

ACC 251: Accounting for Business

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

Course Objectives

The objectives of the course are to provide the students with in-depth knowledge of accounting required to handle accounting works in the various business situations like partnership, consignment, branch etc. independently. The course further aims at providing knowledge required by the students for advance studies in accounting subject.

Course Description

This course contains accounting for partnership, admission of new partner, retirement and death of a partner, dissolution of a partnership firm and piecemeal distribution, accounting for, consignments, accounting for joint ventures, accounting for branch, accounting for department of activity, Accounting for packages or containers, accounting professional men, accounting for royalties, accounting for hire purchase system, accounting for installment system.

Course Details

Unit 1: Accounting for Partnership

LH 10

Concept of partnership; Partnership agreement and status of partners in the absence of partnership deed; Accounting for partnership firm-partner's capital a/c, fixed and fluctuating capital; Accounting treatment of partner's salary, interest and drawing; Partner's loan account; Preparation of profit and loss appropriation account in the book of the firm.

Unit 2: Admission of New Partner

LH 11

Concept; Impact of admission in the profit sharing ratio of the firm; Impact of admission in the revaluation of assets and liabilities; Impact of admission in the value of goodwill of the firm; Re-arrangement of reserve and surplus and accumulated losses of the firm; Re-adjustment of partners capital giving due influence of new admission; Distribution of old profit to old partners; Admission of a partner during an accounting year.

Unit 3: Retirement and Death of a Partner

LH 14

Calculation of new profit sharing ratio; Revaluation of assets and liabilities; Adjustment regarding undistributed profits and losses; Adjustment regarding goodwill and capital after retirement; Ascertainment of the due amount to the outgoing partners; Mode of payment to the outgoing partners; Death of a partner; Accounting for Joint life policy; Accounting for insurance premium.

Unit 4: Dissolution of a Partnership Firm and Piecemeal Distribution

LH 10

Concept; Closing the books of account and final settlement; Accounting for dissolution-Settlement of partner's capital accounts when the firm and all the partners are solvent, Settlement of account when a partner is insolvent with or without using the rule of Garner Vs Murry; Gradual realization and piecemeal distribution-Surplus capital method, Maximum loss method.

Unit 5: Accounting for Consignments

LH 10

Concept; Difference between consignment and sales; Important terms-Consignment goods sent at invoice price, Consignment expenses, Commission, Valuation of unsold stock, Loss of goods on consignment-Normal loss, Abnormal loss; Interest on consignment; Consignment goods taken over by consignee.

Unit 6: Accounting for Joint Ventures

L

H 10

Meaning, characteristics and features of joint venture; Difference between joint venture and consignment; Difference between joint venture and partnership; Methods of accounting-Without keeping separate set of books, With keeping separate set of books.

Unit 7: Accounting for Branch

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H 11

Concept and types of branch; Accounting records-Dependent branch, Independent branch; Accounting entries for incorporation of branch transactions in the books of head office and consolidated balance sheets ; Accounting treatment of some important adjustments-Normal loss, Abnormal loss, Cash in transit, Goods in transit, Inter branch transactions.

Unit 8: Accounting for Department of Activity

L

H 9

Concept, objectives and types of department; Department trading and profit and loss account; Allocation of expenses, Difference between branch and department, Inter – department transfer.

Unit 9: Accounting for Packages or Containers

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H 9

Concept and objectives of container; Importance terms of container; Calculation of missing terms of container; Accounting for types of container-Returnable: with maintaining trading and reserve account, with maintaining trading, reserve and stock account; Non Returnable.

Unit 10: Accounting Professional Men

L

H 14

Concept and techniques in general, Accounting treatment-- receipt and payment account, adjustments, income and expenditure account, profit and loss account , household cash statement.

Unit 11: Accounting for Royalties

L

H 12

Concept and modern terms; Accounting treatment with and without maintaining minimum rent account.

Unit 12: Accounting for Hire Purchase System

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H 10

Concept and objectives of hire purchase system; Calculation of interest, cash price and installment (using analytical table); Accounting treatment: *In the book of purchaser*-Journal entries, Necessary ledger accounts. *In the book of vendor*-Journal entries, Necessary ledger accounts.

Unit 13: Accounting for Installment System

L

H 10

Concept and features of installment system; Difference between hire purchase and installment system; Calculation of interest, cash price and installment (using analytical table); Accounting treatment: *In the book of purchaser*-Journal entries, Necessary ledger accounts. *In the book of vendor*, Journal entries, Necessary ledger accounts.

Project Work

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H 10

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

Basic Books

Battliboi, J. R., *Advanced Accounting*, Mumbai: Standard Accountancy Publication Pvt. Ltd.

Jain, S. P. & Narang, K. L., *Advanced Accounting, Corporate Accounting, Vol. 11*, New Delhi : Kalyani Publishers,

Shukla, S.M., Grewal, T.S. & Gupta, S.P., *Advanced Accounting*, New Delhi : S. Chand and Co.

Reference Books

Dangol, R. M., Prajapati, K. P., Tamrakar, M. R. and Upadhyay, T. P., *Accounting for Business*, Kathmandu : Taleju Prakashan.

Koirala, Y. R. & Dahal, S., *Accounting for Business*, Kathmandu: Ashmita Books and Distributors.