



| Code | Subject Title | Cr. Hrs | Semester |
|----------|-------------------------|---------|----------|
| COMM-102 | Financial Accounting-II | 4 | II |
| Year | Discipline | | |
| 1 | Commerce | | |

1. The control of cash transactions

Meaning of cash, cash balances and business income, internal control over cash (cash receipts and cash disbursements, voucher system), bank accounts, bank statements, reconciliation of bank statement, petty cash book, cash shrinkage,

2. Accounts receivable and notes receivables

Definition, uncollectable accounts (bad debts), direct write off method of uncollectable, aging of accounts receivables for calculation of uncollectable accounts, allowances for doubtful accounts, writing off uncollectable accounts, recovery of accounts receivable previously written off, notes receivables, accounting for notes receivables, notes receivable with and without interest in the face amount

3. Inventory

Definition, the flow of inventory cost (FIFO, Average Cost), just in time inventory system, importance of accurate valuation of inventory, techniques for estimating the cost of goods sold and ending inventory, gross profit method, the retail method

4. Property, Plant, and equipment (PPE)

Categories of property, plant, and equipment, determining the cost of PPE, capital and revenue expenditures, depreciation, allocation of cost, causes of depreciation, methods of computing depreciation (straight line, diminishing balance, double decline, sum of year's digit), disposal of PPE, gain and losses on disposal, trading in used assets against new assets, intangible assets and their features, amortization of intangible assets, operating expenses versus amortization, Accounting for natural resources, depletion natural resources, impairment of long lived assets

5. Liabilities

Nature, current liabilities, accounts payable, notes payable, notes payable with interest and without interest in face values, current portion of the long term debts, accrued liabilities, unearned revenue, long term liabilities, maturing obligation intended to be re-financed, installments notes payables, estimated liabilities, loss contingencies and commitments

6. Accounting for Partnership

Definition, advantages and disadvantages, limited partnership, partnership agreement, partnership accounting, accounting of a new partnership, additional investments, drawings accounts, closing the partnership accounts at the year end, nature of partnership profit, division of net income among the partners, admission of a new partner, retirement of a partner, death of a partner, liquidation of partnership

Recommended Books:

Text Book

Meigs & Meigs, *Accounting the basis for business decisions*, McGraw Hill Publishing Company.

Reference Books

Niswonger & Fess, *Accounting Principles*, South Western Publishing Company.

M.A Ghani, *Principles of Accounting*, Pak Imperial Book Depot, Lahore.

M Arif. & Sohail Afzal, *Accounting*, Azeem Academy, Lahore.

BS (4 Years) for Affiliated Colleges



Ch. Muhammad Hanif & Azam Shafiq, *Fundamentals of Accounting*, Kitab Markaz, Faisalabad.
