

K L UNIVERSITY
DEPARTMENT OF COMMERCE
B.Com (Honours) (Accounting & Finance)
IV – SEMESTER

Corporate Accounting

Unit - I: Valuation of Goodwill and Shares(Hours : 6)

Valuation of Goodwill - Need and methods - Normal Profit Method, Super Profits Method – Capitalization Method - Valuation of shares - Need for Valuation - Methods of Valuation – Net assets method, Yield basis method, Fair value method.

Unit – II Mergers and Acquisitions(Hours : 12)

Amalgamation -- In the nature of merger and purchase – Calculation of purchase consideration - Treatment in the books of transferor and transferee (as per Accounting Standard 14, excluding inter- company holdings) Recording of transactions relating to mergers using computers. Internal Reconstruction - Accounting Treatment– Preparation of final statements after reconstruction.. Recording of transactions relating to Internal Reconstruction using computers

Unit III: Holding Company (Hours : 8)

The nature of holding companies – Legal requirements for a holding company – Schedule VI of the Companies Act and subsidiary companies – Preparation of consolidated balance sheet – cancellation of investment account – minority interest – cost of acquiring control or goodwill – capital reserve – preference share capital in subsidiary companies – debentures in subsidiary companies (including problems related to the single subsidiary company).

Unit IV: Liquidation of companies: (Hours : 8)

Scope, contributory preferential payments, preference dividend. Statement of affairs and deficiency/surplus account. Liquidators final statement of account, liquidators remuneration, receiver for debenture holders, list 'B' contributories (including problems).

Unit V: Accounts of Banking and Insurance Companies(Hours : 11)

Meaning of Banking Company – Books and Registers to be maintained by banks - Slip system of posting - Accounting treatment of Rebate on bills discounted – ascertainment of non-performing assets – Classifications of advances - Legal provisions relating to Preparation of final accounts – Preparation of Final Accounts as per the existing Banking Regulation Act.

Life Insurance Companies –Preparation of Revenue Account, Profit and loss account , Balance Sheet and Valuation Balance Sheet. General insurance Preparation of final accounts- with special reference to fire & marine insurance only.

Text Books:

1. RL Gupta and Radhaswamy, Advanced Accountancy, Sultan Chand & Sons. 2009, 6th Edition, New Delhi.

Reference Books

1. SP Jain and Narang, Advanced Accounts, Kalyani Publishers. 2009 18th Edition, New Delhi.
2. V.K.Saxena, Advanced Accounting, Sultan Chand & Sons. 2008, 3rd Edition, New Delhi.

3. M.C.Shukla and T.S.Grewal, Advanced Accounts Vol – 2, S.Chand Publishers, 2011, 15th Edition, New Delhi.
4. Mohamed Hanif, Amitabha Mukherjee, Advanced Accounting, Tata McgrawHill Company, 2009, 1st Edition, New Delhi..