SCERT Kerala · Class 12 · Accountancy

Accountancy

ORIGINAL STUDY COMPANION
PADIKAM
CLASS 12 | COMMERCE
Accountancy
Kerala SCERT / prescribed NCERT core lessons
15 chapter lessons
Quick explanations, core points, exam practice and chapter-specific notation in one consistent format.
Padikam explanations are independently written. Official textbooks are used as the coverage map, chapter sequence and terminology reference.

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Study rhythm
Read the quick explanation, recall the core points aloud, then answer the prompts without looking back. Use the official textbook links for full prescribed readings, activities and diagrams.
Textbook and verification links
1. https://www.hsslive.in/2015/05/plus-two-2-new-text-booksscert.html
2. https://samagra.kite.kerala.gov.in/
3. https://ncert.nic.in/textbook.php
4. https://www.hsslive.in/2015/08/computerised-accounting-notes.html

CHAPTER 01
Accounting for Not-for-Profit Organisations
Quick understanding
Not-for-profit accounts distinguish cash movement from period income and prepare receipts and payments, income and expenditure, and a balance sheet.
Core points Check your learning
Receipts and Payments Account is a cash summary. Explain the central idea of Accounting for Not-for-Profit Organisations in your own words.
Income and Expenditure Account follows accrual principles.
Apply one idea from Accounting for Not-for-Profit Organisations to a textbook-
Specific funds and subscriptions need adjustment for

restrictions and timing.
style example or source.
Equation and notation
Capital fund = Assets - Liabilities
Income for year = Cash received + Closing outstanding - Opening outstanding - Closing advance + Opening advance
SYMBOLS AND UNITS
All amounts: currency units for the stated accounting period
One-line recall Receipts and Payments Account is a cash summary.
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CHAPTER 02
Accounting for Partnership: Basic Concepts
Quick understanding
Partnership accounting applies the deed or legal defaults to capital, drawings, interest, salary and profit sharing.
Core points Check your learning
The appropriation account distributes profit after charges. Explain the central idea of Accounting for Partnership: Basic Concepts in your own words.
Fixed and fluctuating capital methods use different account structures. Apply one idea from Accounting for Partnership: Basic Concepts to a textbook-style example or source.
A guarantee changes distribution, not total firm profit.
Equation and notation
Interest on drawings = Drawings × Rate × Time
Divisible profit = Net profit - charges + appropriations as applicable
SYMBOLS AND UNITS
Capital, drawings, interest and profit: currency amounts
Rate: percent per year
Time: fraction of a year
One-line recall The appropriation account distributes profit after charges.
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CHAPTER 03
Reconstitution: Change and Admission
Quick understanding
A change in ratio or admission revalues the firm's claims so old and new partners receive fair adjustments.
Core points Check your learning
Sacrificing ratio measures share given up. Explain the central idea of Reconstitution: Change and Admission in your own words.
Goodwill adjustment compensates sacrificing partners.
Apply one idea from Reconstitution: Change and Admission to a textbook-style example or source.
Revaluation and reserves belong to partners before the change unless agreed otherwise.
Equation and notation
Sacrificing ratio = Old share - New share
New partner goodwill share = Firm goodwill × New share

SYMBOLS AND UNITS
Shares and ratios: dimensionless fractions Goodwill: currency amount
One-line recall Sacrificing ratio measures share given up.
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CHAPTER 04
Reconstitution: Retirement and Death
Quick understanding
Retirement or death settles the outgoing partner's accumulated rights while continuing partners gain a revised share.
Core points Check your learning
Gaining ratio allocates goodwill adjustment. Explain the central idea of
Reconstitution: Retirement and Death in
Revaluation, reserves and current profit are credited
your own words.
or debited appropriately.
Apply one idea from Reconstitution:
The amount due may become a loan or executor
Retirement and Death to a textbook-style
claim.
example or source.
Equation and notation
Gaining ratio = New share - Old share
Deceased partner profit share = Estimated period profit × Share
SYMBOLS AND UNITS
Shares and ratios: dimensionless fractions Profit and settlement: currency amounts
One-line recall Gaining ratio allocates goodwill adjustment.
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CHAPTER 05
Dissolution of Partnership Firm
Quick understanding
Dissolution closes the firm by realising assets, settling external liabilities and distributing the final balance among partners.
Core points Check your learning
Realisation Account records disposal and settlement. Explain the central idea of Dissolution of
Partnership Firm in your own words.
External liabilities are paid before partner claims.
Apply one idea from Dissolution of
Unrecorded assets and liabilities are recognised
Partnership Firm to a textbook-style
when realised or settled.
example or source.
One-line recall Realisation Account records disposal and settlement.
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CHAPTER 06
AFS: Company Accounts
Quick understanding
Company accounts record share capital transactions and present ownership claims under legal categories.
Core points Check your learning
Authorised, issued, subscribed and paid-up capital Explain the central idea of AFS:
are distinct. Company Accounts in your own words.
Calls in arrears, forfeiture and reissue require linked Apply one idea from AFS: Company

entries. Accounts to a textbook-style example or
source.
Balance-sheet disclosure follows prescribed
headings.
One-line recall Authorised, issued, subscribed and paid-up capital are distinct.
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CHAPTER 07
AFS: Debentures
Quick understanding
Debentures create a borrowing obligation with stated interest and redemption terms.
Core points Check your learning
Issue price and redemption value determine loss or Explain the central idea of AFS:
premium. Debentures in your own words.
Interest is a finance cost, not an appropriation. Apply one idea from AFS: Debentures to
a textbook-style example or source.
Collateral security requires clear disclosure.
One-line recall Issue price and redemption value determine loss or premium.
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CHAPTER 08
AFS: Financial Statements
Quick understanding
Company financial statements organise performance and position under standard schedules and
classifications.
Core points Check your learning
The Statement of Profit and Loss reports period Explain the central idea of AFS: Financial
performance. Statements in your own words.
The Balance Sheet reports assets, equity and Apply one idea from AFS: Financial
liabilities at a date. Statements to a textbook-style example
or source.
Notes explain composition and accounting policies.
One-line recall The Statement of Profit and Loss reports period performance.
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CHAPTER 09
AFS: Analysis of Financial Statements
Quick understanding
Financial analysis compares statements across time, structure and benchmarks while recognising
accounting limitations.
Core points Check your learning
Comparative statements show absolute and Explain the central idea of AFS: Analysis
percentage change. of Financial Statements in your own
words.
Common-size statements convert items to a common
base. Apply one idea from AFS: Analysis of
Financial Statements to a textbook-style
Interpretation needs industry, policy and inflation
example or source.
context.
One-line recall Comparative statements show absolute and percentage change.
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CHAPTER 10
AFS: Ratio Analysis

Quick understanding
Ratios connect related accounting figures to study liquidity, solvency, activity and profitability.
Core points Check your learning
Use consistent definitions and periods. Explain the central idea of AFS: Ratio
Analysis in your own words.
One ratio rarely gives a complete conclusion.
Apply one idea from AFS: Ratio Analysis
Compare trend and benchmark as well as the
to a textbook-style example or source.
number itself.
Equation and notation
Current ratio = Current assets / Current liabilities
Debt-equity ratio = Long-term debt / Shareholders funds
Inventory turnover = Cost of revenue from operations / Average inventory
SYMBOLS AND UNITS
Assets, liabilities, debt, funds, cost and inventory: Ratios: dimensionless; turnover may be stated as
currency amounts times per period
One-line recall Use consistent definitions and periods.
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CHAPTER 11
AFS: Cash Flow Statement
Quick understanding
A cash flow statement classifies cash changes into operating, investing and financing activities.
Core points Check your learning
Profit is not the same as cash from operations. Explain the central idea of AFS: Cash
Flow Statement in your own words.
Non-cash items are adjusted under the indirect
method. Apply one idea from AFS: Cash Flow
Statement to a textbook-style example or
Opening cash plus net change must equal closing
source.
cash.
Equation and notation
Net cash change = CFO + CFI + CFF
Closing cash = Opening cash + Net cash change
SYMBOLS AND UNITS
CFO, CFI, CFF and cash balances: currency amounts
per reporting period
One-line recall Profit is not the same as cash from operations.
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CHAPTER 12
Computerised Accounting: System Overview
Quick understanding
A computerised accounting system combines coded masters, vouchers, controls and reports in an
integrated data workflow.
Core points Check your learning
A chart of accounts standardises classification. Explain the central idea of Computerised
Accounting: System Overview in your
Validation reduces entry errors.
own words.
Access rights and audit trails support accountability.
Apply one idea from Computerised
Accounting: System Overview to a

textbook-style example or source.
One-line recall A chart of accounts standardises classification.
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CHAPTER 13
Computerised Accounting: Spreadsheet Applications
Quick understanding
Spreadsheets can calculate depreciation, loans and summaries when formulas, references and validation are designed carefully.
Core points Check your learning
Relative and absolute references behave differently when copied. Explain the central idea of Computerised Accounting: Spreadsheet Applications in your own words.
Functions should use documented inputs and units.
Apply one idea from Computerised Accounting: Spreadsheet Applications to a textbook-style example or source.
Equation and notation
Straight-line depreciation = (Cost - Residual value) / Useful life
EMI = $P\, r(1+r)^n / ((1+r)^n - 1)$
SYMBOLS AND UNITS
Cost, residual value, EMI and P: currency amounts Useful life, n: number of periods
r: interest rate per period as a decimal
One-line recall Relative and absolute references behave differently when copied.
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CHAPTER 14
Computerised Accounting: Database Applications
Quick understanding
Database tables support vouchers and ledgers through keys, relationships, queries and controlled updates.
Core points Check your learning
Master records should not be duplicated in transaction rows. Explain the central idea of Computerised Accounting: Database Applications in your own words.
Referential integrity protects linked codes.
Apply one idea from Computerised Accounting: Database Applications to a textbook-style example or source.
Queries can produce ledgers, ageing and summaries.
One-line recall Master records should not be duplicated in transaction rows.
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CHAPTER 15
Computerised Accounting: Practical Controls
Quick understanding
Reliable accounting software requires backup, security, reconciliation and documented correction procedures.
Core points Check your learning
Backup copies must be tested for restoration. Explain the central idea of Computerised Accounting: Practical Controls in your own words.
User roles should follow least privilege.

own words.
Reconciliation detects missing, duplicated or
Apply one idea from Computerised
mistimed records.
Accounting: Practical Controls to a
textbook-style example or source.
One-line recall Backup copies must be tested for restoration.
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