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**VIRTUAL COACHING CLASSES
ORGANISED BY BOS, ICAI**

**FOUNDATION LEVEL
PAPER 1: PRINCIPLES AND PRATICE OF
ACCOUNTING**

Faculty: CA VS Hiranmai



CHAPTER 1- THEORETICAL FRAMEWORK

- There are 9 units in total for this chapter
- This chapter mainly deals with the theory part and introduction to the accountancy subject.
- What is Accounting- purpose and methodology, branches in accounting- the principles/conventions/concepts, the distinction between capital and revenue transactions, the Accounting standards and Ind AS.
- All of the above which form an initial base for understanding the concept in depth have been combined together to understand the entire concept in brief.
- Examination point of approach- Each chapter will have discussion of the past examination question papers at the end along with the MCQ's.

Unit 6-Accounting policies

- Accounting policies refers to specific accounting principles and the method of applying these principles in the preparation of the financial statements.
- **Areas where accounting policies are used frequently-**
 - Valuation of inventories
 - Depreciation accounting
 - Valuation of investments
- Selection of accounting policies will be dependent on the accounting principles and the factors affecting them-
 - Prudence
 - Substance over form
 - Materiality

Unit 6-Accounting policies

- Accounting policies can be changed only in the following conditions-
 - If required by an accounting standard or by some statute (law)
 - For better presentation of Financial statements.
- Apart from the above it shall generally not change the accounting policies once adopted frequently.



THANK YOU