

A Systematic Approach to

# ADVANCED FINANCIAL ACCOUNTING

As per the New Model Curriculum Designed under National Education Policy [NEP] Applicable to  
2<sup>nd</sup> Semester B.Com Course of Various Universities and Autonomous Colleges in Karnataka

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# SYLLABUS

## Unit 1 : Insurance Claims for Loss of Stock & Loss of Profit

10 Hours

Meaning, Need and Advantages of Fire Insurance-Special terminologies in Fire Insurance Claims – Insurer, Insured, Premium, Salvage, Insurance Policy, Sum Assured, Under Insurance, over insurance Average Clause, Claim. Problems on Ascertainment of Fire Insurance Claim including problems on abnormal line of goods.

## Unit 2 : Hire Purchase Accounting

10 Hours

Meaning of Hire Purchase and Installment Purchase System- difference between Hire Purchase and Installment Purchase – Important Definitions – Hire Purchase Agreement – Hire Purchase Price – Cash Price – Hire Purchase Charges – Net Hire Purchase Price – Net Cash Price – Calculation of Interest – Calculation of Cash Price – Journal Entries and Ledger Accounts in the books of Hire Purchaser and Hire Vendor (Asset Accrual Method only).

## Unit 3 : Departmental Accounts

12 Hours

Meaning and Features of Departmental Undertaking-Examples of Department Specific Expenses and Common Expenses -Need and Bases of Apportionment of Common Expenses-Preparation of Statement of Trading and Profit and Loss in Columnar form, Statement of General Profit and Loss and Balance Sheet – Simple problems involving Inter Departmental Transfers at Cost Price (vertical form).

## Unit 4 : Branch Accounts

12 Hours

Meaning of Branch Accounts -Objectives and Advantages of Branch Accounting Types of Branches – Meaning and features of Dependent Branches, Independent Branches and Foreign Branches-Methods of maintaining books of accounts by the Head Office –Debtors System- ascertainment of Profit or Loss of Branch under Debtors System – Supply of goods at Cost Price and supply of goods at Invoice Price.

## Unit 5 : Conversion of Single-Entry System into Double Entry System 12 Hours

Single entry system- Meaning – Features – Merits – Demerits – Types. Conversion into Double Entry system – Need for Conversion – Preparation of Statement of Affairs – Cash book – Memorandum Trading Account – Total Debtors Account – Total Creditors Account – Bills Receivable Account – Bills Payable Account – Statement of Trading and Profit & Loss and Balance Sheet.

## Skill Development

1. Identify the procedure & documentations involved in the insurance claims.
2. Collect hire purchase agreement and draft dummy hire purchase agreements with imaginary figures.
3. Identify the common expenditures of a departmental undertaking
4. Collect the procedure and documentations involved in the establishment of various branches.
5. Visit any sole proprietor firm and identify the steps involved in the conversion of single entry into double entry system.
6. Any other activities, which are relevant to the course.

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