

## Programme..Master of Commerce (MCom)

### MCM5008 BASICS OF ACCOUNTING

Course Code	MCM5008	Semester	II
Course Title	BASICS OF ACCOUNTING		
Credits	3	Type	Non Commerce

#### Learning/Course Objective

- To understand the meaning accounting and accountancy.
- To understand the terms used in accounting system.
- To give an insight into the basics of Accounting Concepts and Principles.
- To enable the students to prepare, analyse and interpret financial statements.

#### Course Structure

##### UNIT I

Accounting an introduction – meaning – concept of accounting –functions of accounting - accounting conventions accounting concepts – International Accounting Standards - Documentation and recording of business transactions - classifying and summarization of business transactions – journal — subsidiary books – ledger - cash book - trial balance – problems.

##### UNIT II

Final accounts of sole trader — Trading and profit and loss accounts—Adjustment of different items – Corporate financial statements - specimen forms – preparation of accounts.

##### UNIT III

Analysis of financial statements – tools and techniques —Ratio analysis—meaning and Significance — classification of ratios — liquidity ratios, solvency ratios, profitability ratios, turnover ratios – computation of ratios.

##### UNIT IV

Fund flow analysis – meaning of fund – fund flow analysis – importance of fund flow statement – difference between fund flow statement and income statement — preparation of the fund flow statements – statement of changes in working capital – computation of fund from operation – sources and application of funds.

##### UNIT V

Cash flow analysis — meaning – importance – difference between cash flow and fund flow statements – cash from operating activities - cash flow from investing activities – cash flow from financing activities – preparation of cash flow statement - Utility and limitations.

#### Learning/Course Outcome

- Acquire conceptual knowledge of basics of accounting.
- Develop basic understanding on accounting concepts, principles, and frameworks.
- Develop the skill of recording financial transactions and preparation of reports in accordance with GAAP.
- Equip with the knowledge of accounting process and preparation of final accounts of sole trader.

#### Books for reference:

## **Programme..Master of Commerce (MCom)**

1. Financial accounting—Ashoka Banerjee – Excel publications, New Delhi,
2. Accounting principles—Anthony—Irwin Publishers
3. Financial Accounting of Management—Ambariash Gupta—Pearsons Education
4. Corporate Accounting—Dr. V.K.Goyal—Excel books
5. Introduction to Accounting—Pru Marriott & J R Edwards –Sage Publications
6. Accounting for Managers, NK Guptha&VidhuBansal, International Book House