

B.Com. (Hons.)
Paper No – CH 4.2: Semester - IV
CORPORATE ACCOUNTING

Duration: 3 hours

Maximum Marks: 100

Lectures: 75

Level of Knowledge: Working knowledge of financial accounting.

Learning objectives: To help the students to acquire the conceptual knowledge of the fundamentals of the corporate accounting and to learn the techniques of preparing the financial statements.

COURSE CONTENTS

1. ACCOUNTING FOR SHARE CAPITAL & DEBENTURES 18 Lectures

Issue, forfeiture and reissue of forfeited shares- concept & process of book building. Issue of rights and bonus shares. Buy back of shares. Redemption of preference shares. Issue and Redemption of Debentures.

Guidelines:

Less emphasis is to be given on issue, forfeiture and reissue of forfeited shares. Only theory needs to be discussed for concept and process of book building. Issue of rights shares (theory only) and bonus shares. Buy back of shares. Redemption of preference shares. Issue and redemption of debentures (primarily three methods need to be discussed for redemption of debentures, i.e. Sinking fund, Purchase from open market and Conversion). Combined methods are not to be covered.

Note: One problem for 15 marks would be the composition of both theory and practical problems, e.g. practical problem of one part (equity/preference shares/debentures) + theory of the other (debentures/equity/preference).

2. FINAL ACCOUNTS 7 Lectures

Preparation of profit and loss account and balance sheet of corporate entities, excluding calculation of managerial remuneration. Disposal of company profits.

Guidelines:

Preparation of final accounts as per the revised schedule.

3. VALUATION OF GOODWILL AND VALUATION OF SHARES 6 Lectures

Concepts and calculation - simple problem only.

Guidelines:

Concept of Goodwill: only theory shall be covered. Theory and practical problems on intrinsic value method of valuation of shares has to be covered.

4. AMALGAMATION OF COMPANIES 14 Lectures

Concepts and accounting treatment as per Accounting Standard: 14 (ICAI) (excluding inter company holdings). Internal reconstruction: concepts and accounting treatment excluding scheme of reconstruction.

Guidelines:

Concepts and accounting treatment as per Accounting Standard: 14 (ICAI) (excluding inter company holdings). Internal reconstruction: concepts and accounting treatment excluding scheme of reconstruction.

Internal choice question can be internal reconstruction with some theory/ small practical portion from amalgamation or vice-versa.

5. ACCOUNTS OF HOLDING COMPANIES/PARENT COMPANIES **14 Lectures**
Preparation of consolidated balance sheet with one subsidiary company. Relevant provisions of Accounting Standard: 21 (ICAI).

Guidelines:

Preparation of consolidated balance sheet with one subsidiary company (excluding Inter Company Holdings) . Relevant provisions of Accounting Standard: 21 (ICAI).

6. BANKING COMPANIES **8 Lectures**
Difference between balance sheet of banking and non banking company; prudential norms. Asset structure of a commercial bank. Non-performing assets (NPA).

Guidelines:

Difference between balance sheet of banking and non banking company (theory) ; prudential norms. Asset structure of a commercial bank. Non-performing assets (NPA).
Practical questions to be covered only from Asset structure and Non-performing assets (NPA)

7. CASH FLOW STATEMENT **8 Lectures**
Concepts of funds. Preparation of cash flow statement as per Accounting Standard (AS): 3 (Revised) (ICAI): Indirect method only.

Guidelines:

Concepts of funds. Preparation of cash flow statement as per Accounting Standard (AS): 3 (Revised) (ICAI): Indirect method only.

Structure of the Question paper:

The question paper should comprise of 5 questions with internal choice.

Q. 1 from Unit 1

Q. 2 from Unit 2 + Unit 3

Q. 3 from Unit 4

Q. 4 from Unit 5

Q. 5 from Unit 6 + Unit 7

Note: The question paper must contain questions from every unit (may be in parts e.g. one question can have practical of CFS and theory of banking company) and cover all parts comprehensively.

Suggested Readings:

1. Monga, J.R. *Fudamentals of Corporate Accounting*. Mayur Paper Backs, New Delhi.
2. Shukla, M.C., T.S. Grewal, and S.C. Gupta. *Advanced Accounts*. Vol.-II. S. Chand & Co., New Delhi.
3. Maheshwari, S.N. and S. K. Maheshwari. *Corporate Accounting*. Vikas Publishing House, New Delhi.
4. Sehgal, Ashok and Deepak Sehgal. *Corporate Accounting*. Taxman Publication, New Delhi.
5. Naseem Ahmed, “ *Corporate Accounting*”, ANE Books Pvt. Ltd. New Delhi.
6. Gupta, Nirmal. *Corporate Accounting*. Sahitya Bhawan, Agra.
7. Jain, S.P. and K.L. Narang. *Corporate Accounting*. Kalyani Publishers, New Delhi.
8. Compendium of Statements and Standards of Accounting. The Institute of Chartered Accountants of India, New Delhi.

Note: Latest edition of text book may be used.

