

PERCEPTION



**CLASS XI
NEWSLETTER**

DEC 20

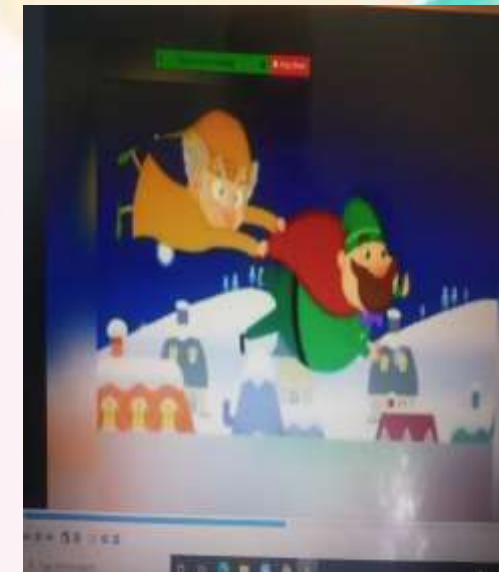
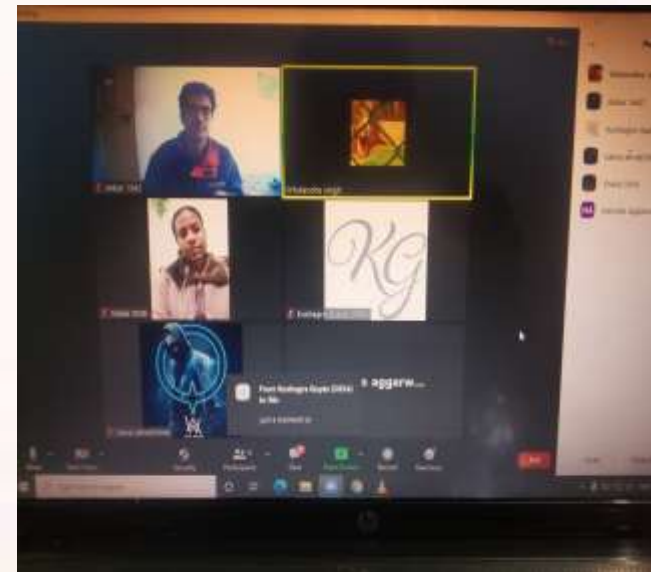
LISTENING AND UNDERSTANDING ACTIVITY:

Students listened to the music of 'Dead or Alive' - 'Like a Record'. They were informed about the history of clothing and how it is very much time specific: fashion changes with the changing time. Students were informed how woman's roles were played by men during Shakespearean time and how royal kings used to wear heavy brocades embedded with jewels. The activity was done to make kids more accepting to the diverse nature of humans. Everyone took an active part in the discussion and pitched in a lot of value points.



CHRISTMAS ASSEMBLY:

Radhakrishnan House had put in a lot of efforts making creative videos on various aspects of Christmas. It was shown to the kids. Why is Christmas celebrated? How can we best use the day by helping others and bringing joy in their lives?- were discussed with the kids. Kids were wished a happy and prosperous Christmas and advised to stay indoors and avoid usual festive gatherings. Students participated energetically in the program and gave a positive response to the video shown to them.



Statistical questions Activity:

Students were asked to solve puzzling questions related to the subject . They all seem to grasp the concept well when fun was incorporated along with studies. Activity helped them self assess themselves and find out their weak areas to improve upon.



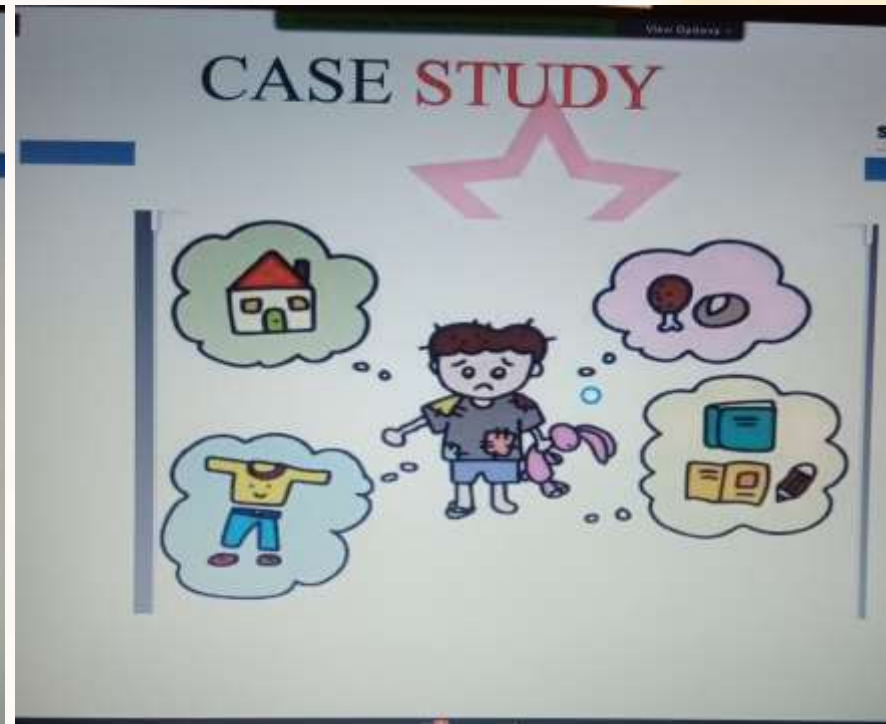
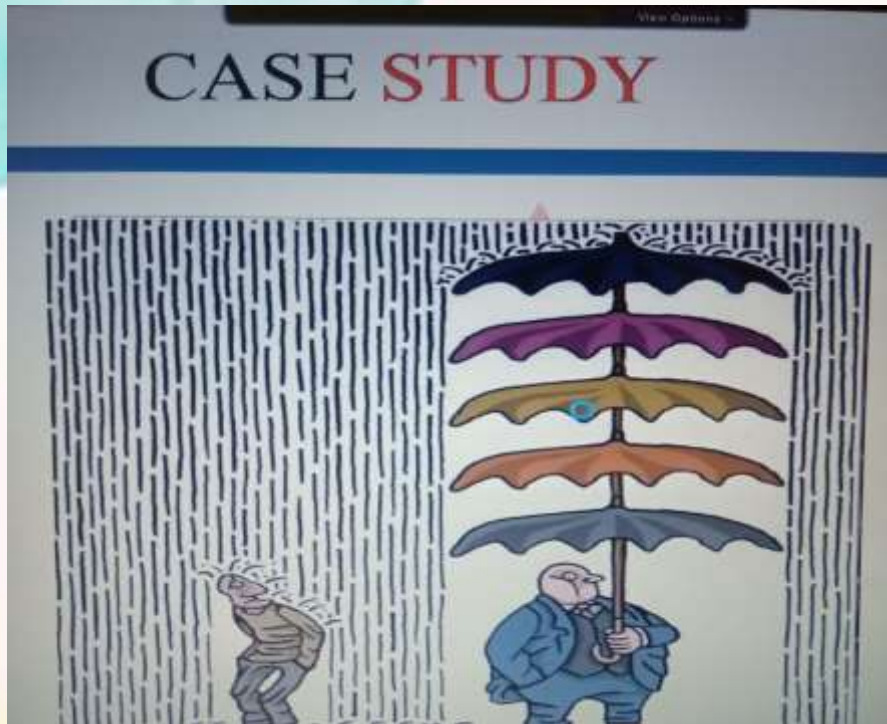
Morning Assembly:

Morning assembly helps in building a culture of communication and representation of academic and co-curricular activities. They are a very important part of school culture. It helps to strengthen the way a school works.



Case Study Analysis:

Students were made to flex their thinking abilities and propose the oral answers to the case studies under consideration. They were directed to solve such reasoning induced questions in a more comprehensive manner.



DROP EVERYTHING AND READ

DEAR Activity was conducted for class 11 students on 1 December, 2020. The objective of this activity focuses on the students reading and leaving every other work behind, so that they could explore a world of their own fantasy.

CASE STUDY BASED ON REAL LIFE SITUATION

Students were provided a case study based on a real life situation and they were given task to perform based on the case study.

Students were supposed to identify the working of the accounting assumptions, concepts and conventions in the given case study and fill in the given blanks accordingly. At the end of the activity students were able to relate a theoretical concept in a real life scenario.

Handout 1A
Case Studies on the Theory Base of Accounting

Task 1

Mr Madhava Rao, a Chartered Accountant from Delhi, started a manufacturing unit. He had done everything to commence and run his unit but neglected the writing of accounts. As CEO of his unit he thought that it was not worth spending his time writing the books of accounts. Also, he being a CA knew the complete accounting methods and felt that he did not require an experienced and qualified accountant. The newly established unit would in any case not be able to meet the expense of an experienced accountant, so he decided to employ a fresher to write his books of Accounts.

He gave an advertisement in a local daily for the post of an accountant and decided to pay Rs 1000/- per month to the person. Several candidates appeared for the interview and finally one candidate Ms Rose Mary was short listed. She was a B Com graduate with a 1st Division and had worked for 3 months in a local company filling a temporary vacancy in the accounts department. She was an ever smiling girl, unmarried and prepared to learn. Mr Madhav Rao gave her her first assignment of recording transactions in the books of account on 1st March 2012. They were as under:

- a. Dt. 18.9.2011 purchased land Rs 1,00,000, registration charges Rs 15,000/- (Current Market Price is Rs 2,25,000/-)
- b. Dt. 13.10.2011 purchased machinery Rs 1,24,740. Installation charges Rs 7,460 which includes wages Rs 1400/- (Realizable value today is Rs 1,00,000/-)
- c. Dt. 01.12.2011 purchased car for Rs 2,12,000/-
- d. Dt. 25.09.2011 Raw material purchased Rs 31,350/- from Selva Raj & Co on credit.
- e. Used car for personal work for seven months. Total expense amounted to Rs 22,000/-

His wife Nooru, a law graduate, helped him in managing the affairs of his office from September 2011 onwards. A similar service would cost him an amount of Rs 5,000/- per month on a retainerhip basis. Mr Madhav Rao wished to record the same in his books.

A sale order of Rs 10,000/- was received on 10th January 2012 and supplied on 20th January 2012 but cash against the same was received on 25th February 2012.

Ms Rose Mary accepted the job and made her efforts to record the transactions. She described the transactions in a writing pad and placed it in front of Mr Madhav.

Madhav: Ms Mary, are you aware that the books of account are to be maintained in systematic books and not in scribbling pads? *Subsidiary*

Mary: Yes Sir, I know we need *Books of A/c* but found no pre-set of books of account in our organization. I thought I would inform you about it.

Madhav: Good. You have recorded the cost of land at Rs 2,25,000/- and cost of Machinery at Rs 1,00,000/-. Land registration charges, wages for installation and other installation expenses are shown separately. Can you explain the logic.

Mary: Sir, the current value of land is Rs 2,25,000. Land and machinery are recorded at the market price and other incidental expenses are properly accounted for to determine the net effect on profit & loss.

Madhav: No Mary. You have ignored the basic accounting concept. We have a concept known as *historical concept*. According to this concept assets are recorded at the price *cost*

Madhav felt relieved for he had not made a wrong decision in recruiting Mary.

Mary: Thank you very much Sir for your kind explanation. I have something more to clarify. In my previous employment I have observed that the Company had considered some debts as doubtful and written them off without completing the recourse against them. Is the accounting policy correct?

Madhav: Very good question, Mary. Normally writing off debts is a management decision. However there is a concept known as *Prudence* principle which states that *and hence you can create Provisions for known losses.*

Mary: Also I have observed that they had changed the depreciation policy from written down value method to straight line method for showing profits in that loss making company. Does accounting allow such manipulation?

Madhav: Normally such acts are not permitted in accounting but if the management desires to change the policy to give a true & fair picture of their financial position, such change can be implemented but a foot note to that extent should be given and the necessary effect on profits disclosed. This is based on the *Consistency & Full Disclosure*.

Present the above Case Study and complete the discussion between Madhav and Ms Rose Mary based on the Concepts learnt in the Theory Base of Accounting.

Task 2:

Ruchica's father is the sole proprietor of 'Friends Gifts', a firm engaged in the sale of gift items. In the process of preparing financial statements, the accountant of the firm Mr Goyal fell ill and had to proceed on leave. Ruchica's father was in urgent need of the statements as these had to be submitted to the bank, in pursuance of a loan of Rs 5 Lakh applied for the expansion of the business of the firm. Ruchica who is studying accounting in her school, volunteered to complete the work. On scrutinizing the accounts the banker found that the value of the building bought a few years back for Rs 7 lakhs has been shown in the books at Rs 20 lakhs, which is the present market value. Similarly as compared to the last year the method of valuation of stock was changed, resulting in value of goods to be about 15 per cent higher. Also, the whole amount of Rs 70,000/- spent on purchase of personal computer (expected life 5 years) during the year had been charged to the profits of the current year. The banker did not rely on the financial data provide by Ruchica. Advise Ruchica on the mistakes committed by her in the preparation of financial statements in the context of the basic concepts in accounting. *Historical Cost, Consistency, Prudence*

Task 3:

A customer has filed a suit against a trader who supplied poor quality goods to him. It is known that the court judgement will be in favour of the customer and the trader will be required to pay the damages. However, the amount of legal damages is not known with certainty. The accounting year has already ended and the books are now finalized to ascertain true profit & loss. The accountant of the trader has advised him not to consider the expected loss on account of payment of legal damages because the amount is not certain and the final judgment of the court is not yet out. Do you think the accountant is right in his approach? *Full Disclosure*

Prudence

Anyone

WHO HAS EVER

— made anything —

OF IMPORTANCE WAS

Disciplined