



# CBSE Syllabus

Class XII

## ACCOUNTANCY



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# ACCOUNTANCY

## Course Structure

Parts/Units	Topics	Marks
<b>Part A</b>	<b>Accounting for Partnership Firms &amp; Companies</b>	<b>60</b>
Unit 1	Accounting for Partnership Firms	35
Unit 2	Accounting for Companies	25
<b>Part B</b>	<b>Financial Statement Analysis</b>	<b>20</b>
Unit 3	Analysis of Financial Statements	12
Unit 4	Cash Flow Statement	8
<b>Part C</b>	<b>Project Work</b>	<b>20</b>
<b>OR</b>		
<b>Part B</b>	<b>Computerized Accounting</b>	<b>20</b>
Unit 3	Computerized Accounting	
<b>Part C</b>	<b>Practical Work</b>	<b>20</b>
<b>Total</b>		<b>100</b>

## Course Syllabus

### Part A: Accounting for Partnership Firms and Companies

#### Unit 1: Accounting for Partnership Firms

- Partnership:
  - Features
  - Partnership Deed
- Provisions of the Indian Partnership Act 1932 in the absence of partnership deed
- Fixed v/s fluctuating capital accounts

- Preparation of Profit and Loss Appropriation account- division of profit among partners, guarantee of profits
- Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio)
- Goodwill: nature, factors affecting and methods of valuation - average profit, super profit and capitalization

### **Accounting for Partnership firms - Reconstitution and Dissolution**

- Change in the Profit Sharing Ratio among the existing partners:
  - Sacrificing ratio
  - Gaining ratio
  - Accounting for revaluation of assets and reassessment of liabilities and treatment of reserves and accumulated profits
  - Preparation of revaluation account and balance sheet
- Admission of a partner:
  - Effect of admission of a partner on change in the profit sharing ratio
  - Treatment of goodwill (as per as 26)
  - Treatment for revaluation of assets and reassessment of liabilities
  - Treatment of reserves and accumulated profits
  - Adjustment of capital accounts and preparation of balance sheet
- Retirement and death of a partner:
  - Effect of retirement / death of a partner on change in profit sharing ratio
  - Treatment of goodwill (as per as 26)
  - Treatment for revaluation of assets and reassessment of liabilities
  - Adjustment of accumulated profits and reserves
  - Adjustment of capital accounts and preparation of balance sheet
  - Preparation of loan account of the retiring partner
  - Calculation of deceased partner's share of profit till the date of death
  - Preparation of deceased partner's capital account
  - executor's account and preparation of balance sheet
- Dissolution of a partnership firm:
  - Types of dissolution of a firm

- Settlement of accounts - preparation of realization account, and other related accounts
- Capital accounts of partners and cash/bank a/c (excluding piecemeal distribution, sale to a company and insolvency of partner(s))

## **Unit-2 Accounting for Companies**

### **Accounting for Share Capital**

- Share and share capital:
  - Nature
  - Types
- Accounting for share capital:
  - Issue and allotment of equity shares
  - Private placement of shares
  - Employee Stock Option Plan (ESOP)
  - Public subscription of shares - over subscription and under subscription of shares
  - Issue at par and at premium
  - Calls in advance and arrears (excluding interest)
  - Issue of shares for consideration other than cash
- Accounting treatment of forfeiture and re-issue of shares
- Disclosure of share capital in company's Balance Sheet.

### **Accounting for Debentures**

- Debentures:
  - Issue of debentures at par, at a premium and at a discount
  - Issue of debentures for consideration other than cash
  - Issue of debentures with terms of redemption
  - Debentures as collateral security-concept, interest on debentures
- Redemption of debentures:

- Lump sum, draw of lots and purchase in the open market (excluding ex-interest and cum-interest)
- Creation of Debenture Redemption Reserve

## **Part B: Financial Statement Analysis**

### **Unit 3: Analysis of Financial Statements**

- Financial statements of a company:
  - Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule III to the Companies Act, 2013)
- Financial Statement Analysis:
  - Objectives
  - Importance
  - Limitations
- Tools for Financial Statement Analysis:
  - Comparative statements
  - Common size statements
  - Cash flow analysis
  - Ratio analysis
- Accounting Ratios:
  - Objectives
  - Classification
  - Computation
- Liquidity Ratios:
  - Current ratio
  - Quick ratio
- Solvency Ratios:
  - Debt to Equity Ratio
  - Total Asset to Debt Ratio
  - Proprietary Ratio
  - Interest Coverage Ratio

- Activity Ratios:
  - Inventory Turnover Ratio
  - Trade Receivables Turnover Ratio
  - Trade Payables Turnover Ratio and Working Capital Turnover Ratio
- Profitability Ratios:
  - Gross Profit Ratio
  - Operating Ratio
  - Operating Profit Ratio
  - Net Profit Ratio and Return on Investment

#### **Unit 4: Cash Flow Statement**

- Meaning
- Objectives
- Preparation (as per AS 3 (Revised) (Indirect Method only))

### **Part B: Computerised Accounting**

#### **Unit 3: Computerised Accounting**

- Overview of Computerised Accounting System:
  - Introduction: Application in Accounting
  - Features of Computerised Accounting System
  - Structure of CAS
  - Software Packages: Generic; Specific; Tailored
- Accounting Application of Electronic Spreadsheet:
  - Concept of electronic spreadsheet
  - Features offered by electronic spreadsheet
  - Application in generating accounting information - bank reconciliation statement; asset accounting; loan
  - repayment of loan schedule, ratio analysis
  - Data representation - graphs, charts and diagrams
- Using Computerized Accounting System

- Steps in installation of CAS, codification and Hierarchy of account heads, creation of accounts
- Data: Entry, validation and verification
- Adjusting entries, preparation of balance sheet, profit and loss account with closing entries and opening entries
- Need and security features of the system
- Database Management System (DBMS)
  - Concept and Features of DBMS
  - DBMS in Business Application
  - Generating Accounting Information – Payroll