

SNU Chennai Entrance Examination 2022 (SNUCEE 2022)

Accountancy Syllabus

1. Theory Base of Accounting: Fundamental accounting assumptions: GAAP: Concept - Business Entity, Money Measurement, Going Concern, Accounting Period, Cost Concept, Dual Aspect, Revenue Recognition, Matching, Full Disclosure, Consistency, Conservatism, Materiality, and Objectivity - System of Accounting. Basis of Accounting: cash basis and accrual basis - Accounting Standards: Applicability in IndAS - Goods and Services Tax (GST): Characteristics and Objective

2. Depreciation, Provisions, and Reserves: Depreciation: Concept, Features, Causes, factors - Other similar terms: Depletion and Amortisation - Methods of Depreciation: Straight Line Method (SLM) - Written Down Value Method (WDV) - Difference between SLM and WDV - Advantages of SLM and WDV - Accounting treatment of depreciation Provisions and Reserves: Difference - Types of Reserves: Revenue reserve - Capital reserve - General reserve - Specific reserve - Secret Reserve - Difference between capital and revenue reserve

3 Accounting for Bills of Exchange: - Bill of exchange and Promissory Note: Definition, Specimen, Features, Parties - Difference between Bill of Exchange and Promissory Note - Terms in Bill of Exchange: Term of Bill - Accommodation bill (concept) - Days of Grace - Date of maturity - Discounting of the bill - Endorsement of the bill - Bill after due date - Negotiation - Bill sent for collection - Dishonour of bill - Retirement of the bill - Renewal of bill - Accounting Treatment

4. Financial Statements: Meaning, objectives, and importance; Revenue and Capital Receipts; Revenue and Capital Expenditure; Deferred Revenue expenditure. Trading and Profit and Loss Account: Gross Profit, Operating Profit, and Net profit. Preparation. Balance Sheet: need, grouping, and marshalling of assets and liabilities - Preparation. Adjustments in preparation of financial statements on the closure of books. Preparation of Trading and Profit and Loss account and Balance Sheet of a sole proprietorship with adjustments

5. Accounting from Incomplete Records: Features, reasons, and limitations. Ascertainment of Profit/Loss by Statement of Affairs method. Difference between accounts from incomplete records and Statement of Affairs. Preparation of Trading, Profit and Loss Account, and Balance Sheet

6. Financial Statements of Not-for-Profit Organization: Not-for-profit organizations: concept - Receipts and Payments Account: features and preparation - Income and Expenditure Account: features, preparation of income and expenditure account and balance sheet from the given receipts and payments account with additional information

7. Accounting for Partnership Firms: Partnership: features, Partnership Deed - Provisions of the Indian Partnership Act 1932 in the absence of partnership deed - Fixed v/s fluctuating capital accounts. Preparation of Profit and Loss Appropriation account- the division of profit among partners, the guarantee of profits - Past adjustments Goodwill: nature, factors affecting and methods of valuation – average profit, super profit, and capitalization. Treatment of goodwill, assets, and liabilities revaluation on Reconstitution and Dissolution -. Admission of a partner. Retirement and death of a partner. Dissolution of a partnership firm: meaning of dissolution of partnership and partnership firm, types of dissolution of a firm. Settlement of accounts – preparation of realization account, and other related accounts

8. Company Accounts Accounting for Share Capital: Share and share capital: nature and types - Accounting for share capital: issue and allotment of equity and preference shares. Public subscription of shares, issue of shares for consideration other than cash - Concept of Private Placement and Employee Stock Option Plan (ESOP) - Accounting treatment of forfeiture and reissue of shares - Disclosure of share capital in the Balance Sheet of a company.

Accounting for Debentures: Debentures: Issue of debentures at par, at a premium, and at a discount. Issue of debentures for consideration other than cash; Issue of debentures with terms of redemption; debentures as collateral security concept, interest on debentures. Writing off discount/loss on issue of debentures - Creation of Debenture Redemption Reserve.

Financial statements of a Company: Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub - headings (as per Schedule III to the Companies Act, 2013)

9. Financial Statement Analysis: Objectives, importance, and limitations - Tools for Financial Statement Analysis: Comparative statements, common-size statements, cash flow analysis, ratio analysis - Accounting Ratios: Meaning, Objectives, classification, and computation - Liquidity Ratios: Current ratio and Quick ratio - Solvency Ratios: Debt to Equity Ratio, Total Asset to Debt Ratio, Proprietary Ratio and Interest Coverage Ratio - Activity Ratios: Inventory Turnover Ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio and Working Capital Turnover Ratio - Profitability Ratios: Gross Profit Ratio, Operating Ratio, Operating Profit Ratio, Net Profit Ratio and Return on Investment

10. Computerised Accounting: Overview of Computerised Accounting System - Structure of CAS - Software Packages: Generic; Specific; Tailored - Application in generating accounting information, Steps in the installation of CAS, codification, and Hierarchy of account heads, creation of accounts- Data: Entry, validation, and verification - Adjusting entries, preparation of balance sheet, profit, and loss account with closing entries and opening entries - Need and security features of the system - Database Management System (DBMS) - Concept and Features of DBMS - DBMS in Business Application - Generating Accounting Information – Payroll.
