

## MODULE - V

### Preparation of Financial Statements



Notes



224en15

15

# FINANCIAL STATEMENTS (WITH ADJUSTMENTS)

You have learnt in the previous lesson, how to prepare Trading A/c, Profit & Loss A/c and Balance Sheet.

These financial statements are prepared with the help of a given Trial Balance. It is possible that the expenses given in the Trial Balance may not be the total expenses for that accounting year for which trial balance has been prepared.

Similarly a portion or part of the expenses given in the Trial Balance may relate to future year(s).

If Financial Statements are prepared with the help of such a Trial balance, they will not present a correct picture of the business. The income statement will not show correct net profit or net loss. Similarly the Balance sheet will not show the correct financial picture of the business.

So, before preparing the financial statement, it is necessary to find out the items of expenses which relate to the current year but have not been paid.

Similarly it is necessary to find out the items of expenses which relate to future year but have been paid or received during current year.

Therefore, it becomes necessary to make some 'adjustments' in respect of some items of expense and income. These are called accounting adjustments.



## OBJECTIVES

**After studying this lesson you will able to :**

- understand the need for accounting adjustments;
- understand the adjustments relating to closing stock, outstanding expenses, prepaid expenses and depreciation on fixed assets;
- explain adjustment entries relating to above adjustments and
- understand the accounting treatment of the adjustments in Trading A/c, Profit and Loss A/c and Balance Sheet.



**15.1 NEED FOR ACCOUNTING ADJUSTMENTS**

Accounting adjustments are required because of the following purposes:

- i) To know the correct net profit or net loss of the business for an accounting year.
- ii) To know the correct financial position of the business.
- iii) To record the expenses which have become due but have not been paid
- iv) To record the expenses which have been paid in advance for future year(s)
- v) To provide for depreciation on fixed assets.

**15.2 TYPES OF ADJUSTMENTS**

The number and nature of adjustments will differ from business to business. You will study the following common adjustments in this lesson :

- i) Closing Stock
- ii) Outstanding Expenses
- iii) Prepaid Expenses
- iv) Depreciation on Fixed assets

Let us discuss the above items of adjustments and their accounting treatment in the financial statements.

**i) Closing Stock**

Closing stock is the stock of goods which remains unsold at the end of the accounting year. This item is, normally, not shown inside the Trial balance. It appears outside the trial balance as additional information. For example the books of Mr. X showed the value of closing stock as on 31.3.2012 ₹30,000.

The accounting treatment of closing stock in the financial statements of Mr. X., will be as follows:

- (a) The following adjustment entry will be passed at the end of the year:

31.3.2012	Closing Stock A/c	Dr.	30,000	
	To Trading A/c			30,000
	(For Closing stock transferred to Trading A/c)			

- (b) Trading A/c of Mr. X for the year ending 31.3.2012

<b>Dr.</b>		<b>Cr.</b>	
Particulars	Amount (₹)	Particulars	Amount (₹)
		By Closing Stock	30,000

## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)

### (c) Balance Sheet of Mr. X as on 31.3.2012

Liabilities	Amount (₹)	Assets	Amount (₹)
		Closing Stock	30,000

**Note :** If Closing stock is given inside the Trial balance, the above mentioned adjustment entry will not be passed and the closing stock will not be shown on the credit side of Trading A/c. The closing stock will be shown on the assets side of Balance Sheet only.

### ii) Outstanding Expenses

An expense which relates to the current year but has not been paid till the end of the accounting year is known as outstanding expenses such as Factory rent, Wages, Salaries, Office rent, Telephone charges etc. for current year may not have been paid till the end of the accounting year, for example the books of accounts of Mr. X showed that, Wages paid during the year 2011-2012 ₹ 45,000. Wages outstanding for the year 2011-2012 ₹ 5,000.

The accounting treatment of wages outstanding in the books of Mr.X will be as follows:

(a) The adjustment entry will be:

31.3.2012	Wages A/c	Dr.	5,000	
	Wages outstanding A/c			5,000
	(For wages outstanding for the year 2011-12)			

### (b) Trading A/c of Mr. X for the year ending 31.3.2012

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Wages : 45,000			
(+) Wages O/S : 5,000	50,000		

### (c) Balance Sheet of Mr. X as on 31-3-2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Wages Outstanding	5,000		

## Financial Statements (With Adjustments)

Let us take another example, regarding outstanding salary which affects the net profit.

Example: The books of accounts of Mr.X showed the following:

Salaries for the year 2011-12 already paid during the year ₹ 1,00,000. Salaries for 2011-12 due but not paid till 31-3-12 ₹ 10,000. Its accounting treatment in the books of Mr.X will be as follows.

(a) Adjustment entry will be as under:

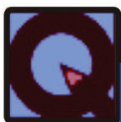
31.3.2012	Salaries A/c	Dr.	10,000	
	To Salaries outstanding A/c			10,000
	(For salary outstanding for the year 2011-12)			

(b) **Profit & Loss A/c for Mr.X**  
**For the year ending 31-3-2012**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Salaries : 1,00,000			
(+) Salaries O/S : 10,000	1,10,000		

(c) **Balance Sheet**  
**as on 31-3-2012**

Liabilities	Amount (₹)	Assets	Amount (₹)
Salaries Outstanding	10,000		



### INTEXT QUESTIONS 15.1

Give exact term for your answer :

- Stock remains unsold at the end of year.
- Amount not paid for the good or services whose benefits was already availed.
- Value of unsold goods shown outside the trial balance as additional information.
- Transaction shown outside the trial balance to be incorporated before the preparation final accounts.

### iii) Prepaid Expenses

Sometimes, a part of the expenses given in the trial balance may relate to future year(s). Such part of expenses is known as 'Prepaid Expenses' or 'Expense paid in

## MODULE - V

### Preparation of Financial Statements



### Notes

## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)

Advance' such as, out of the salaries paid during the current year, a part may relate to next accounting year. Similarly factory rent, wages, office rent, insurance premium, taxes, etc. may be prepaid in some cases. For example the books of accounts of Mr.X showed the following:

Total salaries paid during the accounting year 2011-2012 ₹ 2,00,000 out of which ₹ 25,000 relates to the next accounting year, i.e, 2012-13. The accounting treatment, of prepaid salaries in the books of Mr. X will be as follows:

- (a) Adjustment entry for prepaid salaries will be as under:

31.3.2012	Prepaid Salaries A/c	Dr.	25,000	
	To Salaries A/c			25,000
	(For salaries paid in advance for next year 2012-13)			

- (b) **Profit & Loss A/c for Mr.X  
for the year ending 31-3-2012**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Salaries : 2,00,000			
(-)Prepaid Salaries : 25,000	1,75,000		

- (c) **Balance Sheet of Mr.X  
as on 31-3-2012**

Liabilities	Amount (₹)	Assets	Amount (₹)
		Prepaid Salaries	25,000

#### iv) Depreciation on Fixed Assets

The value of fixed assets such as Plant and Machinery, Building, Furniture, Computers, Motor Vehicles, etc. goes on decreasing or reducing every year due to their use, wear and tear. This decrease in the value of assets is called depreciation.

Depreciation is an expense like any other expense of the business.

Depreciation on various fixed assets is shown on the debit side of P&L A/c.

The amount of depreciation on fixed asset is deducted from the concerned or related asset on the asset side of Balance Sheet. For example the books of accounts of Mr. X showed the following:

## Financial Statements (With Adjustments)

The value of Plant and Machinery is ₹ 5,00,000 as on 31-3-2012 and value of Furniture is ₹ 50,000 as on 31-3-2012. Depreciation is to be charged on these assets @10% p.a. The accounting treatment of depreciation in the financial statements of Mr. X, will be as follows :

- (a) Entry for charging depreciation will be as under:

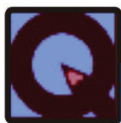
31-3-2012	Depreciation A/c	Dr.	55,000	
	To Plant&Machinery A/c			50,000
	To Furniture A/c			5,000
	(For depreciation charged on Plant and Machinery and Furniture @10% for one year)			

- (b) **Profit & Loss A/c for Mr. X**  
for the year ending 31-3-2012

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Depreciation on Plant & Machinery	50,000		
Furniture	5,000		

- (c) **Balance Sheet of Mr.X**  
as on 31-3-2012

Liabilities	Amount (₹)	Assets	Amount (₹)
		Plant & Machinery	5,00,000
		(-) Dep.	50,000
		Furniture	50,000
		(-) Dep.	5,000
			4,50,000
			45,000



### INTEXT QUESTIONS 15.2

Match column 'A' with column 'B'

- | 'A'                      |  | 'B'   |  |
|--------------------------|--|---|--|
| i. Closing Stock         |  | (a) Deducted from the value of assets   |  |
| ii. Outstanding Expenses |  | (b) Those expenses which have not become due but have been paid during the accounting year in question. |  |
| iii. Depreciation        |  | (c) Those expenses which have become due but have not been paid in the concerned accounting year.       |  |
| iv. Prepaid expenses     |  | (d) Shown on the credit side of Trading A/c.  |  |

## MODULE - V

### Preparation of Financial Statements



#### Notes

## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)

### Illustration 1

From the following trial balance of M/s Kaushal Traders, prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2012 and a Balance Sheet as on that date :

Dr. Balances	₹	Cr. Balances	₹
Opening stock on 1st April, 2011	16,000	Capital	80,000
Purchases	75,000	Sales	2,00,000
Sales returns	5,000	Purchases returns	2,000
Carriage inwards	1,500	Discount	500
Plant and Machinery	40,000	Sundry creditors	10,000
Furniture and fixtures	5,000	Bills payable	1,500
Freehold property	45,650		
Cash in hand	5,000		
Carriage outwards	400		
Wages	30,000		
Salaries	18,000		
Lighting (factory)	800		
Sundry debtors	28,000		
Travelling expenses	1,200		
Rent and taxes	4,800		
Drawings	5,000		
Insurance	450		
General expenses	12,200		
	<b>2,94,000</b>		<b>2,94,000</b>

Adjustments :

- Stock on 31st March 2012 was valued at ₹ 38,000 (market value ₹ 20,000).
- Wages amounting to ₹ 2,000 and salaries amounting to ₹ 1,500 are outstanding.
- Prepaid insurance amounted to ₹ 150.
- Provide depreciation on plant and machinery at 5% and on furniture and fixtures at 10%.

### Solution

#### Trading and Profit and Loss Account for the year ending 31st March, 2012

Dr.	Particulars	Amount ₹	Cr.	Particulars	Amount ₹
To Opening stock		16,000	By Sales	2,00,000	
To Purchases	75,000		Less : Sales returns	5,000	
Less : Purchases returns	2,000	73,000	By Closing stock		20,000 <sup>1</sup>
To Carriage inwards		1,500			
To Wages	30,000				
Add : Outstanding wages	2,000	32,000			
To Factory lighting		800			
To Gross profit c/d		91,700			
		<b>2,15,000</b>			<b>2,15,000</b>

## Financial Statements (With Adjustments)

To Carriage outwards	400	By Gross profit b/d	91,700
To Salaries	18,000	By Discount	500
Add : Outstanding salaries	1,500		
	19,500		
To Travelling expenses	1,200		
To Rent and taxes	4,800		
To Insurances	450		
Less : Prepaid insurance	150		
	300		
To General expenses	12,200		
To Depreciation on :			
Plant and machinery	2,000		
Furniture and fixtures	500		
	2,500		
To Net profit transferred to Capital A/c	51,300		
	<b>92,200</b>		<b>92,200</b>

## MODULE - V

### Preparation of Financial Statements



### Notes

### Balance Sheet as on 31st March 2012

Liabilities	Amount ₹	Assets	Amount ₹
Bills payable	1,500	Cash in hand	5,000
Sundry creditors	10,000	Sundry debtors	28,000
Outstanding wages	2,000	Closing stock	20,000 <sup>1</sup>
Outstanding salaries	1,500	Prepaid insurance	150
Capital	80,000	Furnitures and fixtures	5,000
Add : Net profit	51,300	Less : Depreciation	500
	1,31,000		4,500
Less : Drawings	5,000	Plant and machinery	40,000
	1,26,300	Less : Depreciation	2,000
			38,000
		Freehold property	45,650
	<b>1,41,300</b>		<b>1,41,300</b>

**Note :** (1) Closing stock is valued at cost price or market price whichever is less.

### Illustration 2

From the following trial Balance of M/s. Gupta Furnitures as on 31st December, 2012 you are required to prepare a Trading and Profit & Loss A/c for the year ended 31st Dec. 2012 and a Balance Sheet as at that date after making the necessary adjustments. Trial Balance of M/s. Gupta Furniture as at 31.12.2012.

Particulars	Dr (₹)	Cr. (₹)
Capital A/c of Mr. Gupta		80,000
Cash in hand	540	
Cash in bank	2,630	
Purchase A/c	43,120	
Sales A/c		78,100
Wages A/c	10,480	
Fuel and Power A/c	4,730	



## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)

Carriage on Sales A/c	3,200	
Carriage on Purchase A/c	2,040	
Stock (on 1-1-2012)	5,760	
Land & Building A/c	40,000	
Machinery A/c	20,000	
Salaries A/c	15,000	
Insurance A/c	600	
Sundry Debtors A/c	20,000	
Sundry Creditors A/c		10,000
	<b>1,68,100</b>	<b>1,68,100</b>

Taking into consideration the following adjustments, make necessary journal entries and prepare final accounts.

- Stock on hand 31.12.2012 is ₹ 5,000
- Machinery is to be depreciated @ 10% p.a.
- Salaries for the month of December outstanding amounted to ₹ 3,500.
- Insurance prepaid for 3 months.

### Solution

2012	Adjusting Entries	(₹)	(₹)
Dec. 31	Closing stock A/c Dr. To Trading A/c (For closing stock taken into account)	5,000	5,000
Dec. 31	Depreciation A/c Dr. To Machinery (For depreciation charged on machinery @ 10%)	2,000	2,000
Dec. 31	Salaries A/c Dr. To Salaries Outstanding (For outstanding salaries provided for)	3,500	3,500
Dec. 31	Prepaid Insurance A/c Dr. To Insurance A/c (For prepaid insurance taken into account)	150	150

### Trading Account of M/s. Gupta Furnitures for the year ended on 31st Dec. 2012

Dr.

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Stock (1.1.12)	5,760	By Sales	78,100
To Purchases	43,120	By Stock (31.12.12)	5,000

## Financial Statements (With Adjustments)

To Wages	10,480		
To Fuel and Power	4,730		
To Carriage on Purchase	2,040		
To Gross Profit transferred to Profit & Loss A/c	16,970		
	<b>83,100</b>		<b>83,100</b>

## MODULE - V

### Preparation of Financial Statements



Notes

### Profit and Loss A/c for the year ended on 31st December, 2012

Particulars	Amount (₹)	Particulars	Amounts (₹)
To Carriage on Sales	3,200	By Gross Profit b/d	16,970
To Salaries 15,000		By Net Loss transferred to capital A/c of Mr. Gupta	7,180
Add : Outstanding 3,500	18,500		
To Insurance 600			
Less : Prepaid 150	450		
To Depreciation on Machinery	2,000		
	<b>24,150</b>		<b>24,150</b>

### Balance Sheet of M/s. Gupta Furnishers as on 31st December, 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	10,000	Cash in hand	540
Outstanding Salaries	3,500	Cash at bank	2,630
Capital A/c of Mr. Gupta 80,000		Sundry Debtors	20,000
Less : Net Loss 7,180	72,820	Closing Stock	5,000
		Prepaid Insurance	150
		Land and Building	40,000
		Machinery A/c 20,000	
		Less : Depreciation 2,000	18,000
	<b>86,320</b>		<b>86,320</b>

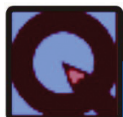
## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)



### INTEXT QUESTIONS 15.3

#### I. Mention whether the following statements are True or False

- i. Financial statements prepared without considering adjustments do not reflect the correct financial positions of the business.
- ii. The accounting treatment of adjustments is done only in Balance Sheet.
- iii. The Accounting treatment of adjustment entry is done only in Trading Account or Profit & Loss Account.
- iv. Adjustments are always related to future.

#### II. Fill in the blanks

- i. Closing stock is shown on the ..... side of Balance sheet.
- ii. Outstanding Expenses are shown on the ..... side of Balance Sheet.
- iii. Prepaid expenses are shown on the ..... side of Balance sheet.
- iv. Depreciation is shown on the..... side of profit and loss A/c.
- v. Closing stock is shown on the asset side of.....
- vi. The decrease in the value of fixed asset due to their use is called.....
- vii. Adjustments are made to know the correct.....of a business.
- viii. Outstanding wages shown on the..... of the .....
- ix. Outstanding office Rent will be shown on the.....side of.....and ..... side of Balance sheet.
- x. Profit and Loss A/c is prepared to know .....of an accounting year.

#### III. Multiple Choice Questions

- i. When no adjustment is done for outstanding wages. Gross profit ascertained will be
 

a) more than the actual	b) less than the actual
c) equal to the actual	d) will not be affected
- ii. Prepaid expenses are expenses
 

a) paid in advance	b) outstanding expenses
c) expenses incurred for the current year	d) expenses paid for the previous year
- iii. Depreciation is debited to
 

a) Trading account	b) profit and loss account
c) concerned asset account	d) none of the above

## Financial Statements (With Adjustments)

- iv. An item of adjustment is shown
- only in trading account
  - only in profit and loss account
  - only in balance sheet
  - in trading account or P&L A/c and also in Balance Sheet



### WHAT YOU HAVE LEARNT

- Necessary adjustments are required at the time of preparation of financial statements in order to ascertain the correct profit and financial position of the business.
- Closing stock is the stock of goods which remains unsold at the end of an accounting year. Adjustment is done in Trading Account and Balance Sheet.
- Outstanding Expenses refer to the expenses relating to current year but which have not been paid during the current year. Adjustments is done in Trading Account, Profit and Loss Account and Balance Sheet.
- Prepaid Expenses or expense paid in advance refer to those expenses which relate to future year. Adjustments is done in trading account, profit & loss account and balance sheet.
- Depreciation on fixed Assets refers to Decrease in the value of fixed assets due to their use, wear and tear. Adjustment is done in profit and loss account and balance sheet.



### TERMINAL EXERCISE

- What is meant by an adjustment entry?
- Why is it necessary to pass adjusting entries in financial statements?
- Write short notes on :-
  - Outstanding Expenses
  - Prepaid Expenses
- Explain the following adjustments and their treatment in the financial statements : a) Closing Stock      b) Depreciation
- From the following trial balance of M/s Sakshi Garments. Prepare Trading & Profit and Loss Account for the year ending 31<sup>st</sup> March 2012 and Balance Sheet as on that date.

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Stock (1.4.2011)	13,800	Capital	65,000
Purchases	52,000	Sales	74,400
Wages	4,000	Purchase return	1,500

## MODULE - V

### Preparation of Financial Statements



### Notes

## MODULE - V

### Preparation of Financial Statements



Notes

## Financial Statements (With Adjustments)

Sales Returns	2,400	Discount	450
Land & Building	40,000	Creditors	6,500
Plant & Machinery	24,500	Interest	600
Debtors	5,250	Commission	700
Cash in hand & bank	8,750	Bank Loan	26,000
Office Rent	2,200		
Postage	400		
Insurance	1,500		
Freight	1,400		
Fuel & Power	2,450		
Furniture	4,500		
Motor Car	12,000		
	<b>1,75,150</b>		<b>1,75,150</b>

### Adjustments

- Stock on 31.3.2012 ₹ 25,000
  - Write off depreciation on furniture 10% and on Plant & Machinery 20%
  - Wages outstanding amounted to ₹ 650 and rent outstanding was ₹200. Pre-paid insurance amounted to ₹ 300.
6. From the following particulars for the year ending 31.3.2012 of M/s Pant. Bros. prepare Trading Account, Profit & Loss Account and a Balance Sheet as on 31.3.2012

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Capital	4,00,000	Salaries	1,20,000
Opening Stock	85,000	Rent & Taxes	40,000
Purchases	4,20,000	Postage & Telegrams	25,000
Creditors	75,000	Interest Paid	20,000
Debtors	1,20,000	Furniture	2,00,000
Sales	8,10,000	Insurance	1,00,000
Discount received	18,000	Freight	20,000
Discount allowed	16,000	Cash in hand	50,000
Purchases Returns	20,000	Cash at bank	47,000
Sales Returns	10,000	Motor car	50,000

### Adjustments

- Closing stock valued as on 31.3.2012 ₹ 1,70,000
- Salaries outstanding ₹ 12,000
- Charge depreciation on Motor Car @ 10% P.A.

## Financial Statements (With Adjustments)

7. From the following information of M/s Bhanumati Traders you are required to prepare Trading Account, Profit & Loss Account and Balance Sheet as on 31<sup>st</sup> March 2012.

Particulars	(₹)	Particulars	(₹)
Capital	2,00,000	Stock on 1-4-11	62,000
Drawings	10,000	Purchases	1,40,000
Plant & Machinery	1,00,000	Sales	2,30,000
Salaries	14,000	Purchases Returns	2,600
Printing & Stationery	2,000	Sales Returns	4,200
Discount Allowed	1,500	Freight	1,200
Debtors	25,000	Cash in hand	32,000
Creditors	40,000	Cash at bank	50,000
Insurance	3,000	Land & Building	50,000
Postage	600		
Office Rent	2,600		

### Adjustments

Outstanding wages as on 31 March 2012 - ₹ 2,500

Outstanding Salaries ₹ 700

Prepaid Insurance ₹ 400

Closing stock ₹ 44,000

8. From the following information received from the books of Mr. Sahil on 31.3.2012, you are required to prepare the Trading Account & Profit & Loss Account for the year ending 31.3.2012 and a Balance Sheet as on 31.3.2012

Particulars	(₹)	Particulars	(₹)
Opening Stock	37,000	Capital	1,62,000
Purchases	93,500	Drawings	1,60,000
Wages	28,000	Discount received	1,600
Sales	2,49,000	Sundry Creditors	43,000
Salaries	11,000	Loan	30,000
Rent	5,500	Cash in hand	37,300
Interest Paid	2,700	Cash at bank	37,300
Discount Allowed	2,400	Debtors	86,000
Postage & Telegram	2,000	Furniture	21,400
Printing & Stationery	1,800	Motor Car	20,000
Sales Expenses	2,200	Building	60,000
Insurance Premium	5,500	Plant & Machinery	16,000

## MODULE - V

### Preparation of Financial Statements



Notes

**MODULE - V****Preparation of  
Financial Statements****Notes****Financial Statements (With Adjustments)****Adjustments**

- i. Closing stock was valued at ₹ 30,000
- ii. Depreciate
  - (a) Building by 5% p.a.
  - (b) Furniture – 10% p.a.
  - (c) Land & Building – 15% p.a.
  - (d) Motor Car – 20% p.a.
- iii. Rent outstanding ₹1,500
- iv. Prepaid Insurance ₹ 300

**ANSWER TO INTEXT QUESTIONS**

**15.1** (i) closing stock (ii) outstanding expenses  
(iii) closing stock (iv) adjustments

**15.2** (i) d (ii) c (iii) a (iv) b

**15.3 I.** (i) True (ii) False (iii) False (iv) False

**II.** (i) asset (ii) Liability (iii) Asset (iv) Debit  
(v) Balance Sheet (vi) Depreciation  
(vii) Financial position (viii) Liability side, Balance Sheet  
(ix) Debit side Trading A/c, Liability  
(x) Profit or Losses

**III.** (i) a (ii) a (iii) a (iv) d

**ACTIVITY FOR YOU**

- Assuming that your father is a businessmen, running a small shop as a sole proprietor and maintains the accounts of the business of his own. As a student of Accountancy one day you came to know that no adjustment entry was done by your father while preparing final accounts of his business. You are required to reprepare the final accounts by passing necessary adjustment entries in your father business books of account.

## MODULE - VI

Maximum Marks

9

Hours of Studies

18

### Computer in Accounting

This module will enable the learners to understand the meaning and characteristics of a computer with its components and limitations. It also emphasises on use of computers in Accounting. It will also make you to learn the difference between manual accounting and computerised accounting. One should be able to know the basic requirements of computerised accounting. Once you are able to know the use and importance of computers in accounting you must understand the meaning, features and important steps for starting Tally ERP9.0, together with how to create a company in Tally.

**Lesson 16 : Computers in Accounting**  
**Lesson 17 : Introduction to Tally**



## Awards Won by NIOS



**Web Ratna Awards 2012 Platinum Icon under Outstanding Web Content** for Acknowledging exemplary initiatives/practices in the realm of e-Governance for dissemination of information & services instituted by Department of Information Technology, Ministry of Communications & IT (MC&IT) and National Informatic Centre (NIC), Government of India. The award has been conferred by Hon'ble Minister of Communications and Information Technology Shri Kapil Sibal on 10th December 2012 at Dr. D.S Kothari Auditorium, DRDO Bhawan, Dalhousie Road, New Delhi.

### TOI Social Impact Award 2012

NIOS has been selected as winner of the Social Impact Award 2012 instituted by Times of India in partnership with J P Morgan. The Award is given in the recognition of magnificent work done by an individual or groups or institutions making an impact in the society in various segment including Education. NIOS feels honoured to accept the award.



The award was conferred on 28th January 2013 at a function in presence of President of India and high level dignitaries.

### National Awards for the Empowerment of Persons with Disabilities, 2012



The NIOS received the National Award for the Empowerment of persons with disabilities, 2012 Instituted by Ministry Social Justice and Empowerment, Govt. of India. The NIOS got this award under the category of best accessible Website for making its website [www.nios.ac.in](http://www.nios.ac.in) completely accessible for person with disabilities. The website is bilingual in Hindi and English. It also has provisions of Screen Reader, increasing text size, colour contrast scheme etc. for disabled learners. This award was conferred by the Hon'ble President of India at Vigyan Bhawan, New Delhi on 6th February, 2013. Dr. S.S. Jena Chairman, NIOS received the award.