

## **Guidelines for Paper No: CP 2.2, Corporate Accounting, B.Com Semester II.**

### **General Guidelines:**

- Overall 20% weightage for theory.
- There will be internal choice questions requiring comprehensive coverage of entire syllabus.

### **Unit wise Guidelines:**

#### **Unit -I**

(i) Accounting for share capital – Issue, forfeiture and Reissue of forfeited shares.

(ii) Redemption of preference share including buy-back of equity shares.

- Difficulty level should be less than Honors Paper
- Focus should be on Theory only for Issue of bonus shares and Right Issue.
- Marks Allocation for Unit –I would be 3 + 12 (Theory + Practical).
- 15 lectures are required for unit I.

#### **Unit –II**

(i) Issue and Redemption of Debentures.

(ii) Final Accounts of Limited Companies: Preparation of Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet in accordance with the provisions of the existing Companies Act (Excluding Managerial Remuneration).

- More emphasis is to be given on sinking fund/cumulative purchasing from open market (including ex-interest and cum-interest) and conversion.
- For non-cumulative purchasing and Vertical Balance Sheet, focus should be on theory only.
- Less focus should be on Insurance Policy.
- Marks Allocation for Unit –II would be 3 + 12 (Theory + Practical) or 15 for problems on Final Accounts.
- Required lectures for Unit II are 18.

#### **Unit –III**

(i) Accounting for Amalgamation of Companies with reference to Accounting Standard- 14 issued by the Institute of Chartered Accountant of India (excluding inter-company transactions and holdings).

(ii) Accounting for Internal Reconstruction (excluding preparation of scheme for internal reconstruction).

- Surrender of shares is excluded.
- Marks Allocation for Unit –III would be 3 + 12 (Theory + Practical).
- 18 lectures need to be delivered for Unit III.

#### **Unit –IV**

(i) Cash Flow Statements: Meaning, Usefulness, Preparation of a cash flow statement in accordance with Accounting Standard 3(Revised) issued by the Institute of Chartered Accountants of India. (Only indirect method), Limitations of cash flow statement.

- Marks Allocation for Unit IV would be 3+12 (Theory + Practical) or else.
- A full 15 marks practical problem may be given.
- 12 lectures need to be delivered for Unit IV.

#### **Unit –V**

(i) Financial Statements Analysis: Meaning and objectives, Techniques of Analysis, Ratio Analysis: Advantages, significance and limitations – Liquidity Ratios: Current Ratio, Acid Test Ratio, Solvency Ratios: Debt-equity Ratio, Capital gearing Ratio, Interest Coverage Ratio, proprietary ratio. Profitability Ratios related to sales: Gross profit Ratio, Net Profit Ratio, Operating profit ratio, Profitability Ratios related to investments: Return on total assets (ROTA), Return on investment (ROI), Return on equity (ROE), Return on equity share holders fund, EPS, DPS and Price – earnings ratio. Activity Ratios: Stock turnover Ratio and Debtors turnover Ratio.

- Under Techniques of Analysis, focus should be on theory only.
- Only those ratios should be included in the question which has been mentioned above as per the syllabus.
- Interpretation is necessary for every ratio.
- Marks Allocation for Unit V would be 3+12 (Theory + Practical).
- 12 lectures need to be delivered for Unit V.

Note: Unit I - Concept of Book-building and ESOP may be introduced to the students.