

SNU Chennai Entrance Examination 2024 (SNUCEE 2024)

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 preferences 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.
