

Hindi Vidya Prachar Samiti's **Ramniranjan Jhunjhunwala College of Arts, Science and Commerce**  
**S.Y.B.Com. Accountancy Syllabus Semester III & IV**



Hindi Vidya Prachar Samiti's  
Ramniranjan Jhunjhunwala College of Arts, Science and Commerce  
**(Autonomous College)**

**Affiliated to**

**UNIVERSITY OF MUMBAI**

**Syllabus for the S.Y.B.COM.**

**Program: COMMERCE**

**Program Code: RJCUCOM**

**(CBCS 2018-19)**

## **S.Y.B.COM SEMESTER III**

<b>Course Code</b>	<b>Name of Subject</b>	<b>Credits</b>	<b>Topics</b>
<b>RJCUCOM301</b>	Accountancy and Financial Management- III	<b>3</b>	1. Partnership Final Accounts based on Adjustment of Admission or Retirement/Death of a Partner during the year 2. Piecemeal Distribution of Cash 3. Amalgamation of Firms 4. Conversion/Sale of a Partnership Firm into a Ltd. Company
<b>RJCUCOM302</b>	Financial Accounting and Auditing – Introduction to Management Accounting -IV	<b>3</b>	1. Introduction to Management Accounting 2. Ratio Analysis and Interpretation 3. Working Capital Management

## **S.Y.B.COM SEMESTER IV**

<b>Course Code</b>	<b>Name of Subject</b>	<b>Credits</b>	<b>Topics</b>
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**S.Y.B.Com. Accountancy Syllabus Semester III & IV**

<b>RJCUCOM401</b>	Accountancy and Financial Management-V	<b>3</b>	Introduction to Company Accounts Redemption of Preference Shares Redemption of Debentures Ascertainment and Treatment of Profit Prior to Incorporation
<b>RJCUCOM402</b>	Financial Accounting and Auditing - Introduction to Auditing - VI	<b>3</b>	Introduction to Auditing Audit Planning, Procedures and Documentation Audit Techniques and Internal Audit Introduction Audit Techniques: Vouching and Verification Reading of Ledger Introduction to Audit of Service Industry such as Hotels, Bank, Insurance

# **Ramniranjan Jhunjhunwala College**



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**ACCOUNTANCY AND FINANCIAL MANAGEMENT – III & V**

**SEM. III & IV**

## **LEARNING OBJECTIVES**

- To acquaint the student learners with the preparation of final accounts of partnership firm
- Understand the effect of the following on financial statements: carriage inward and carriage outward, sales and purchases returns, discounts received and given etc.
- To learn order of payment of liability in Piecemeal Distribution of Cash.
- To learn objectives of Amalgamation.
- To learn Accounting Procedure for closing the books of old firm and new firm
- To learn Accounting treatment for conversion of firm in the form of a company
- To acquaint the student learners with the preparation of final accounts of companies as per Indian Companies Act, 2013 and the revised format of financial statements.
- To learn accounting procedure for redemption of Preference Shares
- To learn accounting procedure for redemption of debentures
- To understand the concept of Pre and Post Incorporation Profits and the accounting treatment thereof.

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**ACCOUNTANCY AND FINANCIAL MANAGEMENT – III**

<b>Sr. No.</b>	<b>Module s</b>	<b>No. of Lectures</b>
1	Partnership Final Accounts based on Adjustment of Admission or Retirement/Death of a Partner during the year	15
2	Piecemeal Distribution of Cash	15
3	Amalgamation of Firms	15
4	Conversion/Sale of a Partnership Firm into a Ltd. Company	15
	<b>Total</b>	<b>60</b>

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**S.Y.B.Com. Accountancy Syllabus Semester III & IV**

Sr. No.	Modules / Units
1	<b>Partnership Final Accounts based on Adjustment of Admission or Retirement/Death of a Partner during the year</b>
	i) Simple final accounts questions to demonstrate the effect on final Accounts when a partner is admitted during the year or when partner Retires / dies during the year. ii) Allocation of gross profit prior to and after admission / retirement / death when stock on the date of admission / retirement is not given and apportionment of other expenses based on time / Sales/other given basis. iii) Ascertainment of gross profit prior to and after admission/retirement/death when stock on the date of admission/retirement is given and apportionment of other expenses based on time / Sales / other given basis Excluding Questions where admission / retirement / death takes place in the same year. iv) <i>Preparation of Trading A/c, Profit and Loss A/c, Profit &amp; Loss Appropriation A/c, Partner's Capital A/c / Current A/c, Balance sheet of the firm</i>
2	<b>Piecemeal Distribution of Cash</b>
	i) Excess Capital Method only ii) Asset taken over by a partner iii) Treatment of past profits or past losses in the Balance sheet iv) Contingent liabilities/Realization expenses/amount kept aside for expenses and adjustment of actual v) Treatment of secured liabilities vi) Treatment of preferential liabilities like Govt. dues / labour dues etc. Excluding : Insolvency of partner and Maximum Loss Method
3	<b>Amalgamation of Firms</b>
	i) Realization method only ii) Calculation of purchase consideration iii) Journal / ledger accounts of old firms iv) Preparing Balance sheet of new firm
4	<b>Conversion / Sale of a Partnership Firm into a Ltd. Company</b>
	(i) Realisation method only (ii) Calculation of New Purchase consideration, Journal / Ledger Accounts of old firms. Balance Sheet of Limited Company as per Companies Act

**Reference Text :**

1. Ashish K. Bhattacharyya – “Financial Accounting for Business Managers”, Prentice Hall of India Pvt. Ltd.
2. Shashi K. Gupta – “Contemporary Issues in Accounting”, Kalyani Publishers.
3. R. Narayanaswamy – “Financial Accounting”, Prentice Hall of India, New Delhi
4. Ashok Sehgal – “Fundamentals of Financial Accounting”, Taxmann’s Publishers

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**ACCOUNTANCY AND FINANCIAL MANAGEMENT - V**

**S.Y.B.COM.**

**SEM. IV**

### ***Modules at a Glance***

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction to Company Accounts	15
2	Redemption of Preference Shares	15
3	Redemption of Debentures	15
4	Ascertainment and Treatment of Profit Prior to Incorporation	15
	<b>Total</b>	<b>60</b>



Sr. No.	Modules / Units
1	<b>Introduction to Company Accounts</b>
	<p>Introduction of basic terms: Types of companies, nature and formation of companies, Shares, Debentures, Share Capital, Reserves and surplus, types of assets and liabilities, dividend, format of Balance Sheet (Only theory)</p> <p>Issue of shares: Different modes IPO, <i>Follow on Public Offer and Offer for Sale</i>, Private Placements, Preferential, Rights, ESO, SWEAT and ESCROW account, Issue of shares at par, premium and discount, Under subscription and Over subscription of shares, forfeiture and reissue of forfeited shares, issue of shares for consideration other than cash. (Only theory)</p> <p>Issue of Debentures: types of Debentures, Issue of debentures at par, premium and discount, Issue of Debentures with consideration of Redemption, Issue of debentures for cash receivable in instalments or at a time Issue of debentures for consideration other than cash. (Only theory)</p>
2	<b>Redemption of Preference Shares</b>
	<p>Provision of the Companies Act for redemption of Preference Shares (Sec 55 of the Companies Act, 2013), Companies (Share and Debentures) Rules.</p> <p>Methods of Redemption of fully paid up Preference Shares as per Companies Act, 2013: The proceed of a fresh issue of shares, the capitalisation of undistributed profits and a combination of both, calculation of minimum fresh issue to provide the fund for redemption, (Question on entries and/or Balance Sheet)</p> <p>Note: Companies governed by Section 133 of the Companies Act, 2013 and comply with the accounting standards prescribed for them. Hence, the balance in security premium account not to be utilised for premium payable on redemption of preference shares.</p>
3	<b>Redemption of Debentures</b>
	<p>Introduction : Provisions of Section 71 (1) and (4) of the Companies Act, 2013, Creation and investment of DRR including The Companies (Share Capital and Debentures) Rules, 2014, the methods of writing-off discount/loss on issue of debentures; Terms of issue of debentures</p> <p>Methods of redemption of debentures: By payment in lumpsum and by payment in instalments (excluding from by purchase in open market), Conversion, <i>Sinking Fund Method</i></p> <p>(Question on entries, ledgers and/or Balance Sheet and/or redemption of preference shares)</p>
4	<b>Ascertainment and Treatment of Profit Prior to Incorporation</b>
	<p>(i) Principles for ascertainment</p> <p>Preparation of separate combined, columnar Profit and Loss A/c including different basis of allocation of expenses and income, <i>Vertical Balance Sheet</i></p>

**Reference Text :**

Hindi Vidya Prachar Samiti's **Ramniranjan Jhunjhunwala College of Arts, Science and Commerce**  
**S.Y.B.Com. Accountancy Syllabus Semester III & IV**

1. Introduction to Accountancy T.S. Grewal S. Chand and Co. (P) Ltd., New Delhi
  2. Advanced Accounts Shukla and Grewal S. Chand and Co. (P) Ltd., New Delhi
  3. Advanced accountancy R.L. Gupta and M. Radhaswamy S. Chand and Co. (P) Ltd., New Delhi
  4. Modern Accountancy Mukerjee and Hanif Tata Mc. Grow Hill and Co. Ltd., Mumbai
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5. Financial Accountancy LesileChandWichkPretice Hall of India AdinBakley (P) Ltd.

# **Ramniranjan Jhunjhunwala College**



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**SEM III**

**Financial Accounting and Auditing - IV**

**Introduction to Management Accounting**

## **LEARNING OBJECTIVES**

- To understand the need of Management Accounting
- To know the difference between Management Accounting and Financial Accounting
- To learn the function of Management Accountant
- To learn to compute various financial ratios and its interpretation.
- To critically analyse and provide recommendations to improve the operations of organisations through the application of management accounting techniques.
- To learn to estimate the required working capital

## **Ramniranjan Jhunjunwala College**



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**SEM III**

**Financial Accounting and Auditing - IV**

**Introduction to Management Accounting**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction to Management Accounting	15
2	Ratio Analysis and Interpretation	15
3	Working Capital Management	15
	<b>Total</b>	<b>45</b>

Sr. No.	Modules / Units
1	<b>Introduction to Management Accounting</b>
	<p><b>A. Introduction to Management Accounting</b> – Meaning, Nature, Scope, Functions, Decision Making Process, Financial Accounting V/s Management Accounting</p> <p><b>B. Analysis and Interpretation of Financial Statements</b></p> <p>i) Study of Balance sheet and Income statement / Revenue statements in vertical form suitable for analysis</p> <p>ii) Relationship between items in Balance Sheet and Revenue statement</p> <p>iii) Tools of analysis of Financial Statements (i) Trend analysis (ii) Comparative Statement (iii) Common Size Statement</p> <p><b>Note :</b> (i) Problems based on trend analysis (ii) Short Problems on Comparative (<i>Inter firm and Intra-firm company's Comparisons</i>) and Common sized statements</p>
2	<b>Ratio Analysis and Interpretation</b>
	<p>(Based on Vertical Form of Financial statements) – Meaning, classification, Du Point Chart, advantages and Limitations)</p> <p><b>A. Balance Sheet Ratios:</b></p> <p>i) Current Ratio</p> <p>ii) Liquid Ratio</p> <p>iii) Stock Working Capital Ratio</p> <p>iv) Proprietary Ratio</p> <p>v) Debt Equity Ratio</p> <p>vi) Capital Gearing Ratio</p> <p><b>B. Revenue Statement Ratio:</b></p> <p>i) Gross Profit Ratio</p> <p>ii) Expenses Ratio</p> <p>iii) Operating Ratio</p> <p>iv) Net Profit Ratio</p> <p>v) Net Operating Profit Ratio</p> <p>vi) Stock Turnover Ratio</p> <p><b>A. Combined Ratio :</b></p> <p>i) Return on capital employed (Including Long Term Borrowings)</p> <p>ii) Return on proprietor's Fund (Shareholders Fund and Preference Capital)</p> <p>iii) Return on Equity Capital</p> <p>iv) Dividend Payout Ratio</p> <p>v) Debt Service Ratio</p> <p>vi) Debtors Turnover</p> <p>vii) Creditors Turnover (Practical Question on Ratio Analysis)</p>
3	<b>Working Capital Management : (Practical Questions)</b>

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**S.Y.B.Com. Accountancy Syllabus Semester III & IV**

	A. Concept, Nature of Working Capital , Planning of Working Capital
	B. Estimation / Projection of Working Capital Requirement in case of Trading and Manufacturing Organization
	C. Operating Cycle

**Reference Text :**

1. Cost and Management Accounting - Colinn Dury 7th Edition
2. Cost and Management Accounting - Dbarshi Bhattacharyya pearson Publications 2013 edition
3. Management Accounting - M.Y.Khan
4. Management Accounting - I.M.pandey

## **Ramniranjan Jhunjhunwala College**



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**SEM IV**

**FINANCIAL ACCOUNTING AND AUDITING - VI**

**INTRODUCTION TO AUDITING**

### **LEARNING OBJECTIVES**

- To understand objectives and concepts of auditing and gain working knowledge of generally accepted auditing procedures and of techniques and skills needed to apply them in audit.
- Define audit and understand the objectives of audit- basic principles
- To distinguish between auditing and Investigation
- To learn Internal control, internal check and internal audit
- To know the procedure of vouching and verification
- To learn reading of ledgers accounts.

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**SEM IV**

**FINANCIAL ACCOUNTING AND AUDITING - VI**

**INTRODUCTION TO AUDITING**

<b>SR. NO.</b>	<b>MODULES</b>	<b>NO. OF LECTURES</b>
1.	Introduction to Auditing	08
2.	Audit Planning, Procedures and Documentation	10
3.	Audit Techniques and Internal Audit Introduction	10
4.	Audit Techniques: Vouching and Verification	10
5.	Reading of Ledger	05
6.	Introduction to Audit of Service Industry such as Hotels, Bank, Insurance	02
<b>TOTAL</b>		<b>45</b>

<b>Sr. No.</b>	<b>Modules / Units</b>
1.	<b>Introduction to Auditing</b> A. Basics – Financial Statements, Users of Information, Definition of Auditing, Objectives of Auditing, Inherent limitations of Audit, Difference between Accounting and Auditing, Investigation and Auditing. B. Errors & Frauds – Definitions, Reasons and Circumstances, Types of Error, Types of Frauds, Risk of fraud and Error in Audit, Auditors Duties and Responsibilities in case of Fraud C. Principles of Audit, Materiality, True and Fair View D. Types of Audit – Meaning, Advantages, Disadvantages of Balance sheet Audit, Interim Audit, Continuous Audit, Concurrent Audit and Annual Audit, Statutory Audit
2.	<b>Audit Planning, Procedures and Documentation</b> A. Audit Planning – Meaning, Objectives, Factors to be considered, Sources of



	<p>obtaining information, Discussion with Client, Overall Audit Approach</p> <p>B. Audit Program – Meaning, Factors, Advantages and Disadvantages, Overcoming Disadvantages, Methods of Work, Instruction before commencing Work, Overall Audit Approach</p> <p>C. Audit Working Papers – Meaning, importance, Factors determining Form and Contents, Main Functions / Importance, Features, Contents of Permanent Audit File, Temporary Audit File, Ownership, Custody, Access of other Parties to Audit Working Papers, Auditors Lien on Working Papers, Auditors Lien on Client's Books</p>
3.	<p><b>Auditing Techniques and Internal Audit Introduction</b></p> <p>A. Test Check – Test Checking Vs Routine Checking, Test Check meaning, Features, Factors to be considered, When Test Checks can be used, advantages, Disadvantages, Precautions</p> <p>B. Audit Sampling – Audit Sampling, Meaning, Purpose, Factors in determining sample size, Sampling Risk, Tolerable Error and Expected Error, methods of Selecting Sample Items, Evaluation of Sample Results Auditor Liability in conducting audit based on Sample</p> <p>C. Internal Control – Meaning and purpose, review of internal control, advantages, auditors duties, review of internal control, Inherent limitations of Internal Control, internal control samples for sales and debtors, purchases and creditors, wages and salaries. Internal checks vs Internal control, Internal Checks vs Test Checks.</p> <p>D. Internal Audit: Meaning, basic principles of establishing Internal Audit, Objectives, evaluation of Internal Audit by Statutory Auditor, usefulness of Internal Audit, Internal Audit vs External Audit, Internal Checks vs Internal Audit</p>
4.	<p><b>Audit Techniques: Vouching and Verification</b></p> <p>A. Audit of Income: Cash Sales, Sales on Approval, Consignment Sales, Sales Returns Recovery of Bad Debts Written off, Rental Receipts, Interest and Dividends Received, Royalties Received</p> <p>B. Audit Expenditure: Purchases, Purchase Returns, Salaries and Wages, Rent, Insurance Premium, Telephone Expenses, Postage and Courier, Petty Cash Expenses, Travelling Commission, Advertisement, Internet Expenses</p> <p>C. Audit of Assets: Book Debts / Debtors, Stocks – Auditors General Duties, Patterns, Dies and Loose Tools, Spare Parts, Machinery, Land &amp; Buildings, Furniture and Fixtures</p> <p>D. Audit of Liabilities: Outstanding Expenses, Bills Payable, Secured Loans, Unsecured Loans</p>
5.	<p>a. * <i>Reading of Ledger Accounts,</i></p> <p>b. * <i>Introduction to Audit of Service Industry such as Hotels, Bank, Insurance</i></p>

References:

1. ICAI