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CORPORATE ACCOUNTING

15th Edition



SULTAN CHAND & SONS

CORPORATE ACCOUNTING

[For B.Com., B.Com. (Hons.), B.Com. (Corporate Secretaryship)
& other Professional Courses]

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Author's Acknowledgement : The writing of a Textbook always involves creation of a huge debt towards innumerable authors and publications. We owe our gratitude to all of them. We acknowledge our indebtedness in extensive footnotes throughout the book. If, for any reason, any acknowledgement has been left out we beg to be excused. We assure to carry out correction in the subsequent edition, as and when it is known.

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PREFACE

To the Fifteenth Edition

Welcome to the 15th edition of *Corporate Accounting*! The business world is constantly evolving, and so too must our understanding of the financial language it speaks. This edition has been meticulously revised and expanded to keep pace with the latest developments in corporate financial reporting and equip you with the knowledge and skills needed to navigate the ever-changing landscape.

One of the key highlights of this edition is the introduction of new chapters on 'Value Added Statement' and 'Corporate Financial Reporting'. These chapters provide in-depth insights into the preparation and interpretation of value added statements, a crucial aspect of corporate performance measurement. It also delves into the intricacies of corporate financial reporting, offering a thorough understanding of how financial information is communicated to stakeholders.

Furthermore, we recognize the vital role of Accounting Standards in ensuring transparency and consistency in financial reporting. This edition has been meticulously updated to reflect the latest pronouncements of both the International Financial Reporting Standards (*IFRS*) and the Indian Accounting Standards (*Ind AS*). This ensures that you are equipped with the most current knowledge required for accurate and compliant financial reporting practices.

To further deepen your understanding and test your newfound knowledge, we have incorporated nearly 17 comprehensive question papers at the end of the book. Practice makes perfect, and these exercises will provide you with invaluable opportunities to apply the theoretical concepts covered throughout the text to real-world scenarios.

This edition remains true to its commitment to comprehensive coverage. With over 1,300 knowledge-packed pages, 434 insightful illustrations, and detailed explanations that adhere to Schedule III (Companies Act, 2013), *Corporate Accounting* equips you with a solid foundation in the core principles and practical applications of corporate accounting. Each illustration has been meticulously solved, ensuring a clear and step-by-step approach to problem-solving.

We are confident that this new edition will continue to serve as a valuable resource for students, accounting professionals, and anyone seeking a deeper understanding

of the intricate world of corporate finance. As always, we welcome your feedback and encourage you to reach out with any questions or suggestions.

Together, let's unlock the power of financial information for informed decision-making and a more transparent business environment.

Editorial Team

Sultan Chand and Sons

To the Fourteenth Revised Edition

We are happy to present the Revised Edition of the book “**Corporate Accounting**” before the readers. The book has been thoroughly revised. While revising the book due weightage has been given to the suggestions made by our esteemed readers taking into consideration provision of the Companies Act, 2013, (as amended upto 2020) SEBI rules and regulations and Accounting Standards, wherever applicable. The whole book has been updated and corrections made wherever required. Theory and accounting treatment has been revised as per Accounting Standards and Companies (Amendment) Act, 2019. Each aspect of a chapter has been discussed in detail in order to meet the requirements of the syllabus prescribed by different universities and professional institutes.

Salient Features of the Book

The following features are worth nothing in the present text:

- The illustrations and assignment material has been made to confirm to the requirements of Schedule III of the Companies Act, 2013. The relevant problems/solutions has also been revised.
- The revised revision of **Paragraph 14** of **Accounting Standards–4** concerning Financial Statements regarding Proposed final dividend has been incorporated at relevant pages and the illustrations amended accordingly.
- The relevant provisions of Ind AS–7: Statements of Cash Flows dealing with Bank Overdraft and Proposed Dividend have also been taken care of in this book.
- In the chapter of Redemption of Debentures, the treatment of interest on Debenture Redemption Funds Investments or Profit (or Loss) on the sale of Debentures have been also summarised in the chapter.
- All chapters have been revised and updated. Problems of each chapter have been suitably graded and edited to include questions of topical interest.

We are confident that the book in its revised form will be more useful for B.Com, B.Com (Hons.), B.Com (Corporate Secretaryship) & other Professional Courses.

We express our unbounded gratitude to Mr. Rajesh Kumar Nigah, Assistant Professor, Sri Aurobindo College (E), University of Delhi for his support as an Editor, extended to us in compiling the final copy of the book.

Every effort has been made to avoid printing errors though some might have crept in inadvertently. We will be highly obliged if such errors, if any, are brought to our notice.

We eagerly look forward to the feedback from the academic community for improvement of the book which will be duly acknowledged.

Editorial Team
Sultan Chand and Sons

To the Thirteenth Edition

Corporate Accounting has been designed to provide conceptual understanding of fundamentals and to develop skills to determine business income and financial position in select types of entities, transactions and circumstances for studies of B.Com. and Corporate Secretaryship Revised Courses, of all Universities in A.P., T. N., Karnataka and Kerala.

Volume I of the Present book has the following features:

- Lucid presentation of the theory.
- Large number of graded solved illustrations.
- All the chapters have been revised to suit the needs of students at First Degree Level.
- The book now incorporates the changes necessitated by recent Regulations of Insurance Development Regulatory Authority.
- Every chapter has now learning objectives at the outset.

Volume II of the book has the following features:

- 32 Madras University Past Examination Problems and Solutions.
- All chapters have now objective type questions. Multiple choice questions have now been provided with four choices in place of three.
- Large number of unsolved practical problems with answers and hints.
- Latest University Examination Question Papers.
- A set of aids is provided to facilitate home-study by students. Some of these are: Problems arranged under suitable sub-heading; detailed answers given at the end of problems; hints and assumptions given at the end of tricky problems.
- The Scanner in Volume II of the book contains solely all the problems asked in past 25 examinations of B.Com. and B.A. Corporate Secretaryship of the University of Madras. One use of the Scanner is Examinations. Another purpose of the Scanner is to facilitate the work of the teacher and students in classroom. It is convenient to carry to the classroom. It can eliminate the need for dictating the problem before working it out on the blackboard. It will save time. More problems can be worked out in the classroom.

I eagerly look forward to the feedback from the users, for it provides the basis for future improvements.

M. RADHASWAMY

I hear and I forget. I see and I remember. I do and I understand.

– Confucius

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Elements of Company Law

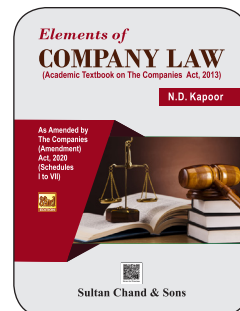
Including Companies (Amendment) Act, 2019

N.D. Kapoor

About the Book

The 32nd Revised and Enlarged Edition of the book entitled “Elements of Company Law” with the Companies (Amendment) Act, 2020 (Schedules I to VII) has been thoroughly updated and amended for our esteemed readers. Companies (Amendment) Bill, 2020 was introduced in Lok Sabha on 17-3-2020. The Bill was passed and converted into an Act by Parliament on 22-9-2020. Various provisions of the Amendment Act were had been made effective from time to time on 21-12-2020, 22-1-2021, 11-2-2021, 18-3-2021, 24-3-2021, 1-9-2021, and 1-7-2022. The Companies (Amendment) Act 2020, introduced several significant changes to the Companies Act, 2013.

This book is specially written for B. Com, M. Com, CA, CS, CMA, MBA, LLB and Other Commerce Courses of all Indian Universities.



Salient Features

- The book deals with all aspects of company law in detail.
- The subject-matter is discussed in a simple and easily intelligible language under appropriate headings.
- Presentation of Examples, Illustrative Cases, etc., has been highlighted in indention and different type face to make it more reader friendly.
- The book is updated with 40 case laws for better understanding of the subject.

Contents

- Nature of Company
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- Articles of Association
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- National Company Law Tribunal and Appellate Tribunal
- Special Courts
- Miscellaneous
- The Depositories Act, 1996
- Company Law in Computerized Environment
- The Companies Act, 2013 (Schedules I to VII)

Principles of Management Accounting

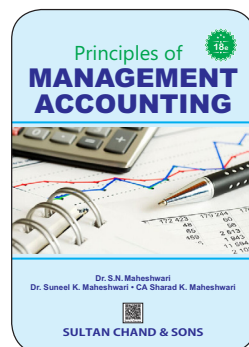
Dr. S.N. Maheshwari

Dr. Suneel K. Maheshwari • CA Sharad K. Maheshwar

About the Book

The book provides a comprehensive coverage of the course-content requirements of the students appearing the paper 'Management Accounting' at the B.Com., M.Com., BBA and MBA Examinations of different Indian Universities. The book has been divided into THREE Convenient Sections. Each Section covers a different aspect of 'Management Accounting' with the subject divided into chapters covering different topics in a systematic and concise manner.

The unique features of this book lie in its simplicity of style and systematic presentation of theory and graded practical illustrations which have made it user friendly mainly the students. The other main strengths of this book are: exhaustive text plentiful illustrative examples and end-of-the-chapter exercises with answers.



New in this Edition

- Updated position regarding, IFRSs and steps for their convergence in India.
- Certain new concepts viz. Target Costing, Kaizen Costing and Balanced Scorecard have been incorporated in Chapter 3 (Section A) and Appendix 1 of the book.
- Schedule III regarding presentation of financial statements as per the Companies Act, 2013 has been incorporated as an Appendix 5 to the book.

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