SEMESTER-III

COURSE 5: FINANCIAL ACCOUNTING II

Theory **Credits: 4** **4 hrs/week**

Course Objectives:

This course is designed to:

- Understand consignment accounts.
- Evaluate different methods of joint ventures accounting.
- Familiarise with the preparation of accounts in non-profit organizations.
- Acquaint with preparation of partnership deed and treatment of various accounts.
- Give practical insights on partnership accounts which; admission, retirement, death and dissolution.

Course Outcomes (COs):

Upon successful completion of this course, students will be able to:

CO1: Analyse the various accounts related to consignment business.

CO2: Prepare accounts of joint ventures under different methods.

CO3: Understand the preparation of receipts and payment, income and expenditure accounts;

CO4: To explore the essence of partnership deed and preparation of accounts in partnership;

CO5: Apply accounting procedures for partner's death, firm dissolution, and insolvency, including the Garner v. Murray Rule.

SYLLABUS

Unit I: Bills of Exchange

Meaning of Bill – Features of Bill – Parties in the Bill – Discounting of Bill – Renewal of Bill – Entries in the Books of Drawer and Drawee (Including Problems).

Unit-II: Consignment Accounts

Consignment - Features - Proforma Invoice - Account Sales – Del-credere Commission - Accounting Treatment in the Books of Consigner and Consignee - Valuation of Closing Stock - Normal and Abnormal Losses (including Problems).

Unit-III: Joint Venture Accounts

Joint Venture - Features - Difference between Joint-Venture and Consignment – Accounting Procedure – Methods of Keeping Records–One Vendor Keeps the Accounts and Separate Set off Books Methods (including Problems).

Unit IV: Partnership Accounts-I

Meaning – Partnership Deed - Fixed and Fluctuating Capitals Accounting Treatment of Goodwill – Admission, Retirement (including problems).

Unit V: Partnership Accounts-II:

Death of a Partner - Dissolution of a Partnership Firm – Application of Garner v/s Murray Rule in India – Insolvency of Partners (including problems)

Activities:

- Visit a local consignment agency to collect and analyze real samples of proforma invoices and account sales statements.
- Prepare a comparative chart highlighting key differences between consignment and joint venture transactions, roles, and accounting procedures.
- Draft Receipts & Payments Account and Income & Expenditure Account using simulated or real data from a non-profit organization.
- Conduct interviews or field interaction with office bearers of a local non-profit organization to understand their accounting practices and compliance with Sec 8.
- Group activity to draft a model partnership deed, including clauses on profit sharing, admission, retirement, and treatment of goodwill.

References:

1. Ranganatham, G., & Venkata Ramanaiah, M. (2019). *Financial accounting*. New Delhi: S. Chand Publications.
2. Gupta, R. L., & Gupta, V. K. (2022). *Principles and practice of accounting* (18th ed.). New Delhi: Sultan Chand & Sons.
3. Reddy, T. S., & Murthy, A. (2022). *Financial accounting* (Revised ed.). Chennai: Margham Publications.
4. Jain, S. P., & Narang, K. L. (2023). *Advanced accountancy – Vol. I* (Latest ed.). Ludhiana: Kalyani Publishers.
5. Maheshwari, S. N., & Maheshwari, S. K. (2021). *Introduction to accountancy* (12th ed.). New Delhi: Vikas Publishing House.