

A Study on Difficulties Faced by Students in Preparing the Final Account Proprietary Concern Grade XI

Dr. Rupali Wadkar and Dr. Swati Sharma

Assistant Professor

Nirmala Memorial Foundation College of Education, Mumbai, Maharashtra, India

Abstract: *The primary aim of accounting is assessment of business performance for the benefit of all stakeholders which will also help them to form their opinions on the financial position of their business concerns. For this purpose, various accounting reports are prepared in the form of Final Accounts at the end of every financial year. In brief, Final Accounts are financial statements that validate and explain working results and financial status for a specific period of time on a particular date. Researchers chose the topic because the commerce students in 11th standard were finding it difficult to do the posting in final accounts and tally the balance sheet. Many students find difficulty in preparation on final accounts. The students should be first taught all the basic concepts and terms because it is the base for preparation of final accounts.*

Keywords: accounting, financial statement

I. INTRODUCTION

Accounting is considered as a scientific approach in maintaining record of business transactions. It provides a systematic accounting record to all on the financial status of the enterprise. No sooner a business transaction takes place, the accounting process starts. The process is completed by drafting the final accounts. Accounts are financial statements that validate and explain working results and financial status for a specific period of time on a particular date. It is a set of Trading Account, Profit and Loss Account and Balance Sheet. Balance Sheet shows financial position of assets and liabilities at a given period of time. Importance of Final Accounts:

- 1) Final Accounts are the basis on which management or businessmen decide business policies and take financial decisions.
- 2) Final Accounts give a true picture of the financial status of a business for the financial year.
- 3) Final Accounts are useful for accurate accounting records.
- 4) Transparency in business dealings are possible due to financial statements.
- 5) Final Accounts help to get a clear break-up of amounts payable to government as various taxes, e.g. Income tax, GST etc.
- 6) It is a mandatory requirement to maintain records of the financial state of any business establishment. Every time a business transaction takes place, the details of it are made in Primary books. These entries are then posted to the ledger. At the end of a financial year the ledger accounts are balanced and the closing balance of each ledger account is determined. There may be a debit or credit balance. With the help of all these balances, a Trial Balance is prepared. This in turn helps in preparing Trading Account, Profit and Loss Account and Balance Sheet, which is known as Final Accounts. Researchers found that some students of standard 11th, were not able to figure out which entries to be made under which specific head account. They are also not able to tally the balance sheet of the final accounts. Many students were not even aware about the need and importance of final accounts. This is an important topic for the commerce students and they should be able to solve the practical problems without making any mistakes.

1.1 Objectives of the study

- To study the difficulty in preparing a Trading account.
- To study the difficulty in preparing a Profit and Loss account.
- To study the difficulty in preparing a Balance sheet.

- To study the difficulty in calculating Gross and Net Profit/Loss.
- To study the difficulty in understanding the important terms in Final accounts.
- To study the difficulty in understanding the effects of adjustments. To study the difficulty to tally the Balance sheet.

1.2 Methodology of Study

The Researcher has selected a Survey research method for the present research study. Survey Research is defined as the process of conducting research using surveys that researchers send to survey respondents. The data collected from surveys is then statistically analyzed to draw meaningful research conclusions. The Researcher has selected Simple random sampling for the present research study.

1.3 Sample Size

Simple random sampling is defined as a sampling technique where every item in the population has an even chance and likelihood of being selected in the sample. Here the selection of items entirely depends on luck or probability, and therefore this sampling technique is also sometimes known as a method of chances. Sample for research work is the commerce students of standard XI of Nirmala Memorial Foundation Junior College of Commerce and Science. The size of the sample is 30.

1.4 Data Collection Techniques – Questionnaire & Survey

A questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents through survey or statistical study. This is the process of collecting data through an instrument consisting of a series of questions and prompts to receive a response from individuals it is administered to. Questionnaires are designed to collect data from a group. For clarity, it is important to note that a questionnaire isn't a survey, rather it forms a part of it. A survey is a process of data gathering involving a variety of data collection methods, including a questionnaire.

On a questionnaire, there are three kinds of questions used. They are; fixed-alternative, scale, and open-ended. With each of the questions tailored to the nature and scope of the research. Questionnaires and surveys can be used to ask questions that have closed-ended answers. To be meaningful, surveys and questionnaires need to be carefully planned. Unlike an interview, where a researcher can react to the direction of a respondent's answers, a poorly designed questionnaire will lead the study nowhere quickly.

Online forms are a modern and effective way to conduct surveys. Unlike written surveys, which are static, the questions presented in online forms can change according to how someone responds thanks to the conditional logic form feature.

The Researcher has selected Pie Charts as a data analysis technique for the present study.

The questionnaires were;

1. I find difficulty in preparing trial balance
2. I know the important term of trading balance
3. I can easily discriminate between trading and profit and loss account

II. CONCLUSION

There are many students who faced difficulties in basic understanding of concepts and the importance of final accounts in book-keeping and accountancy. They find difficulty in preparation of trial balance. Students also face difficulties in understanding the carriage inward and outward, prepaid and outstanding expenses etc. Many students find it difficult to post the two effects of adjustments in final accounts. These difficulties are faced by the commerce students in standard 11th, perhaps due to absence while the topic was explained and they didn't understand the topic the next day. Teachers fail to address the topic with their real life. Teachers fail to create interest among the students during the lectures. Sometimes the teaching goes beyond the boundary of the student's level of understanding.

III. SUGGESTIONS

Book-keeping and Accounting is a totally practically oriented subject. Teachers should relate the topic with their real life so that it becomes easy to understand the topic. The researchers found that if the concept of final accounts and the important terms are clear to the students, they are able to post the items under correct head accounts and can tally the balance sheet without facing any difficulties. It is the responsibility of the teacher to clear each and every term and concepts of the topic to the students. It should be made compulsory for the students to attend every lecture of book keeping because if they remain absent they might miss an important and interesting topic. Teachers should relate the topic with real life to make it easier for the students to understand. Teachers should create interest among the students during the lectures. Teachers should see to it that each student is understanding the important terms and clear their doubts if any without getting irritated even if the same questions is asked many times by the students.

REFERENCES

- [1]. <https://www.caluniv.ac.in/dj/BS-Journal/v-39/Comparative-Study-Financial.pdf>
- [2]. <http://ddeku.edu.in/Files/2cfa4584-5afe43ce-aa4b-ad936cc9d3be/Custom/Educational%20Research.pdf> 5