Class-12

Units/Topics	Learning outcomes	
Part A: Accounting for Partnership Firms and	After going through this Unit, the	Preparation of charts
Companies	students will be	showing
Unit 1: Accounting for Partnership Firms	able to:	Partners Capital Accounts
Partnership: features, Partnership Deed.	state the meaning of partnership,	with
Provisions of the Indian Partnership Act 1932	partnership	Fixed Capital Methods and
in the absence of partnership deed.	firm and partnership deed.	Fluctuations Methods,
Fixed v/s fluctuating capital accounts.	describe the characteristic features	Profit and Loss
Preparation of Profit and Loss Appropriation	of	Appropriation
account- division of profit among partners,	partnership and the contents of	Account.
guarantee of profits.	partnership	that are relevant for
Past adjustments (relating to interest on	deed.	accounting;
capital, interest on drawing, salary and profit	discuss the significance of	To know the
sharing ratio).	provision of	provisions of the
Goodwill: meaning, nature, factors affecting	Partnership Act in the absence of	Indian Partnership Act
and methods of valuation - average profit,	partnership	1932 in case no
super profit and capitalization.	deed.	partnership deed exist.
Note: Interest on partner's loan is to be treated as	differentiate between fixed and	Self made Worksheet
a	fluctuating	Calculation of new profit
charge against profits.	capital, outline the process and	sharing
Goodwill: meaning, factors affecting, need for	develop the	ratio, S/R ,G/R through
valuation, methods for calculation (average profits,	understanding and skill of	story.
super profits and capitalization), adjusted through	preparation of	
partners capital/ current account or by raising and	Profit and Loss Appropriation	Self made Worksheet
writing off goodwill (AS 26)	Account.	Similar Question will be
Unit 2 Accounting for Partnership firms -	develop the understanding and	given in
Reconstitution	skill of	class for Practice.
and Dissolution.	preparation profit and loss	Reference Books and
Change in the Profit Sharing Ratio among	appropriation	questions
the existing partners - sacrificing ratio,	account involving guarantee of	from last years board
gaining ratio, accounting for revaluation of	profits.	papers will
assets and reassessment of liabilities and	develop the understanding and	be solved
treatment of reserves, accumulated profits	skill of	
and losses. Preparation of revaluation	making past adjustments.	
account and balance sheet.	state the meaning, nature and	
Admission of a partner - effect of admission	factors affectin	
of a partner on change in the profit sharing	goodwill	
ratio, treatment of goodwill (as per AS 26),	develop the understanding and	
treatment for revaluation of assets and re-	skill of	
assessment of liabilities, treatment oreserves,	valuation of goodwill using different	
accumulated profits and losses,	methods.	
adjustment of capital accounts and	state the meaning of sacrificing	
preparation of capital, current account and	ratio, gaining	
balance sheet.	ratio and the change in profit sharing	
Retirement and death of a partner: effect of	ratio	
retirement / death of a partner on change in	among existing partners.	
profit sharing ratio, treatment of goodwill (as	develop the understanding of	
per AS 26), treatment for revaluation of	accounting	
assets and reassessment of liabilities,	treatment of revaluation assets and	
adjustment of accumulated profits, losses		

and reserves, adjustment of capital accountsreassessment of liabilities andand preparation of capital, current accounttreatment ofand balance sheet. Preparation of loanreserves and accumulated profits byaccount of the retiring partner.preparing revaluation account andCalculation of deceased partner's share ofbalanceprofit till the date of death. Preparation ofsheet.deceased partner's capital account and hisexplain the effect of change inexecutor's account.profit sharing	
and balance sheet. Preparation of loanreserves and accumulated profits byaccount of the retiring partner.preparing revaluation account andCalculation of deceased partner's share ofbalanceprofit till the date of death. Preparation ofsheet.deceased partner's capital account and hisexplain the effect of change in	
account of the retiring partner.preparing revaluation account and balanceCalculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account and hispreparing revaluation account and balanceexplain the effect of change in	
Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account and hisbalance sheet. explain the effect of change in	
profit till the date of death. Preparation of deceased partner's capital account and hissheet. explain the effect of change in	
deceased partner's capital account and his explain the effect of change in	
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Dissolution of a partnership firm: meaning ratio on admission of a new partner.	
of dissolution of partnership and partnership develop the understanding and	
firm, types of dissolution of a firm. Settlement skill of treatment of goodwill as per	
of accounts - preparation of realization AS-26, treatment	
account, and other related accounts: capitalof revaluation of assets and re-accounts of partners and cash/bank a/cassessment of	
(excluding piecemeal distribution, sale to a liabilities, treatment of reserves and	
company and insolvency of partner(s)). accumulated profits, adjustment of	
Note: (i) If the realized value of tangible assets is not	
(i) If the realized value of tangible assets is not accounts and preparation of capital,	
given it current should be considered as realized at book value account and balance sheet of the	
itself.	
(ii) If the realized value of intangible assets is not explain the effect of retirement / given it should be considered as nil (zero value). death of a	
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(ii) In case, the realization expenses are borne by a partner on change in profit sharing partner, clear indication should be given regarding ratio.	
the develop the understanding of	
payment thereof.	
treatment of goodwill as per AS-26, treatment treatment of goodwill, revaluation of	
of revaluation of assets and re-assessment of assets	
liabilities, treatment of reserves and and re-assessment of liabilities and	
accumulated profits, adjustment of capital adjustment of accumulated profits,	
accounts and preparation of capital, current losses	
account and balance sheet of the new firm. and reserves on retirement / death	
explain the effect of retirement / death of a of a	
partner on change in profit sharing ratio. partner and capital adjustment.	
develop the understanding of accounting develop the skill of calculation of	
treatment of goodwill, revaluation of assets deceased	
and re-assessment of liabilities and partner's share till the time of his	
adjustment of accumulated profits, losses death and	
and reserves on retirement / death of a prepare deceased partner's and	
partner and capital adjustment. executor's	
develop the skill of calculation of deceased account.	
partner's share till the time of his death and discuss the preparation of the	
prepare deceased partner's and executor's capital	
account. accounts of the remaining partners	
discuss the preparation of the capital and the	
accounts of the remaining partners and the balance sheet of the firm after	
balance sheet of the firm after retirement / retirement /	
death of a partner. death of a partner.	
understand the situations under which a understand the situations under	
partnership firm can be dissolved. which a	
develop the understanding of preparation of partnership firm can be dissolved.	
realisation account and other related	

accounts.	develop the understanding of	
	preparation of	
	realisation account and other related	
	accounts.	
Part D. Financial Statement Analysis		Self made Worksheet
Part B: Financial Statement Analysis	The objectives are:	
Unit 3 Financial statements of a Company:	develop the understanding of	Similar Question will be
Meaning, Nature, Uses and importance of financial	major headings and sub-headings (as	given in
Statement.	per Schedule III to the	class for Practice.
Statement of Profit and Loss and Balance Sheet in	Companies Act, 2013) of balance	Reference Books and
prescribed form with major headings and sub	sheet as	questions
headings (as per Schedule III to the Companies Act,	per the prescribed norms / formats.	from last years board
2013)	state the meaning, objectives and	papers will
Note: Exceptional items, extraordinary items and	limitations	be solved
profit (loss) from discontinued operations are	of financial statement analysis.	
excluded.	discuss the meaning of different	
Financial Statement Analysis: Meaning,	tools of	
Significance Objectives, importance and	'financial statements analysis'.	
limitations.	state the meaning, objectives and	
Tools for Financial Statement Analysis:	significance of different types of	
Cash flow analysis, ratio analysis.	ratios.	
Accounting Ratios: Meaning, Objectives,	develop the understanding of	
Advantages, classification and computation.	computation of	
Liquidity Ratios: Current ratio and Quick	current ratio and quick ratio.	
ratio.	develop the skill of computation of	
Solvency Ratios: Debt to Equity Ratio, Total	debt equity	
Asset to Debt Ratio, Proprietary Ratio and	ratio, total asset to debt ratio,	
Interest Coverage Ratio. Debt to Capital	proprietary ratio	
Employed Ratio.	and interest coverage ratio.	
Activity Ratios: Inventory Turnover Ratio,	develop the skill of computation of	
Trade Receivables Turnover Ratio, Trade	inventory	
Payables Turnover Ratio, Fixed Asset	turnover ratio, trade receivables and	
Turnover Ratio, Net Asset Turnover Ratio	trade	
and Working Capital Turnover Ratio.	payables ratio and working capital	
Profitability Ratios: Gross Profit Ratio,	turnover	
Operating Ratio, Operating Profit Ratio, Net	ratio and others.	
Profit Ratio and Return on Investment.	develop the skill of computation of	
	gross	
	profit ratio, operating ratio,	
	operating profit	
	ratio, net profit ratio and return on	
	investment.	
Unit 4: Cash Flow Statement	After going through this Unit, the	Analyze the cash flow
Meaning, objectives Benefits, Cash and Cash	students will	statement
Equivalents, Classification of Activities and	be able to:	of Project Report
preparation (as per AS 3 (Revised) (Indirect	state the meaning and objectives	Analyze the cash flow
Method only)	of cash flow	statement
Note:	statement.	
(i) Adjustments relating to depreciation and	develop the understanding of	
amortization, profit or loss on sale of assets	preparation of Cash Flow Statement	
including	using indirect method	
investments, dividend (both final and interim) and	as per AS 3 with given adjustments.	
tax.		
(ii) Bank overdraft and cash credit to be treated as		

short term borrowings.	
(iii) Current Investments to be taken as Marketable	
securities unless otherwise specified.	