

Secondary Course

224 - Accountancy

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NATIONAL INSTITUTE OF OPEN SCHOOLING

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Chairman's Message

Dear learners

As the needs of the society in general, and some groups in particular, keep on changing with time, the methods and techniques required for fulfilling those aspirations also have to be modified accordingly. Education is an instrument of change. The right type of education at right time can bring about positivity in the outlook of society, attitudinal changes to face the new/fresh challenges and the courage to face difficult situations. This can be very effectively achieved by the curriculum renewal and by introducing new subjects at regular intervals of time. A static curriculum serves no other purpose than a mere manual of instruments for teaching in which, unless the water is changed at regular intervals of time, the water can not be put to any use. Rather, it starts stinking giving a foul and obnoxious smell.

Textual material production is an integral and essential part of curriculum development. Through it, the goals of teaching a particular subject are achieved and it teaches the techniques, rather than employing old and traditional methods which may not suit the situation at all.

For this purpose only, educationists from all over the country come together at regular intervals to deliberate on the issues of changes needed and required. As an outcome of such deliberations, the National Curriculum Framework (NCF) came out, which spells out in detail the type of education desirable/needed at various levels of education – primary, elementary, secondary or senior secondary.

Keeping this framework and other national and societal concerns in mind, we have introduced few new subjects at the secondary level, making them current and need based. We have also taken special care to make the learning material user friendly, interesting and attractive for you.

I would like to thank all the eminent persons involved in making this material interesting and relevant to your needs. I hope you find it appealing and absorbing.

On behalf of National Institute of Open Schooling, I wish you all a bright and successful future.

Chairman
(National Institute of Open Schooling)

A Note From the Director

Dear Learner,

The Academic Department at the National Institute of Open Schooling tries to bring you new programmes every now and then in accordance with your needs and requirements. Recently, we undertook the responsibility of revising curriculum in all the subjects at the secondary level as well as to introduce new subjects as per need of learners. In order to bring to you a curriculum which is at par with other boards in the country, we consulted the curriculum in different subjects at the CBSE, the Boards of Secondary Education of Uttar Pradesh, Maharashtra, Madhya Pradesh, Goa, Jammu and Kashmir, West Bengal, etc. The National Curriculum Framework developed by the National Council for Educational Research and Training was kept as a reference point. After making a comprehensive comparative study, we found that our curriculum was functional, related to life situations and simple. The task now was to make it more effective and useful for you. We invited leading educationists of the country and under their guidance, have been able to revise and update the curriculum.

At the same time, we have covered all relevant things and have tried to make the learning material attractive and appealing for you.

I hope you will find this material interesting and exciting. Any suggestions for further improvement are welcome.

Let me wish you all a happy and successful future.

*(Dr Kuldeep Agarwal)
Director (Academic)*

A Word With You

Dear Learner,

I am happy that you have chosen Accountancy as one of the subjects at Secondary level. Welcome to the course in Accountancy.

You know that all of us have some direct and indirect link with various accounting activities. The environment around us has influenced our lives in many ways. In this context, it is our attempt to develop awareness among the learners about business and accounting, its wide network and also about its ever-changing nature. Introduction to Accounting, Journal, Subsidiary Books, Ledger, Trial Balance, Depreciation and Preparation of Financial Statements with the use of computer in Accounting are covered in this course. It would also give you some idea about how Accountancy provides career opportunities.

This course has six modules, namely Introduction and Basic Concepts, Journal and Other Subsidiary Books, Ledger and Trial Balance, Depreciation, Provisions and Reserves, Preparation of Financial Statements, Computer in Accounting. Each lesson of this subject has been designed keeping in view the requirements of the Self Learners like you through Open and Distance Mode. With a text written in a very simple language, supplemented by pictures/figures, illustrations to make it clear at a glance. All these will include Intext Questions which will appear after every section of the lesson. They will normally be very short answer type questions consisting objective type, true and false, match the column, fill in the blanks and Multiple Choice Questions will help you to understand the extent to which you have learnt the section. You will find the key to these questions at the end of the lesson. If you are able to answer the questions, then you can proceed further otherwise you should learn the section again.

I hope you will find the lessons interesting and would be able to apply your knowledge in the real life situations. So, read, all these lessons carefully and prepare well for examinations.

The examination in Accountancy will consist of one paper which carries 100 marks. For your practice a sample question paper has been given at the end of the book. This is followed by detailed marking scheme, which will tell you how your answers will be evaluated. Try to answer all the questions and compare those with the answer given in the marking scheme.

Do not hesitate to write to me, in case you have any difficulty in your studies.

Happy Studies

Wishing you success.

(Dr. Piyush Prasad)
Academic Officer
National Institute of Open Schooling
alkaranipiyush@rediffmail.com

How to use the Study Material

Congratulation! You have accepted the challenge to be a self-learner. NIOS is with you at every step and has developed the material in Accountancy with the help of a team of experts, keeping you in mind. A format supporting independent learning has been followed. You can take the best out of this material if you follow the instructions given. The relevant icons used in the material will guide you.

Content : Total content has been divided into sections and subsections. Section leads you from one content element to another and subsections help in comprehension of the concepts in the content elements.



Notes : Each page carries empty space in the side margins, for you to write important points or make notes.



Objectives : These are statements of outcomes of learning expected from you after studying the lesson. You are expected to achieve them, do read them and check if you have achieved.



Intext Questions : Very short answer self check questions are asked after every section, the answers to which are given at the end of the lesson. These will help you to check your progress. Do solve them. Successful completion will allow you to decide whether to proceed further or go back and learn again.



What You Have Learnt : This is the summary of the main points of the lesson. It will help in recapitulation and revision. You are welcome to add your own points to it also.



Terminal Questions : These are long and short questions that provide an opportunity to practice for a clear understanding of the whole topic.



Key to Intext Questions : These will help you to know how correctly you have answered the intext questions.

Mukta Vidya Vani



Mukta Vidya Vani is a pioneering initiative of the National Institute of Open Schooling (NIOS) for using Streaming Audio for educational purposes. This application of ICT will enhance accessibility as well as quality of programme delivery of NIOS Programmes. This is a rare accomplishment of NIOS as the first Open and Distance Learning Institute to start a two way interaction with its learners, using streaming audio and the internet.

Keeping in mind the fact that the transmission is done through the web, the NIOS website (www.nios.ac.in) has a link that will take any user to the Mukta Vidya Vani. Mukta Vidya Vani thus enables a two way communication with any audience that has access to an internet connection, from the studio at its Headquarters in NOIDA, where NIOS has set up a state-of-art studio, which will be used for this purpose as well as for recording educational audio programmes meant for NIOS learners, though others can also take advantage of this facility.

Mukta Vidya Vani is a modern interactive, participatory and cost effective programme, involving an academic perspective along with the technical responsibilities of production of audio and video programmes, which are one of the most important components of the multi channel package offered by the NIOS. These programmes will attempt to present the topic/ theme in a simple, interesting and engaging manner, so that the learners get a clear understanding and insight into the subject matter.

NIOS has launched a scheme to motivate the learners to participate in the Mukta Vidya Vani by sending their Audio CD's to the respective regional centre on various subjects such as-

1. Poetry / Shloka recitation
2. Story telling
3. Radio Drama
4. Music
5. Talks on various topic related to the NIOS curriculum including Painting, Vocational Subjects etc.
6. Quiz
7. Mathematics puzzles etc.

The selected CD can be webcast on Mukta Vidya Vani and the winner participant be rewarded suitably.

Learners may visit the NIOS website and participate in live programmes from 2pm to 5pm on all week days and from 10.30am to 12.30pm on Saturdays, Sundays and all Public Holidays. The Subject Experts in the Studio will respond to their telephonic queries during this time. A weekly schedule of the programmes for webcast is available on the NIOS website. The Studio telephone number are 0120-4626949 and Toll Free No. 1800-180-2543.



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Awards Won by NIOS

Several projects have been implemented by the NIOS to tap the potential of Information and Communication Technology (ICT) for promoting of Open and Distance Learning (ODL) system. The Ni-On project of NIOS won the National Award for e-governance and Department of Information and Technology, Govt. of India. In further recognition of its On-line initiatives and best ICT practices, the NIOS received the following awards:

NIOS WINS National Award for e-Governance 2008-09

Silver icon for Excellence in Government Process Re-engineering, Instituted by Government of India Department of Administrative Reforms and Public Grievances & Department of Information Technology.



NIOS receives NCPEDP MPHASIS Universal Design Awards 2012



National Institute of Open Schooling (NIOS) has been awarded THE NCPEDP - MPHASIS UNIVERSAL DESIGN AWARDS 2012 instituted by National Centre for Promotion of Employment for Disabled People. The award was given by **Sh. Mukul Wasnik, Hon'ble Minister for Social Justice and Empowerment, Govt. of India** on 14th August, 2012. NIOS has been selected for its remarkable work done for the learners with disabilities through ICT by making its web portal

www.nios.ac.in completely accessible for such learners.

The Manthan Award South Asia & Asia Pacific 2012

The Manthan Award South Asia & Asia Pacific 2012 to recognize the best ICT practices in e-Content and Creativity instituted by Digital Empowerment Foundation in partnership with World Summit Award, Department of Information Technology, Govt. of India, and various other stakeholders like civil society members, media and other similar organisations engaged in promoting digital content inclusiveness in the whole of South Asian & Asia Pacific nation states for development. The award was conferred during **9th Manthan Award Gala South Asia & Asia Pacific 2012 at India Habitat Centre on 1st Dec. 2012.**



MODULE - I

Maximum Marks	Hours of Studies
20	48

Introduction and Basic Concepts

Accounting is indispensable in the modern society. This module will help the students to understand the meaning of various terms used in accounting, meaning, objectives, advantages and limitations of book keeping and accountancy and the difference between the two. The module will also give an insight to the learners about the various concepts and conventions applied in the field of accounting and develop accounting equation on the basis of the knowledge so obtained.

- Lesson 1 : Introduction to Accounting**
- Lesson 2 : Accounting Concepts and Conventions**
- Lesson 3 : Accounting Terms**

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 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.