

ACCOUNTANCY-055 (XII)

PROJECT GUIDELINES (2022-23)

Objectives:

- i) To enable a student to complete the accounting process in real life business situations and apply the tools of analysis as per the syllabus for a comprehensive project.
- ii) To develop the competence of reading accounting data from quarterly or half yearly or annual reports of business firms and interpreting the information on the basis of given guidelines to present the desirable information in required format in the Project File for Specific Projects.

Instructions:

The whole project file to be divided in two parts:

- 1) **Comprehensive Project**- Includes the transactions, journal entries, ledger posting, profit and loss account and the Balance Sheet of a business organization
 - Collection of source documents, recording accounting transactions using vouchers as well as preparation of vouchers.
 - A comprehensive project taking any sole proprietorship business and this Accounts project for Class 12 must state the following:
 0. Journal Entries
 1. Ledgers
 2. Preparation of Trade Balance
 3. Balance Sheet
 4. Trading Account
 5. Profit and Loss Account
 6. Use Pie Chart or Bar Diagram to show Incomes, Profit or Lose and Assets and Liabilities
- 2) **Specific Project**: Two projects will be of specific nature using atleast one tool of analysis in each. The data for these will be drawn mainly from quarterly or half yearly or annual reports of corporate sector. Students will analyze the information given in the financial statements as follows :
 - a) Performance of Segments keeping in mind their three parameters Revenue, Net Profit and Capital Employed of companies on quarterly or half yearly or annual basis. This is widely 2 published and reported by the companies. It can be picked up either from the newspapers or from the websites of the companies.
 - b) Comparison of Revenue, Net Profit and Earning Per Share (EPS) on quarterly or half yearly or annual basis with the help of comparative or common size statements

There are four tools of analysis given in the syllabus for the analysis of Financial Statements, namely

- (i) Comparative Statement,
- (ii) Common Size Statements,
- (iii) Ratios and
- (iv) Cash Flow Statement.

Any one or more of these tools are to be used to derive conclusions.

No project is to be prepared on the tools, but these tools are to be used to achieve the object of the project. For instance, there will not be any project on the 'Ratios' as such, but ratios will be used in the development of the project to reach a conclusion.

The following is the list of companies allotted for the students:

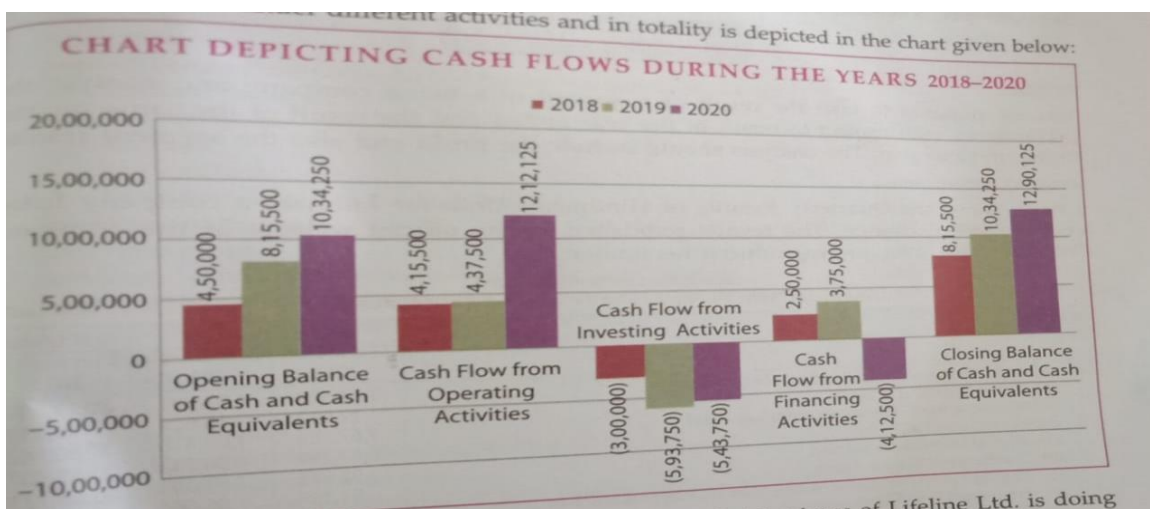
S. No	Names of the Students	Name of the Company
1	Ritika Chand	Reliance Industries
2	Ridhi Kothari	Life Insurance Corporation of India
3	Datla Abhiram Raju	Dabur
4	Surendra Reddy	Tata Group
5	Prachi Khurana	Infosys
6	Ruchitha Kothapalli	Hindustan Unilever
7	Sohan Arekapudi	ITC
8	Mihir Mahesh	Maruti Suzuki India
9	Mannan Luthra	Sun Pharmaceuticals

NOTE- ONLY A4 SHEETS TO BE USED FOR THE PROJECT

FORMAT TO BE FOLLOWED:

- 1) Cover Page
- 2) Title Page
- 3) Index
- 4) Executive Summary
- 5) Objectives
- 6) Introduction about the company
- 7) Analysis of Financial Statements through Tables, Charts and Graphs (Comparative analysis, common size statements analysis, Segment-wise analysis, ratio analysis and cash flow statements analysis)
- 8) Findings
- 9) Conclusion
- 10) Recommendations
- 11) Limitations
- 12) Learning Reflection
- 13) Bibliography
- 14) Appendix- Financial Statements of the company (Statement of Profit and Loss, Balance Sheet and Cash Flow Statements for the latest two years in tabular form)

Sample Graphs for Analysis:



Summary of Cash Flow Statement of Lifeline Ltd. for the years 2018, 2019 and 2020 is as follows:

Particulars	2018 ₹	2019 ₹	2020 ₹
Opening Balance of Cash and Cash Equivalents	4,50,000	8,15,500	10,34,250
Cash Flow from Operating Activities	4,15,500	4,37,500	12,12,125
Cash Flow from Investing Activities	(3,00,000)	(5,93,750)	(5,43,750)
Cash Flow from Financing Activities	2,50,000	3,75,000	(4,12,500)
Closing Balance of Cash and Cash Equivalents	8,15,500	10,34,250	12,90,125

