

MCM5302 ADVANCED CORPORATE ACCOUNTING

Course Code	MCM5302	Semester	III
Course Title	<i>ADVANCED CORPORATE ACCOUNTING</i>		
Credits	4	Type	CORE

This course shall have 3 lecture hours, 2 practicals, 1 tutorial.

This is a Skill based, employability based, and entrepreneurship skill based course.

Course Objective

To make the students familiarize with corporate accounting procedures and provides a comprehensive coverage of consolidation issues in amalgamation, absorption and external reconstruction of companies.

Learning Objectives

- To make students aware about various issues of company accounting
- To make the students familiarize with corporate accounting procedures
- To enable the students to gain ability to solve problems relating to Holding Company Accounts, Liquidation of Companies and various other Accounts.

Course Structure

UNIT I:

Valuation of Goodwill – Factors affecting value of Goodwill – Need for Valuation-Methods of valuation of Goodwill – ethical dilemmas of goodwill accounting - Valuation of Shares – Need for valuation – Methods of valuation of preference shares and Equity shares.

UNIT II:

Amalgamation, Absorption and External reconstruction of companies – Purchase consideration – Accounting treatment – Books of Purchasing company – Books of Vendor company – Intercompany Owings – Intercompany unrealized profits – Intercompany Holdings – Acquisition of Business

UNIT III:

Alteration of share capital and Internal Re-Construction –Scheme of capital reduction – steps for Reconstruction –Liquidation of companies – Order of payment – Statement of Affairs and Deficiency/Surplus Account –Liquidator’s Final Statement of Affairs

UNIT IV:

Holding Company Accounts – Preparation of consolidated Balance Sheet – Minority interest – Cost of control – capital resolve – Intercompany Balance-Unrealized Inter Company Profits – More than one subsidiary –Intercompany Holdings – Consolidation of Profit and loss Account.

UNIT V:

Double Account system – Features of Double Account System-Difference between single account system and double account system – Receipts and Expenditure on capital Accounts – Revenue Account – Net Revenue Account – General Balance Sheet – Replacement of an asset – Accounts

of Electricity companies – Special financial provisions relating to electricity companies.

Practicals

- Analysis and interpretation of consolidated Profit & Loss account of companies.
- Analysis and interpretation of balance sheet of companies.
- Valuation of Goodwill and valuation of shares of companies.

Skills

- Students acquire skills to prepare consolidated accounts of companies.
- Students gain understanding on order of making payment on liquidation of companies.
- Students develop skills on accounting in electricity companies.

Learning/Course Outcomes

- Students should be able to act as values to companies undergoing reconstruction in different forms.
- Students should be able to value goodwill and assign value to financial securities under different scenarios.
- Students should be able to prepare the consolidated financial statements following the legal requirements.
- Students should be able to prepare the financial statements of utility companies like Electricity companies following the special Acts which govern them.

Books for Reference:

1. B.K. Banerjee: Financial Accounting, PHI Learning (P) Ltd., New Delhi.
2. M.C. Shukla and T S Grewal, Advanced Accounts, S. Chand & co., New Delhi
3. S N Maheshwari and S K Maheshwari , Advanced Accountancy, Vikas Publishing House Pvt Limited, New Delhi.
4. Mukherjee and M. Haneef: Modern Accountancy, Tata McGraw Hill, New Delhi
5. R.S.N. Pillai, Bagavathi, S. Uma: Advanced Accounting, S. Chand & Co., New Delhi.
6. S.M.Shukla, Dr.K.L.Gupta: Corporate Accounting: Sahitya Bhawan Publications
7. S.P. Jain and K.L. Narang: Advanced Accounting, Kalyani Publishers, New Delhi.
8. S.P.Iyengar: Advanced Accounting, Sultan Chand and Sons, New Delhi.
9. Srinivas Ganesh &Prمود A V: Advanced Corporate Accounting: Vikas Publications.
10. T S Reddy &Dr.A.Murthy: Corporate Accounting: Margham Publications

THEORY & PROBLEM: 20:80