

A Systematic Approach to

ADVANCED FINANCIAL ACCOUNTING

As per the New Model Curriculum Designed under National Education Policy [NEP] Applicable to
2nd Semester B.Com Course of Bangalore University

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SYLLABUS

Module 1 : Insurance Claims for Loss of Stock and Loss of Profit 10 Hours

Meaning of fire claim - Features and Principles of Fire Insurance. Concept of Loss of Stock - Loss of Profit and Average Clause. Computation of Claim for loss of stock (including Over valuation and Under Valuation of Stock, Abnormal Items) and application of Average Clause.

Module 2 : Departmental Accounts 12 Hours

Meaning - Advantages - Disadvantages. Method of departmental accounting. Basis of allocation of common expenditure among various departments. Types of departments and inter-department transfers at cost price and invoice price (Theory and proforma journal entries). Preparation Departmental Trading and Profit and Loss Account including inter departmental transfers at Cost Price only.

Module 3 : Conversion of Single Entry into Double Entry 12 Hours

Meaning- Features - Merits - Demerits - Types of Single Entry System - Differences between Single Entry System and Double Entry System - Need and Methods of conversion of Single Entry into Double Entry - Problems on Conversion of Single Entry into Double Entry (Simple Problems only).

Module 4 : Royalty Accounts 12 Hours

Royalty and Royalty agreement - Introduction - Meaning - Definition - Differences between Rent and Royalty - Types of Royalty - Terms used in Royalty – Lessor – Lessee – Short Workings – Irrecoverable Short Workings - Recoupment of Short Workings – Surplus Royalty - Methods of Recoupment of Short Workings – Fixed and Floating methods - Preparation of Royalty Analysis Table (Excluding Government Subsidy) - Journal Entries and Ledger Accounts in the books of Lessee only – i) When Minimum Rent Account is opened ii) When Minimum Rent Account is not opened. Note: Problems including Strikes and Lockouts, but excluding sub-lease.

Module 5 : Average Due Date and Account Current 10 Hours

Average Due Date: Meaning - Concept - Uses of. Calculation of Average Due Date: i) Where amount is lent in one installment ii) Where amount is lent in various instalments iii) Taking Grace Days into account iv) Calculation of Due Date few months after date / Sight.

Account Current: Meaning – Need and Situation leading to Account Current Preparation Account Current with the help of : i) Interest table. ii) By Means of Product.

Skill Development

- Identify the procedure and documentation involved in Insurance Claims.
- Visit to the nearest Departmental Organization, Identify the common expenditures and the basis of allocation of the same among departments practiced there
- Visit any five Sole Proprietary Firm/ Partnership Firm, collect the information about the types of Single entry system they have adopted with accounting data and convert them into Double Entry system.
- Collect Royalty Agreement and study about drafting the same. Also develop E-content for Royalty Agreement.
- Collect information about bills of exchange of nearby firms and calculate Average Due Date in different situations.
- Any other activities, which are relevant to the course.

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