

VOL

II

MP Gupta - BM Agarwal

ADVANCED ACCOUNTANCY

CORPORATE ACCOUNTING



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ADVANCED ACCOUNTANCY

VOL-II

CORPORATE ACCOUNTING

[For B.Com, BBA, MBA, CA, CS, CMA and others offering
Corporate Accounting in their exams]

Dr. M.P. Gupta, M.Com., Ph.D.

Former Director, Jagran College, Kanpur

Ex-Dean Faculty of Commerce CSJM University, Kanpur

Ex-HOD Commerce, VSSD (PG) College, Kanpur

Dr. B.M. Agarwal M.Com., Ph.D. ACS

Formerly, Head Department of Commerce, DAV College

Chhatrapati Sahu Ji Maharaj University, Kanpur



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Phones : 011-23281876, 23266105, 41625022 (Showroom & Shop)

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E-mail : sultanchand74@yahoo.com; info@sultanchandandsons.com

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Preface

It gives us great pleasure to present our new book 'Advanced Accountancy (Volume-II) Corporate Accounting'.

The present book aims to meet in full measure the requirement of students preparing for various commerce courses opting Corporate Accounting in Indian Universities and professional courses. The latest syllabus of various professional courses like CA, CMA, CS, BBA, MBA, etc. is covered in the book. Syllabus of B.Com., M.Com. of various Indian Universities (Unified and NEP-2020) have been taken into consideration.

The objective of the textbook is basic treatment of main principles of Corporate Accounting. The standard set for the book is complete clarity for beginners and such simplicity of exposition to make the text practically the best one.

It is with this purpose that a maximum range of examples and illustrations (about 600) form the part of the textbook. The book covers almost all topics of Corporate Accounting. It runs in 31 chapters (spreading over about 1,384 pages) and stands as a unique and most comprehensive treatise of various aspects of Corporate Accounting.

31 chapters of the book may be broadly grouped in following heads

- (i) *Issue of Securities* – Issue and forfeiture of shares, Issue of Debentures, Underwriting of Shares and Debentures, Bonus shares, Right shares, Employees Stock of Options.
- (ii) *Redemption of Securities* – Redemption of Preference shares, Buy-back of securities Redemption of Debentures.
- (iii) *Financial Statement of Companies* – P & L Account and Balance Sheet of a Company, Dividend, Disposal of profits, Managerial remuneration, Basic Accounting Ratios.
- (iv) *Acquisition* – Acquisition of business, Profit before and after incorporation.
- (v) *Valuations and Flow Statements* – Valuation of Goodwill, Valuation of Shares, Cash Flow and Fund Flow Statements.
- (vi) *Combinations of Companies* – Combination and Amalgamation of Companies and Internal Reconstruction.
- (vii) *Financial Reporting* – Financial Reporting of Banking Companies Non-banking Companies, Mutual Funds, Insurance Companies, Electricity Companies, Double Accounting System, Govt. Companies and Statutory Organisation.

(viii) *Special Accounting* – Holding and Subsidiary Companies, Liquidation of Companies.

(ix) *Accounting Standards* – AS and *Ind AS*.

Certain main features of the book may be narrated:

- (1) It is most comprehensive coverage of subject matter. Almost all topics of Corporate Accounting are dealt with.
- (2) Most authentic and elaborate presentation of the subject matter in a simple and lucid style with a very large number of examples and illustrations (about 565).
- (3) At the beginning of each chapter, Outline of Chapter is given.
- (4) In each chapter Objective and Multiple Choice Questions are given in large number.
- (5) The book also contains an outline of Accounting Standard (AS) Indian Accounting Standard (*Ind AS*) in a separate Chapter.
- (6) At the end of each chapter, assignments containing theoretical and numerical questions are also given for practice and revision.
- (7) The book covers latest changes and amendments in the law Companies Act 2013 and its amendments till date. It is based on Accounting Standards (AS) and Indian Accounting Standard (*Ind. AS*).

Thus, it is a complete textbook and the students will find it as the best book for practice and comprehension of the subject.

We are grateful to the management of our publishers, Sultan Chand & Sons, New Delhi. We are thankful to Shri Pratap Chand Vaish and Mr. GD Chaudhary of the organisation. We are obliged to our beloved student Mr. Palivela Naga Sreekanth, New Mig, Phase-2, BHEL, Hyderabad for his support and Good wishes. We are also thankful to Editorial and DTP Staff of Sultan Chand & Sons for their cooperation.

We invite suggestions and criticisms for improvement of the book by learned readers.

Dr. M.P. Gupta
Dr. B.M. Agarwal

Snapshot of the Book

S. No.	Chapters	Pages	Illustration	Examples	Important Aspects	Objective Questions		Assignments		Page No.
						T/F	MCQ	The	Num.	
1.	Introduction to Company Accounts	10	-	-	2	9	4	4	-	1.1-1.10
2.	Share Capital	50	24	-	15	20	26	5	15	2.1-2.50
3.	Debentures	20	16	1	15	10	17	4	11	3.1-3.20
4.	Underwriting of Shares and Debentures	20	9	2	5	19	-	3	12	4.1-4.20
5.	Accounting for Bonus Issue and Right Issue	22	15	-	11	14	-	2	7	5.1-5.22
6.	Accounting for Employees Stock Option Plan and Equity Share with Differential Rights	21	13	-	7	8	-	3	4	6.1-6.21
7.	Redemption of Preference Shares	30	15	-	12	21	10	3	9	7.1-7.30
8.	Buy-Back of Securities	22	9	-	4	10	-	4	7	8.1-8.22
9.	Redemption of Debentures	55	31	2	9	12	7	4	14	9.1-9.55
10.	Financial Statements of Companies	73	28	9	7	10	10	6	10	10.1-10.73
11.	Disposal of Profits	26	15	1	13	11	-	6	8	11.1-11.26
12.	Corporate Financial Reporting	15	3	-	-	12	-	14	-	12.1-12.15
13.	Accounting Ratios	68	49	-	6	15	-	6	14	13.1-13.68
14.	Acquisition of Business by a Company	28	11	-	6	20	-	3	10	14.1-14.28
15.	Profit or Loss Pre- and Post- Incorporation	36	19	2	8	12	12	3	9	15.1-15.36

S. No.	Chapters	Pages	Illustration	Examples	Important Aspects	Objective Questions		Assignments		Page No.
						T/F	MCQ	The.	Num.	
16.	Valuation of Intangible Assets and Goodwill	34	27	1	6	10	–	6	13	16.1-16.34
17.	Valuation of Shares	50	20	–	6	12	–	2	16	17.1-17.50
18.	Value Added Statement	5	–	–	–	10	–	5	–	18.1-18.5
19.	Funds Flow Statement	54	26	–	6	7	–	6	13	19.1-19.54
20.	Cash Flow Statement	62	28	–	8	15	–	4	15	20.1-20.62
21.	Accounting for Combination or Amalgamation of Companies	140	43	7	15	10	12	5	18	21.1-21.140
22.	Accounting for Internal Reconstruction of Companies	90	28	5	9	10	6	5	14	22.1-22.90
23.	Financial Reporting of Banking Companies	76	33	–	12	10	–	9	22	23.1-23.76
24.	Non-Banking Financial Companies (NBFC)	12	4	–	9	10	–	4	2	24.1-24.12
25.	Financial Reporting of Mutual Funds	13	8	–	9	10	–	4	3	25.1-25.13
26.	Financial Reporting of Insurance Companies	66	14	–	7	10	–	8	16	26.1-26.66
27.	Financial Statements of Electricity Supply Companies and Double Account System	38	13	–	12	20	–	8	10	27.1-27.38
28.	Accounting of Government Companies and Statutory Accounting	28	–	–	8	8	–	8	–	28.1-28.28
29.	Consolidated Financial Statements (Holding Companies & Subsidiary Companies)	106	35	5	16	8	–	7	20	29.1-29.106
30.	Liquidation of Companies	63	29	–	15	6	–	8	21	30.1-30.63
31.	Accounting Standards (AS) and Indian Accounting Standards (Ind AS)	28	–	–	–	–	–	–	–	31.1-31.28
	Total	1,361	565	35	259	359	104	159	314	



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About the Book

The objective of the textbook is basic treatment of main principles of Corporate Accounting. The standard set for the book is complete clarity for beginners and such simplicity of exposition to make the text practically the best one. The present book aims to meet in full measure the requirement of students preparing for various commerce courses opting Corporate Accounting in Indian Universities and Professional Courses. The latest syllabus of various professional courses like CA, CMA, CS, BBA, MBA, etc. is covered in the book. Syllabus of B.Com., M.Com. of various Indian Universities (Unified and CBCS) have been taken into consideration.

It runs in 31 chapters (spreading over 1,384 pages) and stands as an unique and most comprehensive treatise of various aspects of Corporate Accounting.

31 chapters of the book may be broadly grouped in following heads:

- **Issue of Securities** – Issue and forfeiture of shares, Issue of Debentures, Underwriting of Shares and Debentures, Bonus shares, Right shares, Employees Stock of Options.
- **Redemption of Securities** – Redemption of Preference shares, Buy-back of securities Redemption of Debentures.
- **Financial Statement of Companies** – P & L Account and Balance Sheet of a Company, Dividend, Disposal of profits, Managerial remuneration, Basic Accounting Ratios.
- **Acquisition** – Acquisition of business, Profit before and after incorporation.
- **Valuation and Flow Statements** – Valuation of Goodwill, Valuation of Shares, Cash Flow and Fund Flow Statements.
- **Combinations of Companies** – Combination and Amalgamation of Companies and Internal Reconstruction.
- **Financial Reporting** – Financial Reporting of Banking Companies Non-banking Companies, Mutual Funds, Insurance Companies, Electricity Companies, Double Accounting System, Govt. Companies and Statutory Organisation.
- **Special Accounting** – Holding and Subsidiary Companies, Liquidation of Companies.
- **Accounting Standards** – AS and *Ind AS*.

Salient Features

- It is most comprehensive coverage of subject matter. Almost all topics of Corporate Accounting are dealt with.
- Most authentic and elaborate presentation of the subject matter in a simple and lucid style with a very large number of examples and illustrations (about 565).
- At the beginning of each chapter, Outline of Chapter is given.
- In each chapter Objective and Multiple Choice Questions are given in large number.
- The book also contains an outline of Accounting Standard (AS) Indian Accounting Standard (*Ind AS*) in a separate Chapter.
- At the end of each chapter, assignments containing theoretical and numerical questions are also given for practice and revision.
- The book covers latest changes and amendments in the law Companies Act 2013 and its amendment till date. It is based on Accounting Standards (AS) and Indian Accounting Standard (*Ind AS*).

About the Authors

Dr. M.P. Gupta is former Director of Jagaran College, Kanpur. He has been Former Head, Deptt. of Commerce. VSSD College, Kanpur and Ex. Dean Faculty of Commerce CSJM, Kanpur University. He has been visiting faculty member at the Northern India Regional Council of The Institute of Chartered Accountants of India and at Kanpur Chapter of the Institute of Company Secretaries of India. He has experience of guiding students of B.Com./M.Com. and Professional Course of C.A., C.S. and CMA for more than 50 years.

Dr. B.M. Agarwal is ex-head of the Department of Commerce DAV College, Kanpur. He has been guiding students of C.A., C.S. & CMA for more than 50 years. He has been visiting faculty member at the Northern India Regional Council of The Institute of Chartered Accountants of India and at Kanpur Chapter of The Institute of Company Secretaries of India.



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23 Daryaganj, New Delhi-110002

Phones : 011-23281876, 23277843, 23266105

Email : sultanchand74@yahoo.com

info@sultanchandandsons.com

Website : sultanchandandsons.com



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