

GUJARAT TECHNOLOGICAL UNIVERSITY

Diploma in Commercial Practice

Semester: 3

Subject Code

Subject Name FINANCIAL ACCOUNTING-II

Sr. No.	Course content
1.	FUNDAMENTALS OF PARTNERSHIP FIRM: 1.1. Meaning of Partnership and Partnership Firm. 1.2. Partnership Deed. 1.3. Methods of Maintaining Capital Accounts – Fixed and Fluctuating Capitals. 1.4. Computation of Interest on Capital and Partners Loan. 1.5. Preparation of Profit and Loss Appropriation Account, Capital Accounts and Current Accounts. 1.6.
2.	ADMISSION OF A PARTNER: 2.1. Calculation of New Profit Sharing Ratio and Sacrifice Ratio. 2.2. Methods of Treatment of Goodwill. 2.3. Revaluation of Assets and Liabilities. 2.4. Profit and Loss Adjustment Account (Revaluation Account). 2.5. Adjustment of Capital.
3.	RETIREMENT OR DEATH OF A PARTNER 3.1. Computation of Gain/Benefit Ratio and New Profit & Sharing Ratio. 3.2. Revaluation of Assets and Liabilities. 3.2.1. Treatment of Goodwill 3.2.2. Payment to retiring Partner 3.3. Adjustment of Capital
4.	DISSOLUTION OF FIRM 4.1. Types of Dissolution 4.2. Accounting Treatment 4.2.1. Journal Entries 4.2.2. Realization Account 4.2.3. Accounting for unrecorded Assets and liabilities 4.2.4. Preparation of Partnership, Capital Accounts and Bank/Cash Account 4.3. Insolvency of a Partnership 4.3.1. When only one partner is insolvent (Avoid examples based on Garner & Murray Judgment) 4.3.2. When two or more Partners, other than all partners, became insolvent 4.3.3. When all Partners became insolvent
5.	PIECEMEAL DISTRIBUTION OF CASH AMONG THE PARTNERS 5.1. Meaning and Methods of (a) Surplus Capital (excess Capital) method & (b) Maximum Loss Method

6.	AMALGAMATION OF FIRMS 6.1. Meaning and Objectives of Amalgamation 6.2. Accounting Entries in the Books of Old Firm 6.3. Accounting Entries in the Books of New Firm
7.	FINAL ACCOUNTS OF PARTNERSHIP 7.1. Preparation of Trading A/C, Profit & Lon Account, Profit Lon Appropriation Account and Balance-Sheet(Simple Sums with Simple Adjustment only)

LABORATORY EXPERIMENTS:

1. Fundamentals of Partnership Accounts.
Prepare Profit & Lon Account and Profit and Lon Appropriation Account and Partners Capital Accounts under fixed and Method.
2. Study and solving problems of admission of a partner.
3. Study and solving problems of retirement of a partner.
4. Study and solving problems of dissolution of a Firm.
 - 4.1. Insolvency of one Partner (Simple Problem).
 - 4.2. Simple Problems of Insolvency of two or more Partners but not all partners
 - 4.3. Simple Problems or Insolvency of All Partners.
5. Study and Solving of Problems on distribution of Cash amongst Partners under both methods.
6. Study and solving problems of Amalgamation of Firm(Simple Problems)
7. Study and solving Problems on Final Account of Partnership Firms with Simple Adjustment