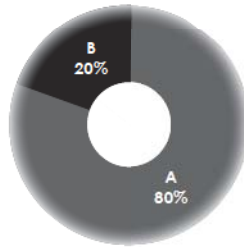


Syllabus - 2016

PAPER 2: FUNDAMENTALS OF ACCOUNTING (FOA)

Syllabus Structure

A	Fundamentals of Financial Accounting	80%
B	Fundamentals of Cost Accounting	20%



ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To gain comprehensive understanding of all aspects relating to financial statements, principles, procedures of accounting and their application to different practical situations

Learning Aims

The syllabus aims to test the student's ability to:

- Understand and explain the conceptual framework of Accounting
- Prepare Accounting for various entities under different situations
- Acquire basic concepts of Cost & Management Accounting relevant for managerial decision making

Skill set required

Level A: Requiring the skill levels of knowledge, comprehension,

Section A : Fundamentals of Financial Accounting	
1. Accounting Fundamentals	35%
2. Accounting for Special Transactions	20%
3. Preparation of Final Accounts	25%
Section B: Fundamentals of Cost Accounting	
4. Fundamentals of Cost Accounting	20%

SECTION A : Fundamentals of Financial Accounting [80 MARKS]

1. Accounting Basics
2. Accounting for Special Transactions
3. Preparation of Final Accounts

SECTION B: Fundamentals of Cost & Management Accounting [20 MARKS]

4. Fundamentals of Cost Accounting

Section A : Fundamentals of Financial Accounting [80 marks]

1. Accounting Process

- (a) Accounting Principles, Concepts and Conventions
- (b) Capital and Revenue transactions - capital and revenue expenditures, capital and revenue receipts
- (c) Double entry system, Books of prime entry, Subsidiary Books, Cash Book
- (d) Journal, Ledger, Trial Balance
- (e) Depreciation - Methods (Straight Line and Diminishing Balance methods only)
- (f) Rectification of Errors
- (g) Opening entries, Transfer entries, Adjustment entries, Closing entries
- (h) Bank Reconciliation Statements

2. Accounting for Special Transactions

- (a) Bills of Exchange (excluding accommodation bill, insolvency)
- (b) Consignment (cost price, invoice price, commission & valuation of stock)
- (c) Joint Venture

3. Preparation of Final Accounts

(a) Of a Profit making concern (for sole proprietorship concern only)

- (i) Accounting treatment of bad debts, reserve for bad and doubtful debts, provision for discount on debtors and provision for discount on creditors.
- (ii) Preparation of Trading Account, Profit & Loss Account and Balance Sheet.

(b) Of a Not-for- Profit making concern

- (i) Preparation of Receipts and Payments Account
- (ii) Preparation of Income and Expenditure Account

SECTION B: Fundamentals of Cost Accounting [20 MARKS]

4. Fundamentals of Cost Accounting

- (a) Meaning, Definition, Significance of Cost Accounting, its relationship with Financial Accounting & Management Accounting.
- (b) Classification of Costs
- (c) Format of Cost Sheet