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Title: Accounting for Financial Institutions
Credit Hours: 3

Code: ACC 376
Year /Semester: IV/VII

48 Hours

Course Objectives:

The objective of this course is to provide the students in depth knowledge on various aspects of Banking system and Insurance and make enable to understand the accounting aspects of Banking and Insurance service sectors.

Unit 1 Introduction of Banking Business

10 Hours

Nature of Banking Business; Types of Banks; Functions of Central Bank; Legal Provision Relating to Commercial Bank Act; Share Capital & Capital Adjustment of Commercial Banks; Provisions Relating to General Reserve, Margin Deposits, Bad & Doubtful Debts, Depreciation & Depreciation Reserve; Loans by NRB; Provisions relating to Development Banks

Unit 2 Accounting for Banks

8 Hours

Accounting for Deposits; Accounting for Bills for Collection & Accounting for Bills for Collection & Bills Purchased; Accounting for Guarantees; Accounting for Credit Transactions; Accounting for Remittance; Accounting for Loans & Advances; Accounting for Cash Transactions

Unit 3 Accounting for Control & Branch Reconciliation

8 Hours

General Ledger; Daily Trial Balance; Accounting Codes & Securities in Computerized system; Concept & Need of Branch Reconciliation; Method of Reconciliation; Treatment in adjustment or Outstanding items

Unit 4 Preparation of Final Account & Financial Analysis

8 Hours

NRB Directives Regarding Preparation of Financial Statements; Disclosure Requirement; Asset Quality Ratios; Liquidity Ratios; Earning Ratios; Capital Adequacy Ratios; Dividend Payout Ratios; Cash Flows Analysis; B.E. Analysis

Unit 5 Concept of Insurance Business

8 Hours

Concept of Insurance Business; Scope of Insurance Business; Types of Insurance Business; Basic Terminology Insurance Business; Legal Provision relating to Insurance Company Act; Nepal Insurance Board

Unit 6 Preparation of Financial Statements & Analysis

6 Hours

Preparation of Revenue Account for Life, Marine & Miscellaneous Insurance Business; Preparation of P&L Account; Preparation of Balance Sheet; Disclosure Requirements; Consolidation of Financial Statements; Analysis of Ratios for Insurance Business

Reference Books:

1. *Advance Accountancy*: Shukla, Grawal & Gupta, S. Chand & Co., New Delhi
2. *Banking & Insurance*: S. Khadka, H. Singh, Asia Publication Pvt. Ltd.
3. Nepal Rastra Bank Act, 2058
4. Insurance Act