

அனைத்து வணிகவியல் ஆசிரிய பெருமக்களுக்கும் வணக்கம்

நமது வணிகவியல் ஆசிரிய பெருமக்களுக்காக நம் மாநிலத்தில் உள்ள பல்வேறு மாவட்ட வணிகவியல் ஆசிரியர்களின் கூட்டு முயற்சியால் எந்தவித இலாப நோக்கமில்லாமல் 12 ஆம் வகுப்பு கணக்குப்பதிவியல் (ஆங்கில வழி) Notes of Lesson தயாரிக்கப்பட்டுள்ளது

அரசு நம்மிடம் எதிர்பார்க்கும் அனைத்து தலைப்புகளையும் உள்ளடக்கி தயாரிக்கப்பட்டுள்ளது

இந்த முயற்சிக்கு ஒத்துழைப்பு நல்கிய அனைத்து வணிகவியல் ஆசிரியர்களுக்கும் நன்றி

மேலும் இதனை தயாரித்தவர்கள் அவர்களின் பள்ளி மற்றும் மாவட்ட சூழலுக்கு ஏற்றவாறு தயாரித்துள்ளனர். இதனை உங்கள் பள்ளிக்கு ஏற்றவாறு நீங்கள் மாற்றி எழுதிக்கொள்ளவும்

இதனை தயாரித்தவர்கள் அவர்களின் விடுமுறை நாட்களில் நமக்காக தயாரித்துள்ளனர்.

இதில் ஏதேனும் குறையோ அல்லது மாற்றமோ கூற நினைத்தால் சம்மந்தப்பட்ட ஆசிரியர்க்கோ அல்லது எனக்கோ நீங்கள் (தயாரித்தவர் மனம் புண்படாதவகையில்) தகவல் தெரிவிக்கலாம்

மீண்டும் ஒரு முறை இந்த முயற்சிக்கு ஒத்துழைப்பு நல்கிய அனைத்து வணிகவியல் ஆசிரியர்களும் நன்றி

இவண்

தொகுப்பாளர்

M. முத்துச்செல்வம்

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மதுரை

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## 12 th Std Accountancy (EM)

Notes of Lesson தயாரித்துள்ள ஆசிரிய பெருமக்களின் பெயர் விவரம்

பாடம்	ஆசிரியர் பெயர்	பணி புரியும் பள்ளி	மொபைல் எண்
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**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 1**

**CHAPTER : ACCOUNTS FROM INCOMPLETE RECORDS**

**DATE : JUNE I WEEK**

**Prepared by: M.Mahalakshmi**

Govt Madura Sugars HSS Pandiarajapuram

Madurai (Dist)

**Cell No: 80725 22280**

### LEARNING OBJECTIVES:

- ✓ To enable the students to understand the features and limitations of incomplete records.
- ✓ To enable the students to find out the profit or loss by preparing statement of profit or loss.

### EXPECTED LEARNING OUTCOMES:

At the end of the topic students should be able to

- ✓ Know the features and limitations of incomplete records.
- ✓ Calculate profit or loss from incomplete records through statement of profit or loss.

### TEACHING LEARNING MATERIALS:[TLM]

PPT, Videos, QR Code, Online MCQ.

### PREVIOUS KNOWLEDGE:

### MOTIVATION

Recalling the rules of accounting, double entry system and its principles, Final accounts.

- ✓ Say the golden rules of accounting.
- ✓ Ask the following question to the students if the Total assets=80,000 liabilities=15000 then capital-----
- ✓ To prepare trial balance whether we have to use single entry or double entry.
- ✓ Ask the question to the students Do you know to calculate the profit or loss in final accounts.

### INTRODUCTION TO THE LESSON:

- ✓ The term single entry is used to refer any method of maintaining accounts which does not confirm to strict principles of double entry.
- ✓ It does not mean that there is only one entry for each transaction.
- ✓ Only Personal accounts and cash accounts are maintained.
- ✓ Small traders follow this method without systematic accounting knowledge.

### LESSON DEVELOPMENT:

#### MEANING OF INCOMPLETE RECORDS

When accounting records are not strictly maintained according to double entry system, these records are called incomplete accounting records.

#### FEATURES OF INCOMPLETE RECORDS

Following are the features of incomplete records:

- I. NATURE
- II. TYPES OF ACCOUNTS MAINTAINED
- III. LACK OF UNIFORMITY
- IV. FINANCIAL STATEMENTS MAY NOT REPRESENT TRUE AND FAIR VIEW
- V. SUITABILITY
- VI. MIXING UP OF PERSONAL AND BUSINESS TRANSACTIONS

#### LIMITATIONS OF INCOMPLETE RECORDS

Following are the limitations of incomplete records:

- I. LACK OF PROPER MAINTENANCE OF RECORDS
- II. DIFFICULTY IN PREPARING TRIAL BALANCE
- III. DIFFICULTY IN ASCERTAINING TRUE PROFITABILITY OF THE BUSINESS
- IV. DIFFICULTY IN ASCERTAINING FINANCIAL POSITION
- V. ERRORS AND FRAUDS CANNOT BE DETECTED EASILY
- VI. UNACCEPTABLE TO GOVERNMENT AND OTHER AUTHORITIES

#### STEPS TO BE FOLLOWED TO FIND OUT THE PROFIT OR LOSS BY PREPARING STATEMENT OF AFFAIRS

1. Ascertain the opening capital by preparing a statement of affairs at the beginning of the year.
2. Ascertain the closing capital by preparing a statement of affairs at the end of the accounting year.
3. Add the amount drawings to the closing capital
4. Deduct the amount of additional capital introduced, to get adjusted closing capital
5. Ascertain profit or loss by subtracting opening capital from the adjusted closing capital
  - (a) If adjusted closing capital is more than the opening capital, it denotes profit
  - (b) If adjusted closing capital is lesser than the opening capital, it denotes loss

#### FORMAT OF STATEMENT OF PROFIT AND LOSS ACCOUNT

##### Statement of profit or loss for the year ended.....

Particulars	Rs
Capital at the end of the year	xxx
<b>Add:</b> Drawing during the Year	xxx
	Xxx
<b>Less:</b> Additional capital introduced during the year	Xxx
Adjusted closing capital	Xxx
<b>Less:</b> Opening Capital	Xxx
<b>Profit or Loss for the Year</b>	<b>XXX</b>

#### STUDENT'S ACTIVITIES:

Students are asked to take down the important points explained and asked them to underline keywords and points.

- Visit nearby petty shops. Observe for an hour. Do they record sale immediately after it takes place? Find out from the seller about how he/she keeps a track of the sales, expenses and profit.
- **Think:** An additional capital of Rs.45,000 has been introduced during the year. Observe the details given in the question. Think of any two reasons for the need for additional capital.
- Given exercise problems practicing them to understand the terms.

**REINFORCEMENT:**

- ✓ **Closing Capital + Drawings - Additional Capital - Opening Capital = Profit or Loss.**

**RECAPITALATION:**

From the information available from incomplete records and from other documents the missing figures can be found out and then final accounts can be prepared.

**EVALUATION:**

**LOT** Asset=Capital+.....

**MOT** Incomplete records are generally maintained by.....

**HOT** What is the amount of capital of the proprietor, if his assets are Rs.85,000 and liabilities are Rs.21,000?

- a) 85,000      b) 1,06,000      c) 21,000      d) 64,000

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**ACTIVITIES:**

S.NO	CLOSING CAPITAL	DRAWINGS	ADDITIONAL CAPITAL	OPENING CAPITAL	PROFIT/LOSS
1	10000	40000	20000	90000	?
2	?	30000	40000	80000	20000
3	70000	?	30000	40000	10000

Simple problems will be given as exercise.

**FOLLOW UP:**

- ✓ Students are asked to identify the organisations when double entry accounting system is not followed.
- ✓ Exercise problems will be given.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 1**

**CHAPTER : ACCOUNTS FROM INCOMPLETE RECORDS**

**DATE: JUNE 2 WEEK**

**Prepared by: M.Mahalakshmi**

Govt Madura Sugars HSS Pandiarajapuram  
Madurai (Dist)

**Cell No: 80725 22280**

**LEARNING OBJECTIVES:**

- ✓ To enable the students to prepare statement of affairs.
- ✓ To enable the student to find out the opening capital and closing capital.
- ✓ Prepare statement of affairs and calculate profit or loss from incomplete records.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Prepare statement of affairs
- ✓ Differentiate statement of affairs and balance sheet.
- ✓ Calculate profit or loss from incomplete records through statement of affairs.

**TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ.

### PREVIOUS KNOWLEDGE:

#### MOTIVATION

- ✓ List out the assets and liabilities
- ✓ Ask the question to the students Do you know the opening capital and closing capital.

#### INTRODUCTION TO THE LESSON:

A statement of affairs is a statement showing the balances of assets and liabilities on a particular date. It is prepared from incomplete records to find out the capital of a business unit on a particular date. This statement resembles a balance sheet. The difference between the total of assets and total of liabilities is taken as capital.

#### LESSON DEVELOPMENT:

The statement of affairs is a list of asset and liabilities it is not called balance sheet.

$$\text{CAPITAL} = \text{ASSET} - \text{LIABILITIES}$$

#### FORMAT OF STATEMENT OF AFFAIRS

In the books of.....

Statement of affairs as on.....

Liabilities	Rs	Assets	Rs
Sundry creditors	xxx	Cash in hand	xxx
Bills Payable	xxx	Cash at bank	xxx
Outstanding Expenses	xxx	Sundry Debtors	xxx
Bank overdraft	Xxx	Bills receivable	xxx
Capital[balancing figure]	xxx	Stock-in-trade	xxx
		Prepaid Expenses	xxx
		Fixed assets	xxx
	xxx		xxx

#### STUDENT'S ACTIVITIES:

- Students are asked to take down the important points explained and asked them to underline keywords and points.
- Game will be given to the students to list out the assets and liabilities in a stipulated period
- Given exercise problems practicing them to understand the terms.

#### REINFORCEMENT:

Statement of affairs is prepared to find out capital on a particular day.

#### RECAPITALATION:

Format of statement of affairs will be recalled to the students.

#### EVALUATION:

**LOT** What is a statement of affairs?

**MOT** Differentiate between statement of affairs and balance sheet.

**HOT** Opening statement of affairs is usually prepared to find out the

- a) Capital in the beginning of the year
- b) Capital at the end of the year
- c) Profit made during the year
- d) Loss occurred during the year

#### REMEDIAL TEACHING:

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

#### FOLLOW UP:

- ✓ Exercise problems will be given.

**CLASS : XII****SUBJECT : ACCOUNTANCY****TOPIC : UNIT 1****CHAPTER : ACCOUNTS FROM INCOMPLETE RECORDS****DATE: JUNE 3 WEEK****Prepared by: M.Mahalakshmi**

Govt Madura Sugars HSS Pandiarajapuram

Madurai (Dist) Cell No: 80725 22280

**LEARNING OBJECTIVES:**

- ✓ To enable the students to prepare total debtors account and bills receivable account.
- ✓ Prepare final accounts from incomplete records.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Prepare total debtors and bills receivable account.
- ✓ Find out the missing items such as credit sales, Bills receivable received for the purpose of preparing final accounts.

**TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ,

**PREVIOUS KNOWLEDGE:****MOTIVATION**

- ✓ Ask the questions to the students what is total sales?  
Total sales=Cash sales + Credit sales
- ✓ From incomplete records how will you calculate credit sales?

**INTRODUCTION TO THE LESSON:**

- ✓ Missing figures must be found out with the available data.
- ✓ By preparing total debtors account and bills receivable account find the credit sales and balance of bills receivable received respectively.

**LESSON DEVELOPMENT:**

MISSING ITEMS	APPROPRIATE ACCOUNT TO FIND ITEMS
➤ CREDIT SALES	➤ TOTAL DEBTORS ACCOUNT
➤ CREDIT PURCHASE	➤ TOTAL CREDITORS ACCOUNT
➤ BILLS RECEIVABLE RECEIVED OR COLLECTED	➤ BILLS RECEIVABLE ACCOUNT
➤ BILLS PAYABLE ISSUED OR HONOURED	➤ BILLS PAYABLE ACCOUNT
➤ OPENING STATEMENT OF AFFAIRS	➤ OPENING CAPITAL
➤ CLOSING STATEMENT OF AFFAIRS	➤ CLOSING CAPITAL

**LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES:****PREPARATION OF FINAL ACCOUNTS FROM INCOMPLETE RECORDS**

When books of accounts are incomplete, information regarding revenues, expenses assets and liabilities is not known fully. Hence, it becomes difficult to prepare trading and profit and loss account and balance sheet. But with the available data, the missing figures can be found out and then the final accounts can be prepared

 **STEPS TO BE FOLLOWED TO PREPARE FINAL ACCOUNTS FROM INCOMPLETE RECORDS.**

Following are the steps to be followed to prepare final accounts from incomplete records.

1. Opening statement of affairs is to be prepared, to ascertain the opening capital.
2. Missing figures must be found out with the available data.

This can be done by preparing memorandum accounts or by making necessary adjustments to the existing figures. For example,

- It may become necessary to prepare a cash book to find out the missing items such as cash purchases, cash sales, etc.
- By preparing total debtors account and total creditors account, credit sales and credit purchases can be ascertained respectively.
- Bills receivable account and bills payable account are to be prepared to find out the balances of bills receivable received and bills payable accepted respectively.

The final step is to prepare trading and profit and loss account and balance sheet.

### FORMAT OF TOTAL DEBTORS ACCOUNT

#### TOTAL DEBTORS ACCOUNT

Dr		Cr	
Particulars	Rs	Particulars	Rs
To Balance b/d (Opening balance)	xxx	By Cash A/c(received)	xxx
<b>To Sales A/c (Credit sales)</b>	xxx	By Bank A/c (Cheques received)	xxx
To Bank A/c (Chequedishonoured)	xxx	By Discount Allowed A/c	xxx
To Bills receivable A/c (bills dishonoured)	xxx	By Sales returns A/c	xxx
		By Bad debts A/c	xxx
		By Bills receivable A/c (Bills received)	xxx
		By Balance c/d (Closing balance)	xxx
	xxx		xxx

### FORMAT OF BILLS RECEIVABLE ACCOUNT

#### BILLS RECEIVABLE ACCOUNT

Particulars	Rs	Particulars	Rs
To Balance b/d (Opening balance)	xxx	By Cash / bank A/c (Bills receivable honoured)	xxx
To Sundry debtors A/c (Bills receivable received during the year)	xxx	By Balance c/d (Closing balance)	xxx
	xxx		xxx

$$\text{TOTAL SALES} = \text{CASH SALES} + \text{CREDIT SALES}$$

### STUDENT'S ACTIVITIES:

Students are asked to take down the important points explained and asked them to underline keywords and points.

Given exercise problems practicing them to understand the terms.

### REINFORCEMENT:

The amount of credit sales can be computed from total debtors account.

Total sales=Cash sales + Credit sales

### RECAPITALATION:

From the information available from incomplete records and from other documents the missing figures can be found out and then final accounts can be prepared.

### EVALUATION:

**LOT** State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed

**MOT** How is the amount of credit sale ascertained from incomplete records?

**HOT** Opening balnce of debtors =Rs.30,000, Cash received=Rs.1,00,000,  
Credit sales=Rs.90,000, Closing balance of Debtors is .....

### REMEDIAL TEACHING:

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

### FOLLOW UP:

✓ Exercise problems will be given.

**CLASS : XII**  
**SUBJECT : ACCOUNTANCY**  
**TOPIC : UNIT 1**  
**CHAPTER : ACCOUNTS FROM INCOMPLETE RECORDS**  
**DATE : JUNE 4 WEEK**

**Prepared by: M.Mahalakshmi**  
 Govt Madura Sugars HSS Pandiarajapuram  
 Madurai (Dist) **Cell No: 80725 22280**

**LEARNING OBJECTIVES:**

- ✓ To enable the students to prepare total creditors account and bills payable account.
- ✓ Prepare final accounts from incomplete records.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Prepare total creditors and bills payable account.
- ✓ Find out the missing items such as credit purchase, Bills payable paid for the purpose of preparing final accounts.

**TEACHING LEARNING MATERIALS:[TLM]**

**PPT Videos, QR Code, Online MCQ.**

**PREVIOUS KNOWLEDGE:**

**MOTIVATION**

- ✓ Ask the questions to the students what is total purchase?  
 Total purchase = Cash purchase + Credit purchase
- ✓ From incomplete records how will you calculate credit purchase?

**INTRODUCTION TO THE LESSON:**

- ✓ Missing figures must be found out with the available data.
- ✓ By preparing total creditors account and bills payable account find the credit purchase and balance of bills payable paid respectively.

**LESSON DEVELOPMENT:**

**FORMAT OF TOTAL CREDITORS ACCOUNT**  
**TOTAL CREDITORS ACCOUNT**

Dr		Cr	
Particulars	Rs	Particulars	Rs
To Cash A/c (Paid)	xxx	By Balance b/d (opening balance)	xxx
To Bank A/c (Cheques paid)	xxx	By Purchases A/c (Credit purchases)	xxx
To Bills Payable A/c (Bills accepted)	xxx	By Bank A/c (Cheques dishonoured)	xxx
To Discount received A/c	xxx	By Bills payable A/c (dishonoured)	xxx
To Purchase returns A/c	xxx		
To Balance c/d (Closing balance)			
	xxx		xxx

**FORMAT OF BILLS PAYABLE ACCOUNT**

**BILLS PAYABLE ACCOUNT**

Particulars	Rs	Particulars	Rs
To Cash / bank A/c (Bills payable paid)	xxx	By Balance b/d (opening balance)	xxx
To Sundry creditors A/c (bills payable dishonoured)	xxx	By Sundry creditors A/c (bills accepted)	xxx
To Balance c/d (Closing balance)	xxx		
	xxx		xxx

**TOTAL PURCHASES= CASH PURCHASES + CREDIT PURCHASES****STUDENT'S ACTIVITIES:**

Students are asked to take down the important points explained and asked them to underline keywords and points.

Given exercise problems practicing them to understand the terms.

**REINFORCEMENT:**

The amount of credit purchases can be computed from total creditors account.

Total purchase = Cash purchase + Credit purchase

**RECAPITALATION:**

From the information available from incomplete records and from other documents the missing figures can be found out and then final accounts can be prepared.

**EVALUATION:**

**LOT** List out the items comes under the total creditors account.

**MOT** How is the amount of credit purchase ascertained from incomplete records?

**HOT** Opening balance of creditors = Rs.30,000, Cash paid = Rs.1,00,000,

Credit purchase = Rs.90,000, Closing balance of creditors is .....

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**FOLLOW UP:**

- ✓ Exercise problems will be given.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**Prepared by: Ahamed Sulaiman**

CENTRAL HSS KAYALPATNAM

THOOTHUKUDI DISTRICT

Cell No: 87540 78521

**TOPIC : UNIT 2**

**CHAPTER : ACCOUNTS OF NOT FOR PROFIT ORGANISATION**

**DATE : JULY I WEEK**

**LEARNING OBJECTIVES:**

- ✓ To enable the students to understand the features of not-for-profit organisation
- ✓ To Understand the accounting treatment of items peculiar to not-for-profit organisation

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Know the features and limitations not-for-profit organisation
- ✓ Know the Revenue and Capital items of not for profit organization.
- ✓ Know the Receipt and Payment Account

**TEACHING LEARNING MATERIALS:[TLM]**

**PPT Videos, QR Code, Online MCQ.**

**PREVIOUS KNOWLEDGE:**

Recall the cash book fully. And cash received and cash paid items.

**MOTIVATION**

Recalling the Expenditure and Receipt items.

- ✓ Say the Revenue Receipts and Revenue Expenditure items
- ✓ Say the Deferred Revenue Expenditure items
- ✓ Ask the question to the students such as Rent paid is capital or Revenue item?
- ✓ Remember the Cashbook Format.

**INTRODUCTION TO THE LESSON:**

- ✓ Some organisations are established for the purpose of rendering services to the public without any profit motive
- ✓ They may be created for the promotion of art, culture, education, sports, etc

- ✓ These organisations are called not-for-profit organisation
- ✓ some of the examples of not-for-profit organisations are: Charitable institutions, educational institutions, cultural societies, sports and recreation clubs, hospitals etc,...

**LESSON DEVELOPMENT:**

Revenue Receipts	Capital Receipts	Revenue or Capital Receipts
Subscription Interest in investment Collection or Receipts relating to A) Tournament B) sports	Life membership fees Legacies Donations	Admission fee or Entrance fees Special fees

**LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES**  
**FORMAT OF RECEIPTS AND PAYMENTS ACCOUNT**

Receipts	Rs.	Rs.	Payments	Rs.	Rs.
To Balance b/d			By Balance b/d	,	****
Cash in hand	****		Bank overdraft		****
Cash at bank	****		Revenue payments:		
		*****	By Salary paid		****
Revenue receipts:			By Rent paid		****
To Subscription		****	By Electricity charges		****
To Entrance fees		****	Capital Payments:		****
Capital receipts:			By Fixed Assets		
To Life membership fees		****	By Repayment of loan		****
To Legacies		****	By Investments		

**STUDENT'S ACTIVITIES:**

Students are asked to take down the important points explained and asked them to underline keywords and points.

Given exercise problems practicing them to understand the terms.

**REINFORCEMENT:**

- ✓ Revenue Receipts, Capital Receipts, Revenue Expenditure, Capital Expenditure, Deferred Revenue Expenditure

**RECAPITALATION:**

From the information available from Not for profit organization and from Revenue and Capital items can be found out and then Receipts and Payment accounts can be prepared.

**EVALUATION:**

What is Capital Receipts?

What are Capital Receipts items?

What is Revenue Expenditure?

What are Revenue Expenditure items?

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**ACTIVITIES:**

Simple problems will be given as exercise.

**FOLLOW UP:**

- ✓ Students are asked to identify the not for profit organization
- ✓ Exercise problems will be given.

**CLASS : XII**  
**SUBJECT : ACCOUNTANCY**

**Prepared by: Ahamed Sulaiman**  
CENTRAL HSS KAYALPATNAM  
THOOTHUKUDI DISTRICT  
**Cell No: 87540 78521**

**TOPIC : UNIT 3**  
**CHAPTER : ACCOUNTS OF PARTNERSHIP FIRMS-FUNDAMENTALS**  
**DATE : JULY III WEEK**

**LEARNING OBJECTIVES:**

- ✓ To enable the students to understand the meaning and features of partnership, Partnership deed.
- ✓ To enable the students to understand fixed and fluctuating capital methods of maintaining capital accounts of partners.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Meaning, definition and features of partnership
- ✓ Partnership deed, Contents of partnership deed
- ✓ Application of the provisions of the Indian Partnership Act, 1932 in the absence of partnership deed
- ✓ Methods of maintaining capital accounts of partners

**TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ.

**PREVIOUS KNOWLEDGE:**

Recall the Sole tradership and their final accounts.

**MOTIVATION**

To motivate the students to recall the sole trader final accounts and their capital account and explain the differentiate between the Soletradership and Partnership.

- ✓ Say the methods of capital accounts of partnership.
- ✓ Explain the Fixed capital method and their two accounts such as Capital Account and Current Account.
- ✓ Explain the Fluctuating capital method and and their only one account such as Capital account.
- ✓ Ask some questions in the Fixed capital method and Fluctuating capital method.

**INTRODUCTION TO THE LESSON:**

- ✓ To teach the meaning of partnership, and partnership deed, contents of partnership deed.
- ✓ When two or more persons join together to form a business to share the profit or loss arising therefrom in an agreed ratio, the relationship among them is called partners.
- ✓ Partnership deed is a document in writing that contains the terms of the agreement among the partners. It is not compulsory for a partnership to have a partnership deed as per the Indian Partnership Act, 1932. But, it is desirable to have a partnership deed as it serves as an evidence of the terms of the agreement among the partnership. The business may be carried on by all or any of them acting for all.
- ✓ Generally, partnership deed contains the following:
  - ✓ 1. Name of the firm and nature and place of business
  - ✓ 2. Date of commencement and duration of business
  - ✓ 3. Names and addresses of all partners
  - ✓ 4. Capital contributed by each partner
  - ✓ 5. Profit sharing ratio
  - ✓ 6. Amount of drawings allowed to each partner, etc....

**LESSON DEVELOPMENT:**

To teach Application of the provisions of the Indian Partnership Act, 1932 in the absence of partnership deed. If there is no partnership deed or when there is no express statement in the partnership deed, then the following provisions of the Act will apply:

**(i) Remuneration to partners**

No salary or remuneration is allowed to any partner. [Section 13(a)]

**(ii) Profit sharing ratio**

Profits and losses are to be shared by the partners equally. [Section 13(b)]

**(iii) Interest on capital**

No interest is allowed on the capital. Where a partner is entitled to interest on capital contributed as per partnership deed, such interest on capital will be payable only out of profits. [Section 13(c)]

**(iv) Interest on loans advanced by partners to the firm**

Interest on loan is to be allowed at the rate of 6 per cent per annum. [Section 13(d)]

**(v) Interest on drawings**

No interest is charged on the drawings o

**LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES**

To teach the Partnership deed concept with illustration .

**Illustration**

A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?

- (i) A has contributed maximum capital. He demands interest on capital at 12% per annum.
- (ii) B has withdrawn Rs.1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.
- (iii) Loan advanced by C to the firm is Rs. 10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.
- (iv) D demands salary at the rate of Rs. 5,000 per month as he spends full time for the business. B and C do not agree with this.
- (v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

**Solution**

Since there is no partnership deed, provisions of the Indian Partnership Act, 1932 will apply.

- (i) No interest on capital is payable to any partner. Therefore, A is not entitled to interest on capital.
- (ii) No interest is chargeable on drawings made by the partner. Therefore, B need not pay interest on drawings.
- (iii) Interest on loan is payable at 6% per annum. Therefore C is to get interest at 6% per annum on Rs .10,000.
- (iv) No remuneration is payable to any partner. Hence, D is not entitled to salary.
- (v) Profits should be distributed equally.

And teach the format and problem of fixed capital method and fluctuating capital method.

**STUDENT'S ACTIVITIES:**

Students are asked to understand the important differentiate explained between Fixed capital method and Fluctuating capital method.

Given exercise problems to the students to understand .

**REINFORCEMENT:**

- ✓ Fixed capital method is classified as two . There are I) Partners capital Account ii) partners current account . Fluctuating capital method is classified as only one .That is partners capital account.
- ✓ Recall whichever items are come in the above accounts.

**RECAPITULATION:**

What are the contents of partnership deed? In the absence of partnership deed, what can we do? and From the information available from fixed capital and fluctuating capital items can be found out and then how to record in the fixed capital method and fluctuating capital method.

**EVALUATION:**

What is partnership deed?

What are the contents of Partnership deed?

How many accounts are come in the fixed capital method and fluctuating capital method ?

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**ACTIVITIES:**

Simple problems will be given as exercise.

**FOLLOW UP:**

- ✓ Students are asked to do book back exercises .
  - ✓ Additional Own Exercise problems also will be given.
- 

**CLASS : XII**  
**SUBJECT : ACCOUNTANCY**

**Prepared by: Ahamed Sulaiman**

CENTRAL HSS KAYALPATNAM  
THOOTHUKUDI DISTRICT

**TOPIC : UNIT 3**  
**CHAPTER : ACCOUNTS OF PARTNERSHIP FIRMS-FUNDAMENTALS**  
**DATE : JULY ( 4th week)**

**Cell No: 87540 78521**

**LEARNING OBJECTIVES:**

- ✓ To enable the students to understand the meaning and features of partnership, Partnership deed.
- ✓ To enable the students to understand fixed and fluctuating capital methods of maintaining capital accounts of partners.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✓ Meaning, definition and features of partnership
- ✓ Partnership deed, Contents of partnership deed
- ✓ Application of the provisions of the Indian Partnership Act, 1932 in the absence of partnership deed
- ✓ Methods of maintaining capital accounts of partners

**TEACHING LEARNING MATERIALS:[TLM]**

**PPT Videos, QR Code, Online MCQ.**

**PREVIOUS KNOWLEDGE:**

Recall the Sole tradership and their final accounts.

**MOTIVATION**

To motivate the students to recall the soletrader final accounts and their capital account and explain the differentiate between the Soletradership and Partnership.

- ✓ Say the methods of capital accounts of partnership.
- ✓ Explain the Fixed capital method and their two accouts sucha as Capital Account and Current Account.
- ✓ Explain the Fluctuating capital method and and their only one account such as Capital account.
- ✓ Ask some questions in the Fixed capital method and Fluctuating capital method.

**INTRODUCTION TO THE LESSON:**

- ✓ To teach the meaning of partnership, and partnership deed, contents of partnership deed.

- ✓ When two or more persons join together to form a business to share the profit or loss arising therefrom in an agreed ratio, the relationship among them is called partnersh.
- ✓ Partnership deed is a document in writing that contains the terms of the agreement among the partners. It is not compulsory for a partnership to have a partnership deed as per the Indian Partnership Act, 1932. But, it is desirable to have a partnership deed as it serves as an evidence of the terms of the agreement among the partnersip. The business may be carried on by all or any of them acting for all.
- ✓ Generally, partnership deed contains the following:
  - ✓ 1. Name of the firm and nature and place of business
  - ✓ 2. Date of commencement and duration of business
  - ✓ 3. Names and addresses of all partners
  - ✓ 4. Capital contributed by each partner
  - ✓ 5. Profit sharing ratio
  - ✓ 6. Amount of drawings allowed to each partner,etc....

### LESSON DEVELOPMENT:

To teach Application of the provisions of the Indian Partnership Act, 1932 in the absence of partnership deed. If there is no partnership deed or when there is no express statement in the partnership deed, then the following provisions of the Act will apply:

#### (i) Remuneration to partners

No salary or remuneration is allowed to any partner. [Section 13(a)]

#### (ii) Profit sharing ratio

Profits and losses are to be shared by the partners equally. [Section 13(b)]

#### (iii) Interest on capital

No interest is allowed on the capital. Where a partner is entitled to interest on capital contributed as per partnership deed, such interest on capital will be payable only out of profits. [Section 13(c)]

#### (iv) Interest on loans advanced by partners to the firm

Interest on loan is to be allowed at the rate of 6 per cent per annum. [Section 13(d)]

#### (v) Interest on drawings

No interest is charged on the drawings o

### LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES

To teach the Partnership deed concept with illustration .

### Illustration

A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?

- (i) A has contributed maximum capital. He demands interest on capital at 12% per annum.
- (ii) B has withdrawn Rs.1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.
- (iii) Loan advanced by C to the firm is Rs. 10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.
- (iv) D demands salary at the rate of Rs. 5,000 per month as he spends full time for the business. B and C do not agree with this.
- (v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

### Solution

Since there is no partnership deed, provisions of the Indian Partnership Act, 1932 will apply.

- (i) No interest on capital is payable to any partner. Therefore, A is not entitled to interest

on capital.

(ii) No interest is chargeable on drawings made by the partner. Therefore, B need not pay interest on drawings.

(iii) Interest on loan is payable at 6% per annum. Therefore C is to get interest at 6% per annum on Rs .10,000.

(iv) No remuneration is payable to any partner. Hence, D is not entitled to salary.

(v) Profits should be distributed equally.

And teach the format and problem of fixed capital method and fluctuating capital method.

### STUDENT'S ACTIVITIES:

Students are asked to understand the important differentiate explained between Fixed capital method and Fluctuating capital method.

Given exercise problems to the students to understand .

### REINFORCEMENT:

- ✓ Fixed capital method is classified as two . There are I) Partners capital Account ii) partners current account . Fluctuating capital method is classified as only one .That is partners capital account.
- ✓ Recall whichever items are come in the above accounts.

### RECAPITULATION:

What are the contents of partnership deed? In the absence of partnership deed, what can we do?and From the information available from fixed capital and fluctuating capital items can be found out and then how to record in the fixed capital method and fluctuating capital method.

### EVALUATION:

What is partnership deed?

What are the contents of Partnership deed?

How many accounts are come in the fixed capital method and fluctuating capital method ?

### REMEDIAL TEACHING:

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

### ACTIVITIES:

Simple problems will be given as exercise.

### FOLLOW UP:

- ✓ Students are asked to do book back exercises .
- ✓ Additional Own Exercise problems also will be given.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 4**

**CHAPTER: GOODWILL IN PARTNERSHIP ACCOUNTS**

**DATE : AUGUST 1 WEEK**

**Prepared by: I.Rosari**

Govt HSS Vellayampatti ,Madurai

cell : 94863177511

### LEARNING OBJECTIVES:

To enable the students to

- Understand the need for valuation of goodwill in partnership firm and factors that determine the value of goodwill.
- Understand the classification of goodwill.

### EXPECTED LEARNING OUTCOME:

At the end of the topic students should be able to

- Know the need for the valuation of goodwill
- Know the factors affecting the value of goodwill
- Know the methods of valuation of goodwill

**TEACHING LEARNING MATERIALS:[TLM]**

Chart showing formulas used for the calculation of goodwill and important points should be remembered by the students. Viz

**Less: Fair remuneration to the partners:**

### Average Profit

XXXX

**PREVIOUS KNOWLEDGE:**

## Recalling the assets

1. Do you know intangible asset?
2. What type of shop or brand you will choose to purchase? (popular or reputed known) Why?
3. Can you see or touch the goodwill?
4. Can you say the good name or fame of the concern affects the profitability of the business enterprise?

## INTRODUCTION TO THE LESSON:

- Goodwill is the value of the reputation of a firm in respect of profits expected in future over and above the normal rate of profits.
- Need for valuing the goodwill:
  1. When the profit sharing ratio is changed.
  2. When a new partner is admitted
  3. When a partner retires or dies.

## LESSON DEVELOPMENT:

**1. ACCUIRED OR PURCHASED GOODWILL:**

- Excess of purchase consideration over the value of Net Assets
  - Must be recorded in the books of accounts only when some consideration in **money or money's worth**.
- LF GENERATED GOODWILL**
- Based on features of the business
  - Can't be recorded in the books of accounts.

## 2. SELF GENERATED GOODWILL

## METHODS OF VALUATION OF GOODWILL

1. AVERAGE PROFIT METHOD
2. SUPER PROFIT METEHOD
3. CAPITALISATION METHOD

**LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES:**

## Formulas of goodwill

**GOODWILL = Average profit x No of years of purchase**

**AVERAGE PROFIT=** Total profit / No of years

## WEIGHTED AVERAGE PROFIT METHOD

**GOODWILL = Weighted Average profit x No of years of purchase**

**WEIGHTED AVERAGE PROFIT=** Total of weighted profits / Total of weights

- Ask the students to collect the logos and make them to identify the name of business.
- Giving exercise problems practicing them to understand the terms.

Goodwill is the good name or reputation of the business, which brings benefit to the business.

## RECAPITULATION:

In some circumstances that require valuation of goodwill of partnership firms in order to protect the rights of the partners.

Like average profit method, Super profit method are used to calculate goodwill.

### **EVALUATION:**

**LOT:**What is goodwill?

**MOT:**State the circumstances under which goodwill of a partnership firm is valued.

**HOT:**State the factors determining the goodwill.

### **REMEDIAL TEACHING:**

Slow learners should be identified and to them simple problems like calculation of goodwill under average profit method for the examination point of view.

### **ACTIVITIES:**

The following are the profits of a firm in the last five years:

2014:Rs.10,000, 2015:Rs.11,000, 2016:Rs.12,000, 2017:Rs.13,000, 2018:Rs.14,000

Calculate the value of goodwill at 2 years purchase of average profit of five years.

### **FOLLOW UP:**

Exercise problems will be given for their understanding and practice.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 4**

**CHAPTER: GOODWILL IN PARTNERSHIP ACCOUNTS**

**DATE : AUGUST 2 WEEK**

**Prepared by: I.Rosari**

Govt HSS Vellayampatti ,Madurai

cell : 94863177511

### **LEARNING OBJECTIVES:**

To enable the students to

- ✚ Understand the classification of goodwill.
- ✚ Understand the different methods of valuation of goodwill.

### **EXPECTED LEARNING OUTCOME:**

At the end of the topic students should be able to

- ✚ Calculate goodwill under a various methods.
- ✚ Calculate the capitalization of super profit method.

### **TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ.

### **PREVIOUS KNOWLEDGE:**

### **MOTIVATION:**

What is normal, what is super at any circumstances average will be compared with what we actually acquire?.

### **INTRODUCTION TO THE LESSON:**

- ✚ Super profit is the base for calculation of the value of goodwill
- ✚ Super profit is the excess of average profit over the normal profit of a business

### **LESSON DEVELOPMENT:**

#### **METHODS OF VALUATION OF GOODWILL**

4. AVERAGE PROFIT METHOD
5. SUPER PROFIT METEHOD
6. CAPITALISATION METHOD

### **LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES:**

**Formulas of goodwill**

#### **SUPER PROFIT METHOD**

**GOODWILL = Super profit x No of years of purchase**

**SUPER PROFIT= Average Profit – Normal Profit**

**NORMAL PROFIT = Capital employed x Normal Rate of Return**

**STUDENT'S ACTIVITIES:**

- ✚ Giving exercise problems practicing them to understand the terms.
- ✚ Ask them to write the formulas 2 times for their understanding.

**REINFORCEMENT:**

Goodwill based on capitalization of average profit method and capitalization of super profit method will give the same amount of goodwill.

**RECAPITULATION:**

Following are the methods generally followed to value goodwill:  
Average profits methods, super profit methods, capitalization method  
Like average profit method, Super profit method are used to calculate goodwill.

**EVALUATION:**

**LOT:** Super profit is the difference between-----

**MOT:** Which of the following is true?

- a) Super profit = Total profit / number of years
- b) Super profit = Weighted profit / number of years
- c) Super profit = Average profit – Normal profit
- d) Super profit = Average profit x number of years of purchase

**HOT:** When the average profit is Rs.25,000 and the normal profit is Rs.15,000, super profit is

- a) 25,000
- b) 5,000
- c) 10,000
- d) 15,000

**REMEDIAL TEACHING:**

Slow learners should be identified and to them simple problems like calculation of goodwill under super profit method for the examination point of view.

**FOLLOW UP:**

Exercise problems will be given for their understanding and practice.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : 5.ADMISSION OF A PARTNER**

**DATE : AUGUST 3 WEEK**

**Prepared by: I.Rosari**

Govt HSS Vellayampatti ,Madurai

cell : 94863177511

**LEARNING OBJECTIVES:**

To enable the students to

- Understand the accounting treatment at the time of admission of a partner.
- Prepare revaluation account, Capital account and balance sheet of the firm after admission of a partner.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- Know the adjustments and entries required at the time of admission of a partner.
- Prepare revaluation account and to know the reason for revaluation of assets and liabilities.

**TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ.

**PREVIOUS KNOWLEDGE:****MOTIVATION**

The following points are to be recalled before learning admission of a partner:

- ✚ Meaning and features of partnership firm,
- ✚ Partnership deed,
- ✚ Partner's capital accounts,
- ✚ Valuation of goodwill.

If you are a partner in a firm, you are going to admit a new partner into your firm. Think of any five agreements that you may want to include in your partnership deed.

### INTRODUCTION TO THE LESSON:

- A person may join as a new partner in an existing firm is called admission of a partner.
- The purpose of admission of new partner may be to raise additional capital or managerial skill of the new partner.
- To acquire the right to share the future profits and the assets of the firm the new partner has to contribute capital.

### LESSON DEVELOPMENT:

- ✚ On admission of new partner, the firm is reconstituted with a new agreement and the existing agreement comes to an end.
- ✚ Adjustments required at the time of admission of a partner
- ✚ On admission, the new partner may bring capital in cash or in kind or both. The following journal entry is passed to record the capital brought in.

#### Journal Entry

Particulars	L.F	Debit Rs.	Credit Rs.
Cash or Bank a/c Dr		xxx	
Asset a/c Dr		xxx	
To Partners Capital a/c			xxx

#### The following adjustments are necessary at the time of admission of a partner:

1. Distribution of accumulated profits, reserves and losses
2. Revaluation of assets and liabilities
3. Determination of new profit-sharing ratio and sacrificing ratio
4. Adjustment for goodwill
5. Adjustment of capital on the basis of new profit sharing ratio

#### Distribution of accumulated profits, reserves and losses

#### For transferring accumulated profit and reserves

#### Journal Entry

Date	Particulars	L.F	Debit Rs.	Credit Rs.
	Profit and loss appropriation A/c Dr		xxx	
	General reserve A/c Dr		xxx	
	Reserve fund a/c Dr			xxx
	Workman compensation fund A/c Dr			
	Investment fluctuation A/c Dr			
	To Old Partners Capital / current a/c (in the old ratio)			

#### For transferring accumulated losses

#### Journal Entry

Date	Particulars	L.F	Debit Rs.	Credit Rs.
	Old Partners Capital / current a/c Dr		xxx	
	To Profit and loss A/c (in old ratio)			xxx

### REVALUATION OF ASSETS AND LIABILITIES:

Determination of current values of assets and liabilities is called revaluation of assets and liabilities.

#### Reason for revaluation

- To give a true and fair view of the state of affairs of the firm and

- To share the gain arising from the revaluation of assets and liabilities as it is due to the old partners.

### FORMAT OF REVALUATION ACCOUNT

Dr

Cr

Particulars	Rs	Particulars	Rs
To Concerned asset A/c (net decrease)	xxx	By concerned asset A/c (net increase)	xxx
To Concerned liability A/c (net increase)	xxx	By Concerned liability A/c (net decrease)	xxx
To old partner's capital A/c (Profit on revaluation shared in old ratio)	xxx	By old partner's capital A/c (Loss on revaluation shared in old ratio)	xxx
	xxx		xxx

### LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES:

- Distribution of accumulated profits, reserves and losses.
- Investment fluctuation fund is created out of profit to adjust the reduction in the market value of the investments.

### STUDENT'S ACTIVITIES:

Whole class game: Change your position

One student says a transaction. If that transaction has the effect of revaluation gain, other students should stand up and vice versa.

Examples: When one student says depreciation of building, others should sit down.

When one student says furniture revaluation upwards, others should stand up.

It can also be played in groups or pairs.

### REINFORCEMENT:

At the time of admission of a partner it is necessary to the assets and liabilities are revalued as the current value may differ from the book value.

### RECAPITALATION:

On admission of a partner, generally there is a change in the mutual rights of the partners. The new partner acquires the right to share the future profits and share the assets of the firm.

### EVALUATION:

**LOT: Revaluation a/c is a-----**

**MOT: Entry for accumulated profit and losses distributed among the partners.**

**HOT: Journal entries to be passed on revaluation of assets and liabilities.**

### REMEDIAL TEACHING:

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

### FOLLOW UP:

Students are asked to do the exercise problems.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 5**

**CHAPTER: ADMISSION OF A PARTNER**

**DATE : AUGUST 4 WEEK**

**Prepared by: I.Rosari**

Govt HSS Vellayampatti ,Madurai

cell : 94863177511

### LEARNING OBJECTIVES:

To enable the students to

- ✚ Understand new profit sharing ratio and sacrificing ratio
- ✚ Accounting treatment for goodwill

- ✚ Adjustment of capital on the basis of new profit sharing ratio

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to

- ✚ Know the calculation of new profit sharing ratio and sacrificing ratio
- ✚ Know the treatment for goodwill
- ✚ Compute the Adjustment of capital on the basis of new profit sharing ratio

**TEACHING LEARNING MATERIALS:[TLM]**

PPT Videos, QR Code, Online MCQ.

**PREVIOUS KNOWLEDGE:****MOTIVATION**

- ✚ Recalling the accounting treatment at the time of a partner
- ✚ Ask the question to the students do you know the reason for revaluation of assets and liabilities.
- ✚ Ask the question to the students do you know the new profit sharing ratio and old profit sharing ratio.

**INTRODUCTION TO THE LESSON:**

On admission of a new partner, the firm is reconstituted with a new agreement and the existing agreement comes to an end.

**The following adjustments are necessary at the time of admission of a partner:**

6. Determination of new profit-sharing ratio and sacrificing ratio
7. Adjustment for goodwill
8. Adjustment of capital on the basis of new profit sharing ratio

**LESSON DEVELOPMENT:****New profit sharing ratio**

It is necessary to determine the new profit sharing ratio at the time of admission of a partner because the new partner is entitled to share the future profits of the firm. New profit sharing ratio is the agreed proportion in which future profit will be distributed to all the partners including the new partner. If the new profit sharing ratio is not agreed, the partners will share the Profits and losses equally.

**Sacrificing ratio**

The old partners may sacrifice a portion of the share of profit to the new partner. The sacrifice may be made by all the partners or some of the partners. The purpose of finding the sacrificing ratio is to share the goodwill brought in by the new partner.

$$\text{Share sacrificed} = \text{Old share} - \text{New share}$$

**Adjustment for goodwill**

Reputation built up by a firm has an impact on the present profit and future profit to be earned by the firm. At the time of admission of a partner, the existing partners sacrifice part of their share of profit in favour of the new partner. Hence, to compensate the sacrifice made by the existing partners, goodwill of the firm has to be valued and adjusted. In addition to capital, the new partner may contribute towards goodwill. This goodwill is distributed in the sacrificing ratio to the old partners who sacrifice.

**Accounting treatment for goodwill**

Accounting treatment for goodwill on admission of a partner is discussed below:

1. When new partner brings cash towards goodwill
2. When the new partner does not bring goodwill in cash or in kind
3. When the new partner brings only a part of the goodwill in cash or in kind
4. Existing goodwill

**LEARNING TEACHING ACTIVITY AND TEACHER'S ACTIVITIES:**

- ✚ Calculation of new profit sharing ratio and sacrificing ratio
- ✚ Adjustment of goodwill

**STUDENT'S ACTIVITIES:**

- Students are asked to take down the important points explained and asked them to underline keywords and points.
- Game will be given to the students to calculate the new ratio and sacrificing ratio
- Given exercise problems practicing them to understand the terms.

**REINFORCEMENT:**

At the time of admission of a partner it is necessary to determine the new profit sharing ratio because the new partner is entitled to share the future profits of the firm.

**RECAPITALATION:**

- ✚ Sometimes an existing partner may also gain his share of profit on admission of a partner when the new share is greater than the old share. In this case, the gaining partner has to compensate the sacrificing partners to the extent of his share in the total goodwill of the firm.
- ✚ When goodwill is paid by the new partner to the old partners privately, no entry is made in the books of the partnership firm.

**EVALUATION:**

**LOT: What is sacrificing ratio?**

**MOT: Select the odd one out**

- a) Revaluation profit
- b) Accumulated loss
- c) Goodwill brought by new partner
- d) Investment fluctuation fund

**HOT: James and kamal are sharing profits and losses in the ratio of 5:3. They admit sunil as a partner giving him  $\frac{1}{5}$  share of profits. Find out the sacrificing ratio.**

- A) 1:3
- B) 3:1
- C) 5:3
- D) 3:5

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**FOLLOW UP:**

Students are asked to do the exercise problems.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 6**

**RETIREMENT AND DEATH OF A PARTNER –**

**6.1 Introduction,**

**6.2 Adjustments required on retirement of a partner,**

**6.3 Distribution of accumulated profits, reserves and losses**

**DATE : September I WEEK**

**Prepared by: V. Stephen Raj**

**S U M HSS Rayappanpatti , Theni (Dist)**

**Cell No: 7373244717**

**LEARNING OBJECTIVES:**

- ♣ To enable the students to understand the accounting treatment at the time of retirement and death of a partner

**Learning outcome:**

- ♣ End of the topic, students will be able to accounts of partnership firm – meaning and features, partnership deed, partners' capital accounts, valuation of goodwill.
- ♣ Meaning of a retirement and death partner, features of partnership firm
- ♣ Meaning of partnership deed, partners' capital accounts, valuation of goodwill

**Teaching learning materials:** Std XII Accountancy text book.

**Previous knowledge:**

- ♣ Recalling again the limitations of sole trading, partnership, liability of partners and the need for the large amount of capital. Etc.

**Introduction to lesson:**

- ♣ When a partner leaves from a partnership firm, it is known as retirement.
- ♣ The reasons for the retirement of a partner may be illness, old age, better opportunity elsewhere, disagreement with other partners, etc.
- ♣ On retirement of a partner, existing agreement comes to an end.
- ♣ The firm is reconstituted and other partners continue the partnership firm with a new agreement.
- ♣ A partner who retires from the firm is called an outgoing partner or a retiring partner.

**Lesson development:**

- ♣ Explaining in detail the meaning and definition of a partnership firm.
- ♣ Features of a partnership firm

**Student activities:**

- ♣ Student activity 6.1 and 6.2 can be given to identify them, to test their understanding level and attention in the class.

**Recapitulation:** Summarise all the points briefly from the beginning.

**Evaluation:**

- ♣ Make them to answer the questions orally
- ♣ What do you understand by any three reasons for a partner for leaving a partnership firm?

**Activities :**

- ♣ The above questions answers can be made to write in their class work.

**Follow up:**

- ♣ Ask the students to go through that day portions at home next day checking their understanding.

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**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 6**

**Prepared by: V. Stephen Raj**

**S U M HSS Rayappanpatti , Theni (Dist)**

**Cell No: 7373244717**

**RETIREMENT AND DEATH OF A PARTNER –**

**6.4 Revaluation of assets and liabilities,**

**6.5 Determination of new profit sharing ratio and gaining ratio,**

**DATE : September II WEEK**

**Learning objectives:**

- ♣ To enable the students to prepare the partnership account on retirement and death of a partner

**Learning outcome:**

- ♣ End of this topic, students will be able to do sums by understanding the theory relating to the sums.

**Learning Materials:** Accountancy Text book

**Learning development:**

- ♣ Explaining in detail the meaning Revaluation of assets and liabilities,
- ♣ Determination of new profit sharing ratio and gaining ratio,

**Students Activities:**

- ♣ Ask orally to check their understanding ability the ways, partnership account and valuation of goodwill.

**Recapitulation:**

- ♣ Summarise the whole portion of the week and also recalling previous week portion.

**Evaluation:**

- ♣ Making them find the answers from the book back questions  
**Very short answers and check them.**
- ♣ What is meant by retirement of a partner?
- ♣ What is gaining ratio?
- ♣ What is the purpose of calculating gaining ratio?
- ♣ What is the journal entry to be passed to transfer the amount due to deceased partner to the executor of the deceased partner?

**Activity:**

- ♣ Make them write above answers in their note book.

**Follow up:**

- ♣ Small class test on two weeks portions.
- 

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 6**

**Prepared by: V. Stephen Raj**

**S U M HSS Rayappanpatti , Theni (Dist)**

**Cell No: 7373244717**

**RETIREMENT AND DEATH OF A PARTNER –**

6.6 Adjustment for goodwill,

6.7 Adjustment for current year's profit or loss upto the date retirement, 6.8 Settlement of the amount due to the partner,

6.9 Adjustment required on the death of a partner.

**DATE : September III and IV WEEK**

**LEARNING OBJECTIVES:**

- ♣ To enable the students to understand the Adjustment for goodwill, Adjustment for current year's profit or loss upto the date retirement, Settlement of the amount due to the partner, Adjustment required on the death of a partner.

**Learning outcome:**

- ♣ As the students have understood the concept of Adjustment for goodwill, Adjustment for current year's profit or loss upto the date retirement, Settlement of the amount due to the partner, Adjustment required on the death of a partner.
- ♣ Making them do the Illustration no 12 to 22 in the accounts notes book and teacher doing simultaneously on the board for better understanding by the student.

**Learning material:** Accountancy text book only

**Learning Development:**

- ♣ Making the students do the Illustrations and Simultaneously the exercise sums also. (as the illustrations and exercises are similar)
- ♣ Accounting treatment for death of a partner

**Students Activity:**

- ♣ Giving some simple sums from the old syllabus text book to make them understand more about partnership firm

**Recapitulation:**

- ♣ Summarise fully ask them orally the journal entries. Make them practice more sums (sums from old syllabus text book)

**Evaluation:**

- ♣ Make them practice more sums (sums from old syllabus text book)
- ♣ List out the adjustment made at the time of retirement of a partner in a partnership firm.
- ♣ Distinguish between sacrificing ratio and gaining ratio

- ♣ What are the ways in which the final amount due to an outgoing partner can be settled?

**Follow up:** Testing their knowledge by giving small surprise class tests.

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**CLASS : XII**  
**SUBJECT : ACCOUNTANCY**  
**DATE : October I WEEK**  
**TOPIC : UNIT 7 COMPANY ACCOUNTS. – Introduction.**

**Prepared by: N.LAKSHMI**  
PG Asst. Chennai  
**cell:9445312090**

**LEARNING OBJECTIVES :** To Enable the studentsto understand the different types of organisations,Like sole trading , Partnership etc recapturing what they learnt in Std XI

- Make them understand the growth of population and the increase in human wantswhich leads to increase in production.

**Learning outcome:** End of the topic, students will be able to differentiate between theCorporate company and a non corporate company.

Meaning of a company form of organisation , features of company.

Meaning of share, share holder, division of share capital.

**Teaching learning materials:Std XIIAccountancy text book.**

**Previous knowledge:**Recalling again thelimitations of sole trading , partnership , liability of partners and the need for the large amount of capital.Etc.

**Introduction to lesson :**

- Referring to the above points the need for increase in the volume of production , large amount of capital, modern technology , managerial skills the company form of organisation came in to existence.
- To overcome the limitations of sole trading and partnership the concept of Company form of organisation was introduced.
- The capital of these companies are divided in to small units which is called shares.
- How they can raise capital ?they can invite the public to buy the shares by investing their money.
- The investors are called --- share holders of the company.
- The money raised by issuing shares are Share capital of the company

**Lesson development :**

- Explaining in detail the meaning and definition of a company.
- Features of company form of organization
- Different types of shares - Preference share , Equity shares -explain them in detail.
- Division of Share capital. Write on the board different divisions of share capital in the form of a chart with the imaginary numbers and explain them in detail the divisions .( as it is very important for a student to know the different divisions of share capital).

**Students activities :** student activity 7.1 and 7.2 can be given to identify them, to test their understanding level and attention in the class.

**Recapitulation :** Summarise all the points briefly from the beginning .

**Evaluation :** Make them to answer the questions orally

What do you understand by Company form of organisation?  
Who is called as share holder?  
Mention any 3 features of company.  
What are the different types of shares ?  
Divisions of share capital.

**Activities** : the above questions answers can be made to write in their class work.

**Follow up:** ask the students to go through that day portions at home next day checking their understanding.

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**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 7 COMPANY ACCOUNTS. – cell: 9445312090**

**PAGE NO IN THE TEXT 228 ,229 7.6 AND 7.7**

**Date: October II WEEK**

**Prepared by: N.Lakshmi**

PG Asst. Chennai

**Learning objectives:** To enable the students to understand the statutory provisions regarding the issue of shares , Accounting treatment of issue of shares , What are the provisions , methods of issue of shares.

- What is the meaning of Forfeiture of shares, Re issue of shares , Issuing shares at premium , meaning of over subscription, under subscription , Pro rata allotment , issue of shares at lump sum, shares issued for consideration other than cash.

**Learning outcome :** End of this topic, Students will be able to do sums by understanding the theory relating to the sums .

**Learning Materials** : Accountancy Text book .

**Learning development** : To start with what are the ways, a company can raise capital (methods ) Public issue , Private placement , Rights issue , Bonus issue.

- Process of issue of equity shares. As per the provisions of Indian Companies act And the guide lines of SEBI : Inviting Application , Receipt of Application Allotment of shares.

**Students Activities** : ask orally to check their understanding ability the ways , methods and Process of issuing shares.

**Recapitulation** : Summarise the whole portion of the week and also recalling previous week portion.

**Evaluation** : Making them find the answers from the book back questions Very Short answers and check them.

- 1) What is a share? What are the types of shares? What are the divisions of share capital?
- 2) What do you mean by public issue ? What is bonus share ? What do you mean by Rights issue ?

**Activity** : make them write above answers in their note book.

**Follow up** : Small class test on two weeks portions.

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**CLASS : XII****SUBJECT : ACCOUNTANCY****TOPIC : UNIT 7 COMPANY ACCOUNTS. –****Prepared by: N. Lakshmi**

PG Asst. Chennai

**cell: 9445312090**

Issue of shares for cash in Instalments Page .NO 229 -235

**Date: October III WEEK****LEARNING OBJECTIVES :** Issue of shares for cash in instalments .

- The share capital can be received through instalments as First Instalment called application money ,
- Second instalment called allotment money ,
- Third instalment called first call , The last instalment called final call money .
- Explaining them in detail the above concepts by writing on the black board imaginary amount ( eg X company issued 1000 shares of ₹ 10 each how this Rs.10 is divided into different instalments .How this can be recorded through Journal entries. ) Asking them to take p.no 230 in the text book - Explaining the journal entries and make them copy in the Accounts note book.

**Learning outcome :** As the students have understood the concept of issue of shares and what is application, allotment etc will be able to pass journal entries for issue of shares. (Journal format already learnt in Std XI)

- Making them do the Illustration no 1 in the accounts notes book and teacher doing simultaneously on the board for better understanding by the student.
- 

**Learning material :** Accountancy text book only

**Learning Development :** making the students do the Illustrations and simultaneously the exercise sums also. ( as the illustrations and exercises are similar)

- Accounting treatment for under subscription, over subscription of shares.
- The accounting treatment for shares fully subscribed and under subscription are the same so, no additional explanation needed for under subscription.
- Over subscription : meaning to be explained and how to adjust the excess shares and application money received.  
Step 1 : excess shares can be rejected and application money refunded.  
Step 2. Adopting pro rata allotment method.  
Step 3 : Combination of the two method.
- Students should be made to do all the illustrations and exercises till over subscription in the accountancy note book.
- The teacher should do the illustrations and exercises relating to over subscription on the board .Illustration no 3,4,5(page.no 233,234,235)
- Ex. No. 3 and 5. ( Page no. 258)  
Working note for adjustment of excess application money at the time of allotment (Illustration no 5 )Shares issued 1,00,000  

Shares subscribed	1,40,000
Excess shares	40,000
Shares rejected	5,000

(remaining 35000 shares application money, adjusted during allotment)  
 Excess application money received  $35000 \times 3 = 1,05,000$   
 Allotment money to be received  $1,00,000 \times 4 = 4,00,000$   
 Excess money to be adjusted  $4,00,000 - 1,05,000 = 2,95,000$ .  
 Rs.2,95,000 only will be received at the time of allotment
- (Journal entries for adjusting excess application money , refund of excess application money for rejected shares, and recording the above transaction Refer page .no235.)

**Students Activity** : giving some simple sums from the old syllabus text book to make them understand more about issue of shares.

**Recapitulation** : Summarise fully ask them orally the journal entries. make them practice more sums (sums from old syllabus text book)

**Evaluation**: make them practice more sums (sums from old syllabus text book)

1. What do you mean by under subscription?

2. What do you mean by over subscription?

3. What are the steps that a company can adopt for over subscription

Give the journal entry for receiving application money , allotment and calls.

**Follow up** :testing their knowledge by giving small surprise class tests.

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : COMPANY ACCOUNTS–**

**Prepared by:N.Lakshmi**

PG Asst. Chennai

**cell: 9445312090**

**Accounting treatment for Calls in advance and calls in arrears, page .no236 to 250**

**Date: October IV WEEK**

**Learning objectives** : To make them understand the meaning of Calls in Advance, Calls in Arrears, Forfeiture of shares , Re issue of forfeiture , how to calculate capital Reserve.

- Meaning of Securities Premium ,: When issue price is more than the face value the extra money is called securities premium.
- what are the journal entries to be passed For the above situation. Forfeiture of shares when issued at par and at premium.

**Learning outcome**: Development of understanding of accounting treatment of forfeiture of shares, re issue of shares and when shares are issued at premium .

- Also when these shares are forfeited , what is the accounting treatment.

**Calls in Advance** : Journal entry for money received in advance on allotment and call

second entry how it is adjusted towards call.

- Explaining the illustration no 6 [Page 236 ] and do it on the board and also make the students do in the note book.
- Calls in Arrears : Journal entry to be passed . (illustration no7 [ page238 ] to be done by the teacher as well as by the students.

**Learning Materials** : Old text book and also the new syllabus Text book.

**Learning Development** : Black board summary of the exercises will be Followed by the students step by step

**Student activity** : can be split into groups and make them discuss and do the illustration 1 to 12 learn and teach each others. Ex.No. 1 to 5 taking teacher guidance ( in case any doubt. )

**Recapitulation** : follow the same method as previous weeks.

Ask one of the students to come and write on the board any journal entry which they learnt on that week,

**Evaluation** : upto illustrations no17 [ page no.232 to 250 ] should be completed in the class work.

- And home work Ex no1 to 5 ( teacher should guide them orally and make them do as class work.

**Followup :** Slow learners can be asked to learn the theory portions and sums

Upto journal entries for over subscriptions.(page .no 226 to 231)

- Others should have completed up to illustrations 17.[ page 250 ]
  - And exercise no 1 to 12 [ page no 232 to 259 ]
  - If students find any sum difficult that to be done in the class on the board and explain.
- 

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : COMPANY ACCOUNTS–**

(page .no 252, 253 7.9 and 7.10)

(Two days can be allotted for the above portions on that week)

**Date: October V WEEK**

**Prepared by:N.Lakshmi**

PG Asst. Chennai

**cell: 9445312090**

### **LEARNING OBJECTIVES :**

- Last portion of the chapter issue of shares for cash in lump sum and for consideration other than cash .
- A company can issue shares at par ,or premium payable at single payment is called issue of shares for cash in lump sum.
- A company can also issue of shares other than cash when it acquires fixed assets like building, land etc (Accounting treatment recording by passing Journal entries refer page .no 252, 253)
- Teacher should make sure that the students have Understood the chapter fully and thoroughly.

**Learning outcome:** Students have understood the meaning of Company form of organisation , and other terminologies, methods and process of issue of shares in different situations and able to do sums by themselves.

**Learning Material :** Text book and also reference books.

### **Learning Development :**

- Difficult level of the topic will be [ sums ] done by the teacher on the black board.
- Other can follow.

### **Student activity :**

- Doing from exercise no 13 to 18 [ page no 259 to 260 ] (with the help of the teacher doing on the board.)
- as Illustration 19 and 20 concepts are already explained by the teacher can be completed by doing on the board .
- Exercise 19, 20 can be given as group discussion and can be completed

**Recapitulation :** ask the students to refer to the illustrations if they are not able to do exercise ,to be explained again by the teacher and should do it on the board.[ Ex. No .1 to 20)

**Follow up :** Discuss in the class the full chapter and check the note books

Give class tests .revise the chapter .

- Slow learners can be made to do only the easy portions of the chapter.( illustration 1 to 5 ,19,20 (page.no 230 to 236) ex no 1 to 5 and 19,20.page.no 257,258 261)all theory question answers p.no 257)
-

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**TOPIC : UNIT 8**

**FINANCIAL STATEMENT ANALYSIS**

**DATE : NOVEMBER 1 WEEK**

**Prepared by:MMahalakshmi**

Govt Madura Sugars HSS Pandiarajapuram,

Madurai (Dist) cell: 9445312090

### **LEARNING OBJECTIVES:**

To enable the students to

- Understand the meaning and objectives of financial statement analysis.
- Understand the tools of financial statement analysis.

### **EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to prepare

- To know the tools of financial statement analysis.
- Comparative statement

### **TEACHING LEARNING MATERIALS:[TLM]**

PPT, Videos, QR Code, Online MCQ.

### **PREVIOUS KNOWLEDGE:**

#### **MOTIVATION**

The following points are to be recalled before learning financial statement analysis:

- Accounting principles
- Indian accounting standards
- Preparation of profit and loss account and balance sheet.

### **INTRODUCTION TO THE LESSON**

Financial statements are the statements prepared by the business concerns at the end of the accounting period to ascertain the operating results and the financial position. Apart from business concerns may also prepare cash flow statement, fund flow statement and statement of changes in financial position.

### **SIGNIFICANCE OF FINANCIAL STATEMENTS**

The significance of financial statements to various stakeholders is as follows:

**To management**

**To shareholders**

**To potential investors**

**To creditors**

**To bankers**

**To government**

**To employees**

### **MENANING OF FINANCIAL STATEMENT ANALYSIS**

Financial statement analysis is comparison of the various items in the financial statements by establishing and evaluating relationships. Financial statement analysis includes both analysis and interpretation. Analysis refers to examination of the figures computed and comparison of the same to establish relationship among them. Interpretation refers to elucidation and explanation of the result of analysis.

### **OBJECTIVES OF FINANCIAL STATEMENT ANALYSIS**

Financial statement analysis may be done with any of the following objectives:

- To determine the efficiency of the management and employees
- To forecast for future and prepare budgets
- To make inter-firm and intra-firm comparisons

### **LIMITATIONS OF FINANCIAL STATEMENT ANALYSIS**

Following are the limitations of financial statement analysis:

- All the limitations of financial statements such as ignoring non-monetary information, ignoring price level changes, etc., are applicable to financial statement analysis also.

- Financial statement analysis is only the means and not an end, that is, it is only a tool in the hands of management and other shareholders. Interpretation of the results has to be done only by the financial analysts with due regard to the internal and external environmental factors.

## LESSON DEVELOPMENT

### Tools of financial statement analysis

Different tools are used for analyzing the financial statements. The tool is selected based on the purpose of analysis. Following are the commonly used of financial statement analysis:

1. Comparative statement
2. Common-size statement
3. Trend analysis
4. Fund flow analysis
5. Cash flow analysis

### Preparation of comparative statements

A comparative statement has five columns

**Column1:** In this column, particulars of items of income statement or balance sheet are written.

**Column2:** Enter absolute amount of year 1

**Column3:** Enter absolute amount of year 2

**Column4:** Show the difference in amounts between year 1 and year 2. If there is an increase in year 2, put plus sign and if there is decrease put minus sign.

**Column5:** Show percentage increase or decrease of the difference amount shown in column4 by dividing the amount shown in column 4 by column 2. That is

**Percentage increase or decrease = Absolute amount of increase or decrease**

----- x 100

**Year 1 amount**

### Format of comparative statement

Particulars	Year 1	Year 2	Absolute amount of increase (+) or decrease(-)	Percentage increase (+) or decrease(-)
	Rs.	Rs.	Rs.	
1	2	3	4	5

## STUDENT ACTIVITIES

- Invite an auditor to your class to discuss about the preparation of financial statements of different forms of business.
- While comparing the current year's income statement with that of the previous year, it is found that profit before tax has increased by 70%. Think of any three possible reasons for this increase.

Practice them to understand the terms financial statement, financial analysis, Common size statement, Trend analysis.

## REINFORCEMENT

- Intra-firm comparison is comparison within the organization among different departments, divisions, etc
- Inter firm comparison is comparison of one firm with other firm or firms in the industry.
- As per Schedule III of the Companies Act, 2013, depending upon the turnover of the company, the figures appearing in the financial statements may be rounded off.
- Once a unit of measurement is used, it shall be used uniformly in the financial statements.

## RECAPITULATION

Different tools are used for analyzing the financial statements. The tool is selected based on the purpose of analysis.

**EVALUATION:****LOT** what is working capital?**LOT** Balance sheet provides information about the financial position of a business concern

- A) Over a period of time B) As on a particular date  
C) For a period of time D) For the accounting period

**MOT** Which of the following is not a tool of financial statement analysis?

- A) Trend analysis B) Common size statement  
C) Comparative statement D) Standard costing

**HOT** A limited company's sales has increased from Rs.1,25,000 to 1,50,000. How does this appear in comparative income statement?

- A) +20% B) +120%  
B) -120% D) -20%

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**FOLLOW UP:**

- ✓ Exercise problems will be given.

**CLASS : XII****Prepared by:MMahalakshmi****SUBJECT : ACCOUNTANCY**

Govt Madura Sugars HSS Pandiarajapuram,

**TOPIC : UNIT 8**

Madurai (Dist) cell: 9445312090

**FINANCIAL STATEMENT ANALYSIS****DATE : NOVEMBER 2 WEEK****LEARNING OBJECTIVES:**

To enable the students to

- Apply the tools to analyses the financial statements.
- Understand the common-size statement.
- Understand the trend analysis.

**EXPECTED LEARNING OUTCOMES:**

At the end of the topic students should be able to prepare

- Common size statement
- Trend analysis

**TEACHING LEARNING MATERIALS:[TLM]**

PPT ,Videos, QR Code, Online MCQ.

**PREVIOUS KNOWLEDGE:****MOTIVATION**

The following points are to be recalled before learning financial statement analysis:

- The significance of financial statements to various stakeholders.
- Tools of financial statement analysis.

**INTRODUCTION TO THE LESSON**

- The common-size statement show the relationship of various items with some common base, expressed as percentage of the common base. The common bases are total of assets or total of equity and liabilities or revenue from operations. In this statement revenue from operations is taken as 100 and various expenses and incomes are expressed as a percentage to the revenue from operations. The common-size statements can be compared with those of previous years.
- Trend refers to the tendency of movement. The trend may be increasing trend or decreasing trend or irregular. When data for more than two years are to be analysed, trend analysis may be used.

**LESSON DEVELOPMENT****Tools of financial statement analysis**

Different tools are used for analyzing the financial statements. The tool is selected based on the purpose of analysis. Following are the commonly used of financial statement analysis:

6. **Comparative statement**
7. **Common-size statement**
8. **Trend analysis**
9. **Fund flow analysis**
10. **Cash flow analysis**

**Preparation of Common size statements**

Common size statement can be prepared with three columns. Following are the steps to be followed in preparation of common-size statement:

**Column1:** In this column, particulars of items of income statement or balance sheet are written.

**Column2:** Enter absolute amount.

**Column3:** Choose a common base as 100. Work out the percentage for all the items of column2 in terms of the common base and enter them in column3

**Format of common size statement**

Particulars	Absolute amount	Percentage

**Trend analysis**

The following steps can be followed to compute trend percentages:

- Take the earliest year as the base year.
- Take the figures for the base year as 100.
- Express the figures for the other years as a percentage to the base year and determine the trend.

**FORMAT OF TREND ANALYSIS****TREND ANALYSIS**

PARTICULARS	Rs. In thousands			Trend percentage		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3

**STUDENT ACTIVITIES**

- **GROUP ACTIVITY:** Collect published financial statements of similar businesses, from newspapers or business magazines or websites. Compare and analyse them.
- Record minimum 4 of class test marks for Accountancy and other subjects. Analyse your marks using trend percentages.

Practice them to understand the terms financial statement, financial analysis, Common size statement, Trend analysis.

**REINFORCEMENT**

- The common-size statement and Trend analysis is one of the tools used in financial statement analysis.
- The common-size statements can be compared with those of previous years.
- Trend analysis refers to the study of movement of figures over a period.

**RECAPITULATION**

Different tools are used for analyzing the financial statements. The tool is selected based on the purpose of analysis.

- Comparative statement has five columns.
- Common size statement can be prepared with three columns
- In trend analysis earliest year taken as the base year.

**EVALUATION:**

**LOT**List the tools of financial statement analysis.

**LOT**The term fund refers to

- B) Current liabilities    B) working capital  
C) Fixed Assets         D) Non-current assets

**MOT** Which of the following tools of financial statement analysis is suitable when data relating to several years are to be analysed?

- B) Cash flow statement    B) Common size statement  
C) Comparative statement    D) Trend analysis

**HOT** Expenses for a business for the first year were Rs.80,000. In the second year, it was increased to Rs.88,000. What is the trend percentage in the second year?

- C) 10%                      B) 110%  
D) 90%                      D) 11%

**REMEDIAL TEACHING:**

Slow learners should be identified and there will be given a micro teaching of simple concept and simple problems to understand easily from the examination point of view.

**FOLLOW UP:**

- ✓ Exercise problems will be given.
- 

**CLASS : XII**

**Prepared by: Shanmuga sundaram B**

**SUBJECT : ACCOUNTANCY**

St.Michael Matric HSS Madurai (Dist) cell:8870882272

**TOPIC : UNIT 9 RATIO ANALYSIS ( WK – I ) .**

**DATE: NOVEMBER 3 WEEK**

**LEARNING OBJECTIVE :**

Students would be able to understand the

- ❖ Understand the meaning and classification of accounting ratios
- ❖ Calculate various ratios

**EXPECTED LEARNING OUTCOME :**

The students will get the clear vision on ratios , balance sheet analysis , cost of goods sold , profitability ratios .

**TEACHING LEARNING MATERIAL :**

- Power point presentation (PPT)
- QR code , internet (or) you tube videos
- Oral quiz conducted
- Online test for one words

**RECALLING THE PREVIOUS LESSON :**

- ✓ Statement of profit and loss
- ✓ Gross profit
- ✓ Net profit

**INTRODUCTION TO THE LESSON :**

The financial status and operational performance of business entities can be assessed through the financial analysis . Ratios are the most important and powerful tool for measuring performance of a business enterprise .

**LESSON DEVELOPMENT :**

**MEANING OF ACCOUNTING RATIOS :**

- Pure
- Percentage
- Times

### CLASSIFICATION OF RATIOS :



#### TRADITIONAL CLASSIFICATION :

- ❖ Balance sheet ratio
- ❖ Income statement ratio
- ❖ Inter statement ratio

#### FUNCTIONAL CLASSIFICATION :

- ❖ Liquidity ratios
- ❖ Long term ratios
- ❖ Turnover ratios
- ❖ Profitability ratios

#### LIQUIDITY RATIOS :

- Current ratio , Quick ratio

#### CURRENT RATIO :

#### FORUMLA :

$$\text{CURRENT RATIO} = \frac{\text{current asset}}{\text{current liability}}$$

#### FORUMLA :

$$\text{QUICK RATIO} = \frac{\text{Quick asset}}{\text{current liability}}$$

LONG TERM SOLVENCY RATIO :

DEBT EQUITY RATIO :

FORMULA :

$$\text{DEBT EQUITY RATIO} = \frac{\text{long term debt}}{\text{shareholder's fund}}$$

PROPRIETARY RATIO :

FORMULA :

$$\text{PROPRIETARY RATIO} = \frac{\text{Share holders fund}}{\text{total asset}}$$

FORMULA :

$$\text{CAIPTAL GEARING RATIO} = \frac{\text{Funds bearing fixed interest and dividend}}{\text{equity shareholder's fund}}$$

FORMULA :

$$\text{INVENTORY TURNOVER RATIO} = \frac{\text{Cost of revenue from operation}}{\text{Average inventory}}$$

TRADE RECEIVABLES TURNOVER RATIO :

FORMULA :

$$\text{CAIPTAL GEARING RATIO} = \frac{\text{Funds bearing fixed interest and dividend}}{\text{equity shareholder's fund}}$$

$$\text{CAIPTAL GEARING RATIO} = \frac{\text{Credit revenue from operations}}{\text{average trade receivables}}$$

TEACHER'S ACTIVITY :

- Teachers need to write the important points on the board and explain them .
- Everything should be written in chalk piece and procedures should be briefly explained .

STUDENT'S ACTIVITY :

- Make the students note down the sums properly .
- Answer teacher's question

- Read the whole lesson carefully .

**REINFORCEMENT :**

Sums should be explained again still the students get the concepts clearly

**KEY TERMS :**

- Liquidity
- Fund
- Capital
- Solvency ratios
- Operating cycle

**EVALUTION :****LOT :**

1. Current ratio includes \_\_\_\_\_
2. Current assets excluding inventory and prepaid expenses is called \_\_\_\_\_

**MOT :**

1. What is ratio analysis ?
2. Advantages of ratio analysis ?

**HOT :**

1. Objectives of ratio analysis
2. Why inventory is not considered as liquid asset ?

**STUDENTS OWN THINKING :**

- ✚ Collect data , from five sole trading businesses , on current asset and current liabilities as on a particular . calculate liquidity ratios and compare liquidity position .

**REMEDIAL TEACHING :**

- ❖ Slow learners are to be identified and the concepts will be taught to them in exam point of view
- ❖ Practise them only with the repeated theory and sums .

**ACTIVITIES :**

- Students are asked to write the answers for all the exercises given in the book back
- Class tests will be conducted .
- Revise the onewords and get ready for oral test.

**FOLLOW UP :**

- Practise the sums frequently
  - Calculations of ratios may become difficult when more data are to be used . Is there any solution available for this
-

CLASS : XII

Prepared by: Shanmuga sundaram B

SUBJECT : ACCOUNTANCY

St.Michael Matric HSS Madurai (Dist) cell:8870882272

UNIT NO : 9 RATIO ANALYSIS

DATE: NOVEMBER 4<sup>th</sup> WEEK

## LEARNING OBJECTIVE :

Students would be able to understand the

- ❖ Understand the meaning and classification of accounting ratios
- ❖ Calculate various ratios

## EXPECTED LEARNING OUTCOME :

The students will get the clear vision on ratios , balance sheet analysis , cost of goods sold , profitability ratios .

## TEACHING LEARNING MATERIAL :

- Power point presentation (PPT)
- QR code , internet (or) you tube videos
- Oral quiz conducted
- Online test for one words

## RECALLING THE PREVIOUS LESSON :

- ✓ Statement of profit and loss
- ✓ Gross profit
- ✓ Net profit

## INTRODUCTION TO THE LESSON :

The financial status and operational performance of business entities can be assessed through the financial analysis . Ratios are the most important and powerful tool for measuring performance of a business enterprise .

## LESSON DEVELOPMENT :

## TRADE PAYABLE TURNOVER RATIO :

FORMULA :

$$\text{TRADE PAYABLE RATIO} = \frac{\text{Net credit purchases}}{\text{average trade payables}}$$

## FIXED ASSET TURNOVER RATIO :

FORMULA :

$$\text{FIXED ASSET TURNOVER RATIO} = \frac{\text{Revenue from operation}}{\text{average fixed asset}}$$

## GROSS PROFIT RATIO :

## FORMULA

$$\text{GROSS PROFIT RATIO} = \frac{\text{Gross profit}}{\text{revenue from operations}} \times 100$$

NET PROFIT :

## FORMULA

$$\text{NET PROFIT RATIO} = \frac{\text{net profit after tax}}{\text{revenue from operations}} \times 100$$

## FORMULA

$$\text{OPERATING COST RATIO} = \frac{\text{Operating cost}}{\text{revenue from operations}} \times 100$$

OPERATING PROFIT RATIO :

## FORMULA :

$$\text{OPERATING PROFIT RATIO} = \frac{\text{Operating profit}}{\text{revenue from operation}} \times 100$$

RETURN ON INVESTMENT (ROI) :

$$\text{RETURN ON INVESTMENT} = \frac{\text{Net profit before interest and tax}}{\text{capital employed}} \times 100$$

## TEACHER'S ACTIVITY :

- Teachers need to write the important points on the board and explain them .
- Everything should be written in chalk piece and procedures should be briefly explained .

## STUDENT'S ACTIVITY :

- Make the students note down the sums properly .
- Answer teacher's question
- Read the whole lesson carefully .

## REINFORCEMENT :

Sums should be explained again still the students get the concepts clearly

## KEY TERMS :

- Liquidity
- Fund
- Capital

- Solvency ratios
- Operating cycle

EVALUTION :

LOT :

3. Proportion of shareholder's fund to total assets is called \_\_\_\_\_

MOT :

3. What does return on investment indicate ?  
4. Advantages of ratio analysis ?

HOT :

3. How is operating profit is ascertained ?  
4. Why inventory is not considered as liquid asset ?

STUDENTS OWN THINKING :

- ✚ A departmental stores net profit margin has decreased compared to last year's margin . a trader has been allowed 30 days to pay to his supplier but he takes 45 days . describe the debt collection period .

REMEDIAL TEACHING :

- ❖ Slow learners are to be identified and the concepts will be taught to them in exam point of view
- ❖ Practise them only with the repeated theory and sums .

ACTIVITIES :

- Students are asked to write the answers for all the exercises given in the book back
- Class tests will be conducted .
- Revise the onewords and get ready for oral test.

FOLLOW UP :

- Practise the sums frequently
- A sole trader earns 100000 per annum form business . Do you think the above information is enough to say that profit is high or not ?

**CLASS : XII**

**SUBJECT : ACCOUNTANCY**

**Topic Unit: 10 Computerized Accounting**

**Date: December I Week**

**Prepared by: Dr.S.Navaneetha Krishnan**

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**Learning Objective:**

1. Understanding Automated Accounting System
2. To familiarize students with maintaining accounts and generating reports using Tally.ERP 9

**Learning Outcomes:**

Students learn about the following  
Gateway to Tally

Receipt Certificate  
Proof of payment  
Counter-record  
Proof of purchase  
Sale certificate  
Appropriate note

**Learning Teaching Equipment:**

PPT, Videos, QR codes, Online tests and Online Games..

**Forecast:**

How computer is used in business through computerized accounting course in class 11 last year also remembering students about Microsoft Office – MS-Word and MS-Excel

**Course Introduction:**

To state to what extent an automated accounting system is useful for maintaining the accounting records of a large company.

**Teacher Activity:**

With computerized accounting system, accounts can be maintained easily and efficiently for long periods of time. It does not require much space. It enables quick and accurate retrieval of data and information.

An accounting report is a collection of accounting information derived from a company's books. Accounting reports can be classified as routine reports and special purpose reports.

**Regular Accounting Reports**

(a) Journal/Notebook (b) Ledger (c) Balance Sheet (d) Profit Statement (f) Balance Sheet (f) Cash Flow Statement

A report prepared as per the requirement of the user other than the regular accounting reports is called a special purpose report.

In the year 2009, Tally Solutions introduced Tally.ERP 9 software. This software provides a comprehensive business management solution.

**Student Activity:**

Asking the students to do such details through practical exercises

Tutorial on Accounting Software - Tally

1. Starting Tally You can start Tally in any of the following ways

Click on Start > All Programs > Tally.ERP 9 > Tally.ERP 9 icon

(or)

Click on Tally.ERP 9 icon (shortcut) on the desktop

Further

Creation of Company

Gateway of Tally

Logging out of Tally

Choosing a Company

Attributes of the company

Accounting attributes

Attributes of law and taxation

Creation of accounting teams

Ledger accounts

Changing group and directoryCertificates

**Evaluation:**

LOT

1. What is Automated Accounting System?
2. What are accounting statements?

MOT

1. What are the predefined ledgers in Tally.ERP 9?
2. Mention the types of certificates commonly used in Tally.ERP 9

HOT

Record the following activities in Tally.

- (1) Devi started business with capital of ₹ 4,00,000
- (2) Opened an account in Indian Bank and paid ₹ 60,000.
- (3) Purchased furniture for cash ₹ 15,000

**Follow-up: (Field Study)**

Assignment will be given to the students after completion of this topic.

**Explore and say other accounting software used in business premises other than tally accounting software.**