



(Shri Ramkrishna Seva Mandal's)
ANAND COMMERCE COLLEGE

An Autonomous College (2025-26 to 2034-35)

(Affiliated to Sardar Patel University)

NAAC ACCREDITED 'A' GRADE (3.04 CGPA)

ISO 9001:2015

Syllabus as per NEP 2020 with effect from the Academic Year 2025-26



Bachelor of Commerce
B COM Semester – I

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|------------------------|-------------|---------------------|------------------------|
| Course Code | UC01MACOM01 | Title of the Course | Financial Accounting I |
| Total Credit of Course | 04 | Hours Per Week | 04 |

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| Course Objectives: | <ol style="list-style-type: none">1. To introduce students to the foundational concepts, objectives, and branches of financial accounting, along with its role in decision-making.2. To provide students with a comprehensive understanding of the process of dissolution of a partnership firm, including legal aspects and accounting treatments involved.3. To equip students with theoretical and practical knowledge of the sale of a partnership firm to a company, including reasons, methods of purchase consideration, and accounting treatments.4. To provide students with an understanding of the structure, purpose, and accounting system of a sole proprietorship business.5. To introduce students to the concept and practical application of piecemeal distribution of cash during gradual dissolution of a partnership firm. |
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| Course Content | | |
|----------------|--|----------------|
| Unit | Description | Weightage* (%) |
| 1. | Introduction to Financial Accounting (Only Theory): <ul style="list-style-type: none">• Meaning and Objectives of Accounting• Users of Accounting Information, Qualitative Characteristics of Financial Information• Branches of Accounting (Financial, Cost, Management)• Difference Between Financial and Management Accounting, Difference between Financial and Cost Accounting. | 20% |
| 2. | Accounting for Dissolution of Partnership (Theory & Example): <ul style="list-style-type: none">• Introduction to Dissolution, Meaning and Definition of Dissolution of a Firm• Legal Provisions Related to Dissolution• Accounting Treatment on Dissolution• Settlement of Accounts | 20% |
| 3. | Sale of partnership firm into a limited company (Theory & Example): <ul style="list-style-type: none">• Introduction to Sale of Business• Need and Objectives of Selling a Partnership Firm | 20% |

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| | <ul style="list-style-type: none"> Accounting Treatment on Sale, Purchase Consideration Methods of Calculation, Lump Sum Method, Net Assets Method, Net Payment Method Journal Entries in the Books of the Firm, Realization Account on Sale. | |
| 4. | Final Account of sole proprietor (Theory & Example): <ul style="list-style-type: none"> Meaning and Definition of a sole proprietor Objectives of a sole proprietor business Functions of a sole proprietor business Books of Accounts Maintained by sole proprietor. | 20% |
| 5. | Piecemeal Distributions of Cash (Theory & Example): <ul style="list-style-type: none"> Introduction and Method of Piecemeal Distribution of Cash: <ul style="list-style-type: none"> (A) Capital Surplus Method (B) Maximum Loss Method Example based on Capital Surplus and Maximum Loss Method. | 20% |

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| Teaching-Learning Methodology | <ul style="list-style-type: none"> Lecture Method Problem Solving Sessions Group Discussions Assignment and Home Exercises Classroom Presentations by Students Use of Audio-Visual Aids (PPTs, Videos) |
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Internal and / or External Examination Evaluation

| Sr. No. | Details of the Evaluation / Exam Pattern | 50 Marks (%) | 25 Marks (%) |
|---|--|------------------|------------------|
| 1 | Class Test (at least one) | 15 (30%) | 10 (40%) |
| 2 | Quiz (at least one) | 15 (30%) | 05 (20%) |
| 3 | Active Learning | 05 (10%) | ---- |
| 4 | Home Assignment | 05 (10%) | 05 (20%) |
| 5 | Class Assignment | 05 (10%) | ---- |
| 6 | Attendance | 05 (10%) | 05 (20%) |
| Total Internal (%) | | 50 (100%) | 25 (100%) |
| College External Examination (%) | | 50 (100%) | 25 (100%) |

| Course Outcomes: Having completed this course, the learner will be able to; | |
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| 1. | Understand the purpose of accounting, identify its key users, and distinguish between various branches and types of accounting information. |
| 2. | Explain the legal provisions and perform the necessary accounting entries for the dissolution and settlement of accounts in a partnership firm |
| 3. | Explain the process and objectives of selling a partnership firm and accurately prepare journal entries and realization accounts using various purchase consideration methods. |
| 4. | Explain the characteristics and functions of a sole proprietor and understand the preparation of final accounts through relevant books of accounts. |
| 5. | Apply both the Capital Surplus Method and the Maximum Loss Method to distribute cash among partners in stages and solve related accounting problems. |

| Suggested References: | |
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| Sr. No. | References |
| 1. | Advanced Accountancy – Volume I by R.L. Gupta & M. Radhaswamy (Meaning and Definition of Dissolution, Legal Provisions Related to Dissolution, Accounting Treatment of Dissolution, Preparation of Realization Account and Settlement of Accounts) |
| 2. | Fundamentals of Accounting by P.C. Tulsian (Meaning, Objectives, and Functions of Accounting, Users of Accounting Information, Qualitative Characteristics of Financial Information, Branches of Accounting, Differences Between Financial, Cost, and Management Accounting) |
| 3.. | Advanced Accountancy by S.P. Jain & K.L. Narang (Introduction and Objectives of Sale of Business, Methods of Calculating Purchase Consideration: Lump Sum Method, Net Assets Method, Net Payment Method, Journal Entries and Realization Account on Sale) |
| 4. | Financial Accounting by T.S. Grewal (Definition and Features of Sole Proprietor, Objectives and Functions of Sole Proprietorship Business, Books of Accounts Maintained, Format and Preparation of Final Accounts) |
| 5. | Advanced Accounts by M.C. Shukla & T.S. Grewal (Introduction to Piecemeal Distribution, Capital Surplus Method, Maximum Loss Method, Journal Entries and Cash Distribution with Examples) |
| Digital resources to be used if available as reference material | |
| Digital Resources | |
| https://books.google.com/books/about/Advanced_Accountancy_Volume_I_11th_Edit.html?id=oUh1DwAAQBAJ&utm_source=chatgpt.com | |
| https://www.vedantu.com/commerce/dissolution-of-partnership-firm | |
| https://nios.ac.in/media/documents/SrSec320NEW/320_Accountancy_Eng/320_Accountancy_Eng_Lesson25.pdf | |
| https://plutuseducation.com/blog/wp-content/uploads/2025/01/Dissolution-of-a-Firm.pdf | |



Chairman
BOS of Accountancy
Anand Commerce College



Academic Coordinator
Anand Commerce College



Principal
Anand Commerce College