FINANCIAL ACCOUNTING & ANALYSIS IMPORTANT CONCEPTS

UNIT-1

THEORY:

1. Define Financial Accounting? Explain the Need & importance of accounting

2. Explain the Advantages & Limitations of Accounting?

3. Discuss the Principles of accounting (Accounting concepts & Conventions)

4. What are various Accounting standards? Discuss the importance of GAAP

5. Discuss various types of subsidiary books using formats?

Short questions:

1. Accounting vs. Book Keeping

2. Journal

3. Golden Rules of Accounting

Problems:

1. Journal Entries

2. Ledger Posting

3. Purchase & Purchase Returns Book

4. Sales & Sales Returns Book

5. Single column cash Book, Two column cash & Three column cash Book

UNIT-2

THEORY:

1. Discuss the preparation process of Final Accounts?

2. Sketch the proforma/format for Final accounts?

3. Discuss the adjustments and their treatment while preparing Final accounts

Short questions:

1. Capital expenditure vs. Revenue expenditure

2. List out Assets and Liabilities

3. Suspense Account

Problems:

1. Trial Balance

2. Final Accounts with adjustments

UNIT-3

THEORY:

1. Discuss various Inventory/stock valuation methods

2. Explain the Advantages & Limitations of Straight line method and written down value method?

3. Explain various Goodwill calculation methods

Short questions:

1. Depreciation vs. Amortization

2. Straight line method vs. Written down value method

3. LIFO Vs FIFO

4. Simple average vs. weighted average

Problems:

1. Depreciation using Straight line method & Written down value method

2. Stock/Inventory valuation using FIFO, LIFO, Simple average & weighted average

3. Goodwill valuation method (Average, Normal & Super Normal profit method)

UNIT-4

THEORY:

1. Explain the Need and Significance of cash flow statement analysis

2. Explain the Need and Significance of Funds flow statement analysis

3. Explain the preparation method for cash flow and funds flow statements

4. Sketch the format for cash flow and funds flow statements

Short questions:

1. Financing activities vs. investing activities

2. Funds from operating activities

3. List of source of funds and List of application of funds

4. Schedule for changes in working capital

Problems:

1. Cash flow statement analysis with adjustments

2. Funds flow statement analysis with adjustments

UNIT-5

THEORY:

1. Explain the significance of Ratio analysis

2. Explain the advantages & limitations of Ratio analysis

3. Explain various types of Ratios (formulas and standard/Ideal Ratios)

4. Explain the difference between comparative & common size statement analysis

Short questions:

1. Revenue from operations

2. Cost of goods sold (CGS) meaning & Formula

3. Debt-Equity Ratio

4. Gross profit Ratio vs. Net Profit Ratio

5. P/E Ratio & EPS Formula

Problems:

1. Comparative Income statement and comparative Balance sheet
2. Common size Income statement and common size Balance sheet
3. Ratio analysis (Liquidity Ratio, Solvency Ratio, Turnover Ratio & Profitability Ratios)

UNIT-6

THEORY:

1. Explain the significance of computerized accounting

2. Explain the features, Advantages of Tally ERP 9.0

3. Explain step by step procedure for the preparation of accounts in Tally ERP

4. Write various short cut keys under Tally ERP 9.0

Short questions:

1. Who is the founder of Tally?

2. What was the previous name for Tally?

3. Expand ERP?

4. List out various Accounting softwares/packages

5. Difference between Accounts only and Accounts with Inventory.