

SYLLABUS CLASS – XII

ACCOUNTANCY

- **Accounting for Not-Profit-Organisations.**
 - Not for Profit Organisation Concept.
 - Receipts & Payments Account: features & preparation.
 - Income & Expenditure Account: features, preparation of income & expenditure account & balance sheet from the given receipts & payment account with additional information.
- **Accounting for partnership firms**
 - Partnership: features, partnership Deed.
 - Provisions of the Indian Partnership Act 1932 in the absence of partnership deed.
 - Fixed v/s fluctuating capital accounts. Preparation of P&L Appropriation Account- division of profit among partners, guarantee of profits.
 - Pat adjustments (relating to interest on capital & on drawings, salary & profit sharing ratio).
 - Goodwill: nature, factors affecting & methods of valuation- average profit, super profit & capitalization.
- **Accounting for Partnership Firms- Reconstitution & Dissolution.**
 - Change in profit sharing ratio among the existing partners- sacrificing ratio, gaining ratio, accounting for revaluation of assets & reassessment of liabilities & treatment of reserves & accumulated profits. Preparation of revaluation account & balance sheet.
 - Admission of Partner- effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS-26), treatment for revaluation of assets & re-assessment of liabilities, treatment of reserves & accumulated profits, adjustment of capital accounts & preparation of balance sheet.
 - Retirement & death of a partner: effect of retirement/death of a partner on change in profit sharing ratio, treatment of goodwill (as per AS-26), treatment for revaluation of assets & reassessment of liabilities, adjustment of accumulated profits & reserves, adjustments of capital accounts & preparation of balance sheet. Preparation of loan account of the retiring partner.
 - Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account & his executor's account.
 - Dissolution of partnership firm: meaning of dissolution of partnership & partnership firm, types of dissolution of a firm, settlement of accounts- preparation of realization account & other related accounts, capital account of partners & cash/bank account {excluding piecemeal distribution, sale to a company & insolvency of partner(s)}.
- **Accounting for Share Capital**
 - Share & Share Capital: nature & types.
 - Accounting for share capital: issue & allotment of equity & preference shares. Public subscription of shares- over subscription & under subscription of shares, issue at par & at premium, calls in advance & in arrears (excluding interest), issue of shares for consideration other than cash.
 - Concept of private placement & Employee Stock Option Plan (ESOP).
 - Accounting treatment of forfeiture & re-issue of shares.
 - Disclosure of share capital in the balance sheet of a company.
- **Accounting for debentures**
 - Debentures: issue of debentures at par, at premium and at discount. Issue of debentures for consideration other than cash, issue of debenture with terms of redemption, debentures as collateral security-concept, interest on debentures. Writing off discount/loss on issue of debentures.
 - Redemption of debentures Methods: lump sum, draw of lots, Creation of Debenture Redemption Reserve.

➤ **Analysis of financial Statements**

- Financial statements of a company: Statement of P&L & balance sheet of a company in the prescribed form with major headings and sub headings
- Financial statement Analysis: objectives, Importance and limitations.
- Tools for Financial statement Analysis: comparative statements, common size statements, cash flow analysis, ratio analysis.
- Accounting ratios: Meaning, objectives, classification & computation.
- Liquidity ratios: current ratio and quick ratio.
- Solvency ratios: Debt to Equity, total asset to debt ratio, proprietary ratio, interest coverage ratio.
- Activity ratios: Inventory turnover ratio, Trade Receivables Turnover Ratio, Trade Payables Turnover Ratio, Working Capital Turnover Ratio.
- Profitability ratios: Gross profit ratio, Operating ratio, Operating profit ratio, Net profit ratio and Return on investment.

BUSINESS STUDIES

➤ **Nature and significance of Management**

- Management – concept, objectives and importance, Concept includes meaning and features
- Management as Science, Art and profession
- Levels of management
- Management functions – planning, organizing, staffing, directing and controlling
- Coordination – concept and importance

➤ **Principles of managements**

- Principles of managements – concept and significance
- Fayol's principles of management
- Taylor's Scientific Management – principles and techniques

➤ **Business Environment**

- Business environment - concept and importance
- Dimensions of Business environment – Economic, Social, Technological, political and legal.
- Impact of Government policy changes on business with special reference to liberalization, Privatization and globalization in India

➤ **Planning**

- Concept, importance and limitations
- Planning process
- Single use and standing plans – objectives, strategy, policy, procedure, method, Rule, Budget and programme

➤ **Organizing**

- Concept and importance
- Organizing process
- Structure of organization – functional and divisional Concept. Formal and informal Organisation – concept

- Delegation: concept, elements and importance.
- Decentralization: concept and importance.

➤ **Staffing**

- Concept and importance of staffing
- Staffing a part of Human Resource Management Concept
- Staffing process
- Recruitment – process
- Selection – process
- Training and Development – concept and importance. Methods of training – on the job and off the job – vestibule training, apprenticeship training and internship training

➤ **Directing**

- Concept and importance
- Elements of directing
- Supervision – concept, functions of a supervisor
- Motivation – concept, Maslow’ hierarchy of needs, financial and non – financial incentives.
- Leadership – concept, styles – authoritative, democratic and laissez faire
- Communication-concept, formal and informal Communication, barriers to effective. Communication, how to overcome the barriers

➤ **Controlling**

- Concept nature and importance
- Relationship between planning and controlling
- Steps in the process of control

➤ **Financial management**

- Concept, role and Objectives of financial management
- Financial decision : investment, financing and dividend and factors affecting
- Financial planning – Concept and importance
- Capital structure – concept
- Fixed and Working Capital – concept and factors affecting their requirements

➤ **Financial Markets**

- Financial Markets Concept Functions and types
- Money market and its instruments
- Capital market and its types (primary and secondary), methods of Flotation in the primary market
- Stock Exchange – Functions and trading procedure.
- Securities and Exchange Board of India (SEBI) – objectives and functions.

➤ **Marketing Management**

- Selling and Marketing – concept
- Marketing management Concept
- Marketing Functions

- Marketing management philosophies
- Marketing mix – Concept and elements
- Product –branding, labeling and packaging- Concept
- Price – Concept, factors determining price
- Physical distribution-concept and components, channels of distribution: types, choice of channels
- Promotion – concept and elements: advertising-concept, role, objections against advertising
Personal selling – concept and qualities of a good salesman, sales promotion – concept and Techniques, public relation-concept and role

➤ **Consumer Protection**

- Concept and importance of consumer protection
- Consumer Protection Act 1986: Meaning of consumer, Rights and responsibilities of consumers. Who can file a complaint and against whom? Redressal machinery Remedies available
- Consumer awareness – Role of consumer organizations and Non- Governmental Organizations (NGOS)

ECONOMICS

➤ **PART A: Introductory Macroeconomics**

➤ **National Income and related aggregates**

- Some basic concept: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.
- Circular flow of income(two sector model): Methods of calculating National Income – Value Added or Product Method, Expenditure method, income method.
- Aggregates related to national Income:
- Gross National Product (GNP), Net national Product (NNP), Gross and Net Domestic Product (GDP and NDP) – at market price, at factor cost; Real & Nominal GDP.
- GDP and Welfare.

➤ **Money and Banking**

- Money – Meaning & Supply of money- currency held by the public & net demand deposits held by commercial banks.
- Money creation by the commercial banking system.
- Central bank and its functions. (Example of the Reserve bank of India): Bank of Issue, Govt. Bank, Banker's Bank. Control of Credit through Bank Rate, CRR, SIR, Repo Rate & Reverse Repo Rate, Open Market Operations, Margin requirement.

➤ **Determination of Income and Employment**

- Aggregate Demand and its components.
- Propensity to Consume and propensity to save (average & marginal).
- Short-run equilibrium output; investment multiplier and its mechanism.
- Meaning of full employment and involuntary unemployment.

- Problems of excess demand and deficient demand; measures to correct them – change in government spending, taxes & money supply.

➤ **Government Budget and the Economy**

- Government budget – meaning, objectives and components.
- Classification of receipts – revenue receipts and capital receipts; classification of expenditure – revenue expenditure and capital expenditure.
- Measures of government deficit – revenue deficit, fiscal deficit, primary deficit: their meaning.

➤ **Part B: Indian Economic Development**

Unit 6: Development Experience (1947-90) and Economic Reforms since 1991:

A brief introduction of the state of Indian economy on the eve of independence. Common goals of Five Year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy, etc.), industry (industrial licensing, etc.) and foreign trade.

Economic Reforms since 1991:

Features and appraisals of liberalisation, globalisation and privatisation (LPG policy); Concepts of demonetization and GST

Unit 7: Current challenges facing Indian Economy

Poverty- absolute and relative; Main programmes for poverty alleviation: A critical assessment

Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming

Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India

Employment: Formal and informal growth; problems and policies.

Infrastructure: Meaning and Types: Case Studies: Energy and Health: Problems and Policies- A critical assessment;

Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming.

Unit 8: Development Experience of India:

A comparison with neighbors

India and Pakistan

India and China

Issues: growth, population, sectoral development and other Human Development Indicators.