

## ACCOUNTANCY - STANDARD XII

Unit	Expected learning outcome	Contents	Transational strategy activity	Teaching Aids	No. of periods
1. Depreciation	Understands the meaning and definition of depreciation	1.1. Introduction 1.1.1 Meaning 1.1.2. Definition	Explain the need depreciation, causes of depreciation and methods of calculating depreciation	Charts Black Board Board visit to a factory	14
	Identifies the reasons for providing depreciation	1.2. Need	2. Explain the terms relevant to depreciation of fixed asset by showing the materials and field trips to a factory		
	Recognize the causes of depreciation	1.3. Causes	3. The amount of depreciation, the rate of depreciation and the profit or loss on sale of an asset to be calculated by the prescribed formulae		
	Understands the various basic terms relevant to accounting for depreciation	1.4. Basic terms 1.4.1. Fixed asset 1.4.2. Life of an Asset 1.4.3. Residual value 1.4.4. Obsolescence 1.4.5. Effluxion of time 1.4.6. Maintenance 1.4.7. Replacement	4. Asset and depreciation Account – to be prepared by posting of journal entries		
	Recognizes the various methods of charging depreciation	1.5. Methods 1.5.1. Straight Line Method Illustration 1.5.2. Written Down value Method 1.5.3. Sinking fund method 1.5.4. Annuity method 1.5.5. Insurance policy method 1.5.6. Revaluation method			

	Estimates the amount of depreciation and the rate of depreciation under straight line method (SLM)	1.6. Calculation of amount of depreciation – illustration 1.6.1 Calculation of Rate of depreciation – illustration			
	Determines the profit or loss at the time of sale of asset	1.7. Calculation of Profit or Loss on sale of asset (restricted to purchase and sale of one asset)			
	Transforms the journal entries into ledger accounts i.e. Asset account and depreciation account under straight-line method and written down value method.	1.8. Preparation of Asset Account and Depreciation Account under Straight Line & Written Down method			
2. Final accounts adjustments	1. Recognizes the format of trading account, profit and loss account and balance sheet	2.1. Introduction 2.2. Common adjustments 2.2.1. Closing stock 2.2.2. Outstanding expenses 2.2.3. Prepaid expenses 2.2.4. Accrued incomes 2.2.5. Incomes received in advance 2.2.6. Interest on capital 2.2.7. Interest on drawings 2.2.8. Interest on loans	Format – to be explained through chart. Items to be placed and explained to find out the Gross profit or loss and net profit or loss and to know the financial position of the business by the preparation of 1) Trading Account 2) Profit and loss account 3) Balance sheet	Charts, models & black board, newspaper cuttings field trip	24
	Recalls the importance of final accounts	2.2.9. Depreciation 2.2.10. Bad debts			

	Identifies the common adjustments	2.2.11.Provision for bad & doubtful debts 2.2.12. Provision for discount on debtors 2.2.13. Provision for discount on creditors 2.3. Preparation of final accounts with a maximum of 20 items and 6 adjustments including closing stock.  Illustration including adjusting entries, transfer entries and problems with 6 adjustments only			
	Understands the adjustments with adjusting entries and transfer entries and placement in the final accounts.				
3. Interpretation of financial statements	Recalls the meaning, significance and purpose of financial statement analysis	3.1 Financial statement analysis 3.1.1. Meaning 3.1.2. Significance 3.1.3.Purpose 3.1.4. Limitations	1.Explain the meaning role of ration analysis with financial statement analysis	Chart black board	28
	Recognizes the meaning and role of ration analysis	3.2. Ratio analysis 3.2.1. Meaning 3.2.2. Role	2. Ratios to be explained through charts or using the black board		
	Categories the various ratios on the basis of liquidity, solvency profitability and activity ratio	3.3. Classification of ratios 3.3.1. Liquidity ratio- meaning & calculation 3.3.1.1. Current ratio 3.3.1.2. Liquidity ratio 3.3.1.3. Quick	3. Liquidity ratios and profitability through calculation using formulae.		

		ratio 3.3.1.4. Calculation- Illustration 3.3.2. Solvency ratios			
	Understands the meaning of current ratio, liquidity ratio, debt-equity ratio, debt-total funds ratio, gross profit ratio, operating ratio and net profit ratio and activity ratios	3.3.2.1. Debt-equity ratio 3.3.2.2. Debt-total funds ratio 3.3.3. Profitability ratios 3.3.3.1. Gross profit ratio 3.3.3.2. Operating ratio 3.3.3.3. Net profit ratio 3.3.3.4. Calculation- Illustration 3.3.4. Activity ratios 3.3.4.1. Capital turnover ratio 3.3.4.2. Fixed assets turnover ratio 3.3.4.3. Stock turnover ratio 3.3.4.4. Debtors turnover ratio			
	Calculate three ratios (3) for liquidity and profitability	3.4. Calculation of liquidity ratios (3) and profitability ratios (3) with necessary items only			
	Applies the formulae to find out the ratios				
4. Cash budget	1. Understands the meaning and uses of the cash budget  2. Analysis the cash budget by preparing as per the receipts and payments method	4.1. Introduction 4.2. Meaning 4.3. Utility 4.4. Preparation of cash budget as per receipts and payments method (simple problems) – Illustration Maximum of 3 months restricted to five items only	1. Explains the meaning and utility of the cashbook and the items placed in the cashbook. 2. Cash budget to be prepared as per receipts and payments method	Chart, model, black board	7
5.A accounts	Recognizes the double entry system	5.1. Introduction 5.1.1. Meaning 5.1.2. Definition 5.1.3. Features 5.1.4. Limitations	1. Nature of the single entry system to be explained	Chart model, black board, field trip	21

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	<p>Understands the meaning, definition, features and limitations of single entry system</p>	<p>5.2. Ascertainment of profit or loss  5.2.1. Statement of Affairs method  5.2.1. Preparation of statement of profit or loss illustration  5.2.1.2. Preparation of statement of affairs – illustration  5.2.2. Conversion method  5.2.2.1. Preparation of trading, profit and loss account and balance sheet with simple problems by opening important ledger accounts – debtors, creditors, cash-illustration</p>	<p>Calculate the profit or loss by preparing statement of affairs and statement of profit or loss</p>		
	<p>Sees the relationship between accounts from incomplete records and double entry system</p> <p>Estimates the capital by the preparation of statement of affairs</p> <p>Determines the profit or loss by preparing the statements</p> <p>Transforms the available items to the final accounts</p>	<p>5.3. Distinction between accounts from incomplete records and double entry.</p>	<p>Prepare the final accounts with opening of debtors A/c, Creditors A/c, cash A/c by conversional method</p>		

6. Partnership basic concepts	Recalls the meaning. Definition and features of partnership.	6.1. Introduction 6.1.1. Meaning 6.1.2 Definition 6.1.3. Features	Partnership –meaning, definition, features to be explained.	Charts, models, blackboard	14
	Understands the meaning of fixed capital and fluctuating capital and its preparation.	6.2. Capital 6.2.1. Fixed capital 6.2.2. Fluctuating capital. 6.2.3. Preparation of capital accounts –Illustration	Prepares the capital accounts and current accounts of the partners	Visit to a firm	
	Estimates the interest on capital, interest on drawings, salary, commission and distribution of profit among the partners by preparing the profit and loss appropriation account	6.3. Distribution of profit 6.3.1. Interest on capital 6.3.2. Interest on drawings 6.3.3. Salary, commission to a partner 6.3.4. Preparation of profit and loss appropriation account	Prepares the profit and loss appropriation account in the black board or placing the chart		
	Understands the meaning, nature and factors of goodwill	6.4. Goodwill 6.4.1. Meaning and nature 6.4.2. Factors 6.4.3. Methods of valuing the Goodwill- average period, super profit method	Explains the meaning, nature and factors of Goodwill		
	Illustrates the various methods of valuing the goodwill		Calculates the Goodwill under various methods,(simple problem)		

7. Partner ship admission	Understands the points to be remembered i.e., adjustments to be made at the time of admission of a partner in a firm.	7.1. Introduction 7.1.1. Adjustments	1. Explains the various adjustments to be made at the time of admission of a partner. 1) Revaluation of assets and liabilities 2) Transfer of accumulated reserves and surplus 3) Treatment of Goodwill	Charts, models, blackboard visit to a firm	28
	Estimates the new ratio after admission and sacrificing ratio	7.2. New profit sharing ratio illustration 7.2.1 calculation of new profit ratio and sacrificing ratio illustration	Explains with Journal entries and calculation of new ratio and preparation of revaluation account, capital accounts and balance sheet.		
	Estimates the value of assets and liabilities at the time of admission	7.3.Revaluation of assets and liabilities 7.3.1. Increase in the value assets 7.3.2. Decrease in the value of assets 7.3.3. Increase in the value of liabilities 7.3.4. Decrease the value of liabilities 7.3.5. Unrecorded assets now recorded 7.3.6. Unrecorded liabilities now recorded 7.3.7.Creation of a liability 7.3.8. Profit or loss on revaluation-illustration			
	Determines the financial position after admission by preparing the balance sheet after the preparation of revaluation account and capital account	7.4. Transfer accumulated profit or loss-illustration 7.5. Transfer of accumulated reserve – illustration			

	Understands the treatment of Goodwill	7.6. Treatment of Goodwill (Revaluation method only)- illustration 7.7. Capital brought in by a new partner- illustration 7.8. Preparation of revaluation A/c, capital accounts and balance sheet after admission of a partner illustration			
8. Partner ship retirement	Understand the adjustments to be made at the time of retirement of a partner in a firm	8.1.Introduction 8.1.1. Adjustments	Explains the adjustments to be made at the time of retirement with journal entries	Charts, models black board	19
	Estimates the new ratio after retirement	8.2. New profit ratio 8.2.1. Calculation of new profit ratio – Illustration 8.2.2. Calculation of gaining ratio- illustration	Calculates the new ratio after retirement of partner	Visit to a firm	
	Estimates the value of assets and liabilities at the time of retirement	8.3. Revaluation of Assets and liabilities – illustration 8.4. Transfer of accumulated profit or loss- illustration	Prepares the revaluation account, capital accounts and balance sheet.		
	Understands the treatment of Goodwill	8.5. Adjustment of Goodwill illustration 8.6. Transfer of reserves illustration 8.7. Transfer of the amount due to the outgoing Partner- illustration			



	Determines the financial position after retirement by preparing the balance sheet After the preparation of revaluation account and capital accounts	8.8. Preparation of revaluation account, capital accounts and balance sheet after retirement of a partner-illustration			
9. Accounts of joint stock companies	Recognizes the importance of joint stock companies	9.1.Introduction 9.1.1. Definition 9.1.2. Characteristics	Explain the importance, meaning, definition and characteristics of joint stock companies	Chart model black board visit to a company form of organization paper cutting.	35
	Understands the meaning, definition and characteristics of a company	9.2. Sources of finance	Explain the sources of finance, share through showing the share certificate, Application forms		
	Analyses the sources of finance	9.3. Share capital 9.3.1. Meaning of shares 9.3.2. Kinds of shares 9.3.3. Types of share capital a) Authorized b) Issued c) Subscribed d) Called-up e) Uncalled f) Paid-up	Passes the journal entries in the black board and explains the items to be posted in the relevant accounts		
	Understands the meaning of share and its kinds share capital and all types.	9.4. Issue of shares 9.4.1. Application 9.4.2. Allotment 9.4.3. Calls	Prepare the ledger accounts and balance sheet.		
	Classifies the issue of shares	9.5. Allotment of shares including over subscription 9.5.1.Issue of shares at per illustration 9.5.2. Issue of shares at a premium-illustration 9.5.3.Issue of			

		shares at a discount-illustration			
	Understands the application allotment, calls including over subscription, under subscription, call in arrears and calls in advance	9.6. Calls in advance illustration 9.7. Calls in arrears illustration			
	Passes the journal entries issue of shares at par at premium and at discount.				
	Understands the meaning of forfeiture of shares, and reissue of forfeited shares.	9.8. Forfeiture of shares meaning and accounting treatment 1) Shares issued at par, 2) At a premium and 3) At a discount (simple problems)-illustration  9.9. Re-issue of forfeited shares 9.9.1. Meaning 9.9.2. Accounting treatment for re-issue of forfeited shares issued 1) At par 2) At a premium 3) At a discount (simple problems)-illustration			
	Prepares the ledger accounts after passing the journal entries and prepares balance sheet.	9.10. Passing of necessary journal entries and preparation of ledger accounts and balance sheet giving effect to the			

		above items- illustration			
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