

# M Com PROGRAMME-CORE COURSES

**SEMESTER 1**  
**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**

- a) Goodwill- meaning and definition, Factors affecting goodwill,- Methods of valuing goodwill-Average profit method-Super profit method, Annuity method and capitalization method.
- b) 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 a) Human Resource accounting-Meaning-Objectives-Valuation of Human Resource-Advanced and limitations of HRA.  
b)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, Nassem 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*