Cost Concept, Dual Aspect, Revenue Recognition, Matching, Full Disclosure, Consistency, Conservatism, Materiality and Objectivity
- System of Accounting. Basis of Accounting: cash basis and accrual basis
- Accounting Standards: Applicability in IndAS
- Goods and Services Tax (GST): Characteristics and Objective.

Unit-2: Accounting Process

Recording of Business Transactions

- Voucher and Transactions: Source documents and Vouchers, Preparation of Vouchers, Accounting Equation Approach: Meaning and Analysis, Rules of Debit and Credit.
- Recording of Transactions: Books of Original Entry- Journal
- Special Purpose books:
- Cash Book: Simple, cash book with bank column and petty cashbook
- Purchases book
- Sales book
- Purchases return book
- Sales return book

Note: Including trade discount, freight and cartage expenses for simple GST calculation.

- Ledger: Format, Posting from journal and subsidiary books, Balancing of accounts

Bank Reconciliation Statement:

- Need and preparation, Bank Reconciliation Statement with Adjusted Cash Book

Depreciation, Provisions and Reserves

- Depreciation: Concept, Features, Causes, factors
- Other similar terms: Depletion and Amortisation
- Methods of Depreciation:
 - i. Straight Line Method (SLM)
 - ii. Written Down Value Method (WDV)

Note: Excluding change of method

- Difference between SLM and WDV; Advantages of SLM and WDV
- Accounting treatment of depreciation
 - i. Charging to asset account
 - ii. Creating provision for depreciation/accumulated depreciation account
 - iii. Treatment for disposal of asset
- Provisions and Reserves: Difference
- Types of Reserves:
 - i. Revenue reserve
 - ii. Capital reserve
 - iii. General reserve
 - iv. Specific reserve
 - v. Secret Reserve
- Difference between capital and revenue reserve

Accounting for Bills of Exchange

- Bill of exchange and Promissory Note: Definition, Specimen, Features, Parties.
- Difference between Bill of Exchange and Promissory Note
- Terms in Bill of Exchange:
 - i. Term of Bill
 - ii. Accommodation bill (concept)
 - iii. Days of Grace
 - iv. Date of maturity
 - v. Discounting of bill
 - vi. Endorsement of bill
 - vii. Bill after due date
 - viii. Negotiation
 - ix. Bill sent for collection
 - x. Dishonor of bill
 - xi. Retirement of bill
 - xii. Renewal of bill
- Accounting Treatment

Note: excluding accounting treatment for accommodation bill

Trial balance and Rectification of Errors

- Trial balance: objectives and preparation (Scope: Trial balance with balance method only)

- Errors: types-errors of omission, commission, principles, and compensating; their effect on Trial Balance.
- Detection and rectification of errors; preparation of suspense account.

Part B: Financial Accounting – II

Unit 3: Financial Statements of Sole Proprietorship

Financial Statements

- Meaning, objectives and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure; Deferred Revenue expenditure.
- Trading and Profit and Loss Account: Gross Profit, Operating profit and Net profit. Preparation.
- Balance Sheet: need, grouping and marshaling of assets and liabilities. Preparation.
- Adjustments in preparation of financial statements with respect to closing stock, outstanding expenses, prepaid expenses, accrued income, income received in advance, depreciation, bad debts, provision for doubtful debts, provision for discount on debtors, Abnormal loss, Goods taken for personal use/staff welfare, interest on capital and managers commission.
- Preparation of Trading and Profit and Loss account and Balance Sheet of a sole proprietorship with adjustments.

Incomplete Records

- Features, reasons and limitations.
- Ascertainment of Profit/Loss by Statement of Affairs method.
- Difference between accounts from incomplete records and Statement of Affairs. Preparation of Trading, Profit and Loss account and Balance Sheet.

Unit 4: Computers in Accounting

- Introduction to computer and accounting information system {AIS}: Introduction to computers (elements, capabilities, limitations of computer system)
- Introduction to operating software, utility software and application software. Introduction to accounting information system (AIS) as a part of Management Information System.
- Automation of accounting process: meaning
- Stages in automation:
 - a) Accounting process in a computerised environment; comparison between manual accounting process and computerised accounting process
 - b) Sourcing of accounting software; kinds of software: readymade software; customized software and tailor-made software; generic considerations before sourcing accounting software
 - c) creation of account groups and hierarchy
 - d) generation of reports – trial balance, profit and loss account and balance sheet
- **Scope:**
 - i. The scope of the unit is to understand accounting as an information system for the generation of accounting information and preparation of accounting reports.
 - ii. It is presumed that the working knowledge of any appropriate accounting software will be given to the students to help them learn basic accounting operations on computers.