

# M Com PROGRAMME-CORE COURSES

Semester I  
Code : AF01C01

Credit -4  
Hrs – 90

## ADVANCED FINANCIAL ACCOUNTING-1

### Objectives

- . To know the methods of valuation of goodwill and share
- . To acquaint with the amalgamation and reconstruction procedures of Companies
- . To learn the proceedings of insolvency of an individual and international reporting standards.

### MODULE 1 Valuation of Goodwill and shares

- Goodwill- meaning and definition, Factors affecting goodwill,- Methods of valuing goodwill-Average profit method-Super profit method, Annuity method and capitalization method.
- Valuation of share-Need for valuation-Methods of valuation-Net asset method or intrinsic value method-yield method-earning capacity method-fair value.

(15 Hrs)

### MODULE 2

Amalgamation, Absorption and External Reconstruction- Amalgamation in the nature of merger and Amalgamation in the nature of purchase- Purchase consideration-Net payment method-Net Asset method-share exchange method-Entries in the books of purchasing company- entries in the books of vendor company – consolidated balance sheet-Inter-company Owings and holdings- Advanced problems.

(25 Hrs)

### MODULE 3

Alteration of share capital and Internal reconstruction-Procedure for reducing share capital- Re-organisation-Scheme of reconstruction- Accounting entries on Internal reconstruction.

(15 Hrs)

### MODULE 4

Insolvency accounts of an Individual-Statement of affairs and deficiency accounts.

(20 Hrs)

### MODULE 5

- Human Resource accounting-Meaning-Objectives-Valuation of Human Resource Advanced and limitations of HRA.
- International Financial Reporting Standards (IFRS)

(15 Hrs)

### REFERENCE BOOKS

1. *Advanced Financial Accounting*, M.C.Shukla & T.S.Grewal, S.Chand & Co;
2. *Advanced accountancy*, Arulanandam & Raman, Himalya Publishing House
3. *Fundamentals of Financial accounting*, Nasseem Ahmed, Ane books Pvt, Limited
4. *Advanced Financial Accounting*, R.L.Gupta & Radhaswami, Sultan Chand CO;
5. *Advanced Financial Accounting*, S.N.Maheswari
6. *Advanced Financial Accounting*, Paul & Kaur
7. *Advanced Financial Accounting*, B.D. Agarwal
8. *Advanced Financial Accounting*, S.P.Jain & K.L.Narang; Kalyani Publishers