



Syllabus

ACC 104: Principles of Accounting

Grade: 12

Credit Hours: 5
Full Marks: 75 Marks

Course Scheme

Units	Chapters	Teaching Hours
1.	Accounting for Companies	19
2.	Financial Statements of a Company	50
3.	Cost Accounting	41
4.	Computerized Accounting System	10
5.	Practical and Project Work	40
	Total	160

Course Content

1. Company Accounting

Company and Its Formation..... 6 Hrs.

Concept of Corporation, meaning of the company, private and public company; Concept and features; differences between private and public company; main documents of a company: (Memorandum of Association, Articles of Association and prospectus).

Accounting for Shares..... 8 Hrs

Meaning of share capital, Types of share capital: Authorized, Issued, Subscribed, Called up and Paid up Capital. **Shares of a company:** Meaning, features, and types of shares-ordinary share/equity share and preference shares: Types of preference shares-redeemable and irredeemable, convertible and non- convertible; Differences between equity and preference share capital; Provision for issue of share as per Nepal Company Act.

Accounting for issue of shares: Issue of share at lump sum basis; issue of share at installment basis; share forfeiture, re-issue of forfeited shares; Minimum subscription of share; Under subscription, over subscription (rejection of all oversubscribed share; prorata- allotment for all subscribed shares; Mixed allotment: rejection and pro-rata allotment both); **Issue of share on cash:** Issue of shares at par, premium and discount.

Issue of shares other than cash: Issue of shares to underwriters, issue of shares for purchase of assets.

Accounting for Debentures..... 5 Hrs

Meaning, features, importance and types of debentures: (Bearer and Registered, Secured and Unsecured, Redeemable and Irredeemable, Convertible and Non-convertible, First and Second debentures; Differences between share and debentures)

Accounting for Issue of debenture: Issue of debenture: at par, at a premium and at a discount on in lump sum basis; Issue of debentures with redeemable conditions; Issue of debentures for consideration other than cash; Issue of debentures as collateral security; Redemption of debentures on cash at lump sum basis and conversion into shares.

2. Financial Statements of a Company

Corporate Financial Statements 24 Hrs

Financial statements: Meaning and its preparation; Preparation of Financial Statements under Traditional approach (Trading Account; Profit and Loss Account; Profit and Loss Appropriation Account; Balance Sheet) and Preparation of Financial Statements under Modern Structure based (Income statement, statement of retained earnings, balance sheet and statement of changes in shareholder's



equity) under the provision of Nepal Accounting Standards (NAS), Nepal Financial Reporting Standards (NFRS) and company act of Nepal with or without adjustments of corporation (Trading and service related firms).

Work Sheet 8 Hrs

Introduction, need of work sheet and preparation of Work Sheet.

Cash Flow Statement..... 18 Hrs.

Meaning and importance of cash flow statement; Preparation of cash flow statement (direct method and indirect method) without hidden adjustment on the basis of trial balance (work sheet based) and on the basis of comparative balance sheets.

3. Cost Accounting

Concept of Cost Accounting 4 Hrs.

Introduction, objectives, importance and limitations of cost accounting; limitations of financial accounting; difference between financial and cost accounting; **Methods of costing:** Job order costing, Process costing, Service costing, Unit or output costing, Batch costing, and Multiple costing.

Cost Concept and its classification: Meaning of cost; classification of cost: on the basis of production and process, element, functions, variability and controllability.

Accounting for Material and Material Control..... 10 Hrs.

Meaning and objectives of material control

Material Purchasing and Receiving Procedures: Receiving of material requisition form; Invitation for quotation or tender; purchase order; Receiving and inspection of materials; Approval invoice and payment. **Material purchasing department:** Centralized vs decentralized purchasing.

Store keeping: Meaning, types of stores, **storekeeper:** duties and responsibilities of storekeeper; classification and codification of materials; Bin cards.

Valuation of materials issued: Meaning of inventory valuation; Methods of valuation of closing stock and pricing of materials issue using perpetual and periodical inventory system: Preparation of store ledger under FIFO, LIFO, Simple average method and Weighted average cost method; Provision of inventory valuation under Nepal Taxation Act.

Stock Level: Meaning and computation of stock levels: Re- order level, Minimum stock level, Maximum stock level, Average stock level.

Economic Order Quantity (EOQ): Meaning and computation of EOQ, optimum Number of orders, length of order cycle and total cost of EOQ by using formula method only.

Accounting for Labour 4 Hrs

Labour Cost: Meaning and importance; Labour cost control and its need; Basic concept about labour: labour requisition form, employee's record, employee's history card, time card, biometric machine, job card, payroll sheet.

Wages payment system: Piece rate and time rate system (Meaning, advantages and disadvantages; Differences between piece rate and time rate system) Determination of Total wages using piece rate and time rate system.

Accounting for Overheads 2 Hrs.

Meaning of overheads; Classification of overhead on the basis of elements, function, behavior and control; Meaning of allocation, apportionment and absorption of overheads.

Computation of Unit or output costing 16 Hrs.

Meaning and importance of unit costing; Components of unit or output costing: Prime cost, factory overheads, factory cost, office and administrative overheads, cost of production, cost of goods sold,



selling and distribution overheads, cost of sales, profit, and total sales revenue; Meaning and preparation of cost sheet and tender sheet.

Cost Reconciliation Statement 5 Hrs.

Meaning of cost reconciliation statement; Causes of differences between the profit or loss of financial and cost accounting; Preparation of cost reconciliation statement.

4. Computerized Accounting System

Use of Computer in Accounting 10 Hrs.

Meaning, elements, importance and limitations of computerized accounting system; Application of computer in accounting;

Process of computerized accounting system: Source of accounting information in computerized accounting system: Invoice, purchase order, receipts and bar code; Analysis of information; Processor of accounting information: Journal, ledger and reports; Storage of information: Methods of data storage;

Accounting record in Excel: Depreciation schedule, Loan repayment schedule and Pay-roll sheet

Uses of software in accounting Software: Use of software: Language of software system; Need and features of accounting software; **Practical use of accounting software:** Creation of a Company, Account Master, Account Group, Journal, Ledger, Trial Balance, Income Statement, Balance Sheet; Display of Reports, Preparation of Bank Reconciliation Statement (For Small project Work Only).

Internal Evaluation

Full Marks: 25 Marks

Teaching Hours : 40

The teacher should maintain the proper records of the project work,, field visit, term exams as well attendance and participation of each students in learning activities to evaluate the 25% marks as internal evaluation. The internal evaluation is based on the following dimensions:

S.N	Area	Activities	Marks	Basis of Evaluation
1.	Learning Participation	Participation on learning activities	3	Attendance and active participation on learning activities.
2.	Project work	Preparation of presentation of project work	8	Project work: Reporting and presentation
3.	Field Visit	Preparation of presentation of field visit report	8	Field visit report: Preparation and presentation
4.	Subjective evaluation	Term Exams	6	Evaluation on the basis of term exams.

Specification Grid

Part I	Theory and Exercise																		
Scope	Contents	Number of Question and Marks						Marks Allocation						Total	Weight	Working Hour			
		V. Short Question (Remembering/ Knowledge)		Short Question (Understanding)		Long Question (Applying)		Total	V. Short Question		Short Question		Long Question				Total	Weight	
		Th	Nr	Th	Nr	Th	Nr		Th	Nr	Th	Nr	Th						Nr
Company Accounting	1. Corporate Concept															6	19		
	2. Accounting for Shares	2					4	2						12	8				
	3. Accounting for Debentures			2						5+2+3					5				
Company Financial Statements	4. Final Account of a Company (Traditional Method)															24	50		
	5. Financial Statement (Modern Method)	1	2		2		1	2		10			8	29	8				
	6. Worksheet														8				
	7. Cash Flow Statement					1							8		18				
Cost Accounting	8. Concept of Cost Accounting	2		1					2		5					4	41		
	9. Accounting for Overheads															2			
	10. Accounting for Materials and Material Control	1	1	1				1	1	2+3						10			
	11. Accounting for Labor													9		4			
	12. Cost Reconciliation Statement	1			1						2+3					5			
	13. Computation of Unit or Output Costing						1						8			16			
Computerized Accounting System	14. Use of Computer in Accounting	1		1				2	1		5				6	10	10		
Total		8	3	8		3	22	8	3	40			24	75	120	120			
Part II	Practical and Project Work														25	40			
Total																100	160		

Note: Th=Theory; Nr = Numerical

Types of Questions

Types of Questions	Number to questions	Total Marks
Very Short Answer Type	11	11
Short Answer Type	8	40
Long Answer Type	3	24
Total	22	75