Accountancy (Subject Code 055)

Class-XI (2025-26)

Theory: 80 Marks **3 Hours**

Project: 20 Marks

Units		**Marks**
Part A: Financial Accounting-1		
	Unit-1: Theoretical Framework	**12**
	Unit-2: Accounting Process	**44**
Part B: Financial Accounting-II		
	Unit-3: Financial Statements of Sole Proprietorship	**24**
Part C: Project Work		**20**

PART A: FINANCIAL ACCOUNTING - I

Unit-1: Theoretical Frame Work

Units/Topics	**Learning Outcomes**
Introduction to Accounting • Accounting- concept, meaning, as a source of information, 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- Entity, Business Transaction, Capital, Drawings. Liabilities (Non Current and Current). Assets (Non Current, Current); Expenditure (Capital and Revenue), Expense, Revenue, 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 • Basic Accounting Concept : Business Entity, Money Measurement, Going Concern,	**After going through this Unit, the students will be able to:** • describe the meaning, significance, objectives, advantages and limitations of accounting in the modem economic environment with varied types of business and non-business economic entities. • identify / recognise the individual(s) and entities that use accounting information for serving their needs of decision making. • explain the various terms used in accounting and differentiate between different related terms like current and non-current, capital and revenue. • give examples of terms like business transaction, liabilities, assets, expenditure and purchases. • explain that sales/purchases include both cash and credit sales/purchases relating to the accounting year. • differentiate among income, profits and gains.

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 of Accounting Standards (AS) and Indian Accounting Standards (IndAS) • Goods and Services Tax (GST): Characteristics and Advantages.	• state the meaning of fundamental accounting assumptions and their relevance in accounting. • describe the meaning of accounting assumptions and the situation in which an assumption is applied during the accounting process. • explain the meaning, applicability, objectives, advantages and limitations of accounting standards. • appreciate that various accounting standards developed nationally and globally are in practice for bringing parity in the accounting treatment of different items. • acknowledge the fact that recording of accounting transactions follows double entry system. • explain the bases of recording accounting transaction and to appreciate that accrual basis is a better basis for depicting the correct financial position of an enterprise. • Explain the meaning, advantages and characteristic of GST.

Unit-2: Accounting Process

Units/Topics	**Learning Outcomes**
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	**After going through this Unit, the students will be able to:** • explain the concept of accounting equation and appreciate that every transaction affects either both the sides of the equation or a positive effect on one item and a negative effect on another item on the same side of accounting equation. • explain the effect of a transaction (increase or decrease) on the assets, liabilities, capital, revenue and expenses. • appreciate that on the basis of source

• Sales book • Purchases return book • Sales return book • Journal proper ***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 **Depreciation, Provisions and Reserves** • Depreciation: Meaning, Features, Need, 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 • Method of recoding depreciation i. Charging to asset account ii. Creating provision for depreciation/accumulated depreciation account • Treatment of disposal of asset • Provisions, Reserves, Difference Between Provisions and Reserves. • Types of Reserves: i. Revenue reserve ii. Capital reserve iii. General reserve iv. Specific reserve v. Secret Reserve • Difference between capital and revenue reserve **Trial balance and Rectification of Errors**	documents, accounting vouchers are prepared for recording transaction in the books of accounts. • develop the understanding of recording of transactions in journal and the skill of calculating GST. • explain the purpose of maintaining a Cash Book and develop the skill of preparing the format of different types of cash books and the method of recording cash transactions in Cash book. • describe the method of recording transactions other than cash transactions as per their nature in different subsidiary books . • appreciate that at times bank balance as indicated by cash book is different from the bank balance as shown by the pass book / bank statement and to reconcile both the balances, bank reconciliation statement is prepared. • develop understanding of preparing bank reconciliation statement. • appreciate that for ascertaining the position of individual accounts, transactions are posted from subsidiary books and journal proper into the concerned accounts in the ledger and develop the skill of ledger posting. • explain the necessity of providing depreciation and develop the skill of using different methods for computing depreciation. • understand the accounting treatment of providing depreciation directly to the concerned asset account or by creating provision for depreciation account. • appreciate the method of asset disposal through the concerned asset account or by preparing asset disposal account. • appreciate the need for creating reserves and also making provisions for events which may

• Trial balance: objectives, meaning and preparation **(Scope:** *Trial balance with balance method only*) • Errors: classification-errors of omission, commission, principles, and compensating; their effect on Trial Balance. • Detection and rectification of errors; (i) Errors which do not affect trial balance (ii) Errors which affect trial balance • preparation of suspense account.	belong to the current year but may happen in next year. • appreciate the difference between reserve and reserve fund. • state the need and objectives of preparing trial balance and develop the skill of preparing trial balance. • appreciate that errors may be committed during the process of accounting. • understand the meaning of different types of errors and their effect on trial balance. • develop the skill of identification and location of errors and their rectification and preparation of suspense account.

Part B: Financial Accounting - II

Unit 3: Financial Statements of Sole Proprietorship

Units/Topics	**Learning Outcomes**
Financial Statements Meaning, objectives and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure; Deferred Revenue expenditure. Opening journal entry. Trading and Profit and Loss Account: Gross Profit, Operating profit and Net profit. Preparation. Balance Sheet: need, grouping and marshalling 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**	**After going through this Unit, the students will be able to:** • state the meaning of financial statements the • purpose of preparing financial statements. • state the meaning of gross profit, operating profit and net profit and develop the skill of preparing trading and profit and loss account. • explain the need for preparing balance sheet. • understand the technique of grouping and marshalling of assets and liabilities. • appreciate that there may be certain items other than those shown in trial balance which may need adjustments while preparing financial statements. • develop the understanding and skill to do adjustments for items and their presentation in financial statements like depreciation, closing stock, provisions, abnormal loss etc. • develop the skill of preparation of trading and profit and loss account and balance sheet.

Features, reasons and limitations. Ascertainment of Profit/Loss by Statement of Affairs method. (excluding conversion method)	

Part C: Project Work (Any One)

1. Collection of source documents, preparation of vouchers, recording of transactions with the help of vouchers.
2. Preparation of Bank Reconciliation Statement with the given cash book and the pass book with twenty to twenty-five transactions.
3. Comprehensive project of any sole proprietorship business. This may state with journal entries and their ledgering, preparation of Trial balance. Trading and Profit and Loss Account and Balance Sheet. Expenses, incomes and profit (loss), assets and liabilities are to be depicted using pie chart / bar diagram. This may include simple GST related transactions.

PROJECT WORK

It is suggested to undertake this project after completing the unit on preparation of financial statements. The student(s) will be allowed to select any business of their choice or develop the transaction of imaginary business. The project is to run through the chapters and make the project an interesting process. The amounts should emerge as more realistic and closer to reality.

Specific Guidelines for Teachers

Give a list of options to the students to select a business form. You can add to the given list:

1. A beauty parlour
2. Men's saloon
3. A tailoring shop
4. A canteen
5. A cake shop
6. A confectionery shop
7. A chocolate shop
8. A dry cleaner
9. A stationery shop
10. Men's wear
11. Ladies wear
12. Kiddies wear
13. A Saree shop
14. Artificial jewellery shop
15. A small restaurant
16. A sweet shop
17. A grocery shop
18. A shoe shop
19. A coffee shop
20. A music shop
21. A juice shop
22. A school canteen
23. An ice cream parlour
24. A sandwich shop
25. A flower shop

After selection, advise the student(s) to visit a shop in the locality (this will help them to settle on a realistic amounts different items. The student(s) would be able to see the things as they need to invest in furniture, decor, lights, machines, computers etc.

A suggested list of different item is given below.

1. Rent
2. Advance rent [approximately three months]
3. Electricity deposit
4. Electricity bill
5. Electricity fitting
6. Water bill
7. Water connection security deposit
8. Water fittings
9. Telephone bill
10. Telephone security deposit
11. Telephone instrument
12. Furniture
13. Computers
14. Internet connection
15. Stationery
16. Advertisements
17. Glow sign
18. Rates and Taxes
19. Wages and Salary
20. Newspaper and magazines
21. Petty expenses
22. Tea expenses
23. Packaging expenses
24. Transport
25. Delivery cycle or a vehicle purchased
26. Registration
27. Insurance
28. Auditors fee
29. Repairs & Maintenance
30. Depreciations
31. Air conditioners
32. Fans and lights
33. Interior decorations
34. Refrigerators
35. Purchase and sales

At this stage, performas of bulk of originality and ledger may be provided to the students and they may be asked to complete the same.

In the next step the students are expected to prepare the trial balance and the financial statements.

Suggested Question Paper Design
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S N	Typology of Questions	Marks	Percentage
1	**Remembering and Understanding**: Exhibit memory of previously learned material by recalling facts, terms, basic concepts, and answers. Demonstrate understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions, and stating main ideas	32	40%
3	**Applying**: Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way.	24	30%
4	**Analysing, Evaluating and Creating:** Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalizations. Present and defend opinions by making judgments about information, validity of ideas, or quality of work based on a set of criteria. Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions.	24	30%
	TOTAL	**80**	**100%**