

VOL

II

MP Gupta • BM Agarwal

ADVANCED ACCOUNTANCY

CORPORATE ACCOUNTING

A background image featuring a teal-to-blue gradient. Overlaid on this are various financial data visualizations, including a line graph with several data points labeled (06.301, 11.311, 12.002, 20.556), a bar chart, and a candlestick chart. The overall aesthetic is modern and professional, typical of a business or finance textbook cover.

Sultan Chand & Sons

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



Sultan Chand & Sons[®]

Educational Publishers

New Delhi

SULTAN CHAND & SONS®

Educational Publishers

23, Daryaganj, New Delhi-110002

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

011-23247051, 40234454 (Office)

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

Fax : 011-23266357; Website : www.sultanchandandsons.com

First Edition: 2023

ISBN: 978-93-91820-03-9 (TC-1251)

Price: ₹ 995/-



EVERY GENUINE COPY OF THIS BOOK HAS A HOLOGRAM

In our endeavour to protect you against counterfeit/fake books, we have pasted a copper hologram over the cover of this book. The hologram displays the full visual image, unique 3D multi-level, multi-colour effects of our logo from different angles when tilted or properly illuminated under a single light source, such as 3D depth effect, kinetic effect, pearl effect, gradient effect, trailing effect, emboss effect, glitter effect, randomly sparking tiny dots, micro text, laser numbering, etc.

A fake hologram does not display all these effects.

Always ask the bookseller to put his stamp on the first page of this book.

All Rights Reserved: No part of this book, including its style and presentation, can be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording or otherwise without the prior written consent of the publishers. Exclusive publication, promotion and distribution rights reserved with the Publishers.

Warning: An unauthorised act done in relation to a copyright work may result in both civil claim for damages and criminal prosecution.

Special Note: Photocopy or Xeroxing of educational books without the written permission of publishers is illegal and against Copyright Act. Buying and Selling of pirated books is a criminal offence. Publication of a key to this book is strictly prohibited.

General: While every effort has been made to present authentic information and avoid errors, the author and the publishers are not responsible for the consequences of any action taken on the basis of this book.

Limits of Liability/Disclaimer of Warranty: The publisher and the author make no representation or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation warranties of fitness for a particular purpose. No warranty may be created or extended by sales or promotional materials. The advice and strategies contained therein may not be suitable for every situation. This work is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If professional assistance is required, the services of a competent professional person should be sought. Neither the publishers nor the author shall be liable for damages arising herefrom.

Disclaimer: The publishers have taken all care to ensure highest standard of quality as regards typesetting, proofreading, accuracy of textual material, printing and binding. However, they accept no responsibility for any loss occasioned as a result of any misprint or mistake found in this publication.

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.



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	



Contents

1. Introduction to Company Accounts	1.1-1.10
Meaning of Company	1.2
Salient Features of a Company	1.2
Types of Companies	1.3
Government Company	1.3
Foreign Company	1.3
Private Company	1.4
Public Company	1.4
One Person Company (OPC) into Public Company or a Private Company into OPC	1.4
Formation of One Person Company (OPC)	1.5
Final Accounts of OPC	1.5
Small Company	1.5
Listed Company	1.5
Unlimited Company	1.5
Company Limited by Shares	1.6
Company Limited by Guarantee	1.6
Holding Company	1.6
Subsidiary Company	1.6
Issue and Redemption of Shares and Debentures	1.6
Maintenance of Books of Account	1.6
Preparation of Financial Statements	1.6
Requisites of Financial Statements	1.7
Provisions Applicable	1.7
Compliance with Accounting Standards	1.7
Schedule III of the Companies Act, 2013	1.7
<i>Important Aspects of the Chapter</i>	1.9
<i>Objective Type Questions</i>	1.10
<i>Assignments</i>	1.10
2. Share Capital	2.1-2.50
Share Capital—Various Kinds of Shares	2.2
Issue of Shares	2.3

Forfeiture of Shares	2.11
Reissue or Sale of Forfeited Shares	2.12
Classification of Share Capital	2.42
<i>Important Aspects of the Chapter</i>	2.43
<i>Objective Type Questions</i>	2.44
<i>Assignments</i>	2.46
3. Debentures	3.1-3.20
Debentures	3.2
Issue of Debentures	3.2
Accounting for Issue of Debentures	3.3
Interest on Debentures	3.10
<i>Important Aspects of the Chapter</i>	3.16
<i>Objective Type Questions</i>	3.16
<i>Assignments</i>	3.18
4. Underwriting of Shares and Debentures	4.1-4.20
Underwriting of Shares and Debentures	4.2
Provisions of Companies Act with Respect to Underwriting	4.2
Calculation of Liability of Underwriters	4.2
Firm Underwriting	4.6
<i>Important Aspects of the Chapter</i>	4.15
<i>Objective Type Questions</i>	4.15
<i>Assignments</i>	4.16
5. Accounting for Bonus Issue and Right Issue	5.1-5.22
Bonus Shares	5.2
Accounting for Bonus Issue	5.3
Right Issue	5.17
<i>Important Aspects of the Chapter</i>	5.19
<i>Objective Type Questions</i>	5.19
<i>Assignments</i>	5.20
6. Accounting for Employees Stock Option Plan and Equity Share with Differential Rights	6.1-6.21
Employees Stock Option — Meaning	6.2
Important Terms of Employees Stock Option Scheme (ESOS)	6.2
Eligibility to Participate in ESOS	6.2
Accounting for Employee Share-Based Payments	6.3
Flexible Vesting Period	6.9
Equity Shares with Differential Rights	6.18
<i>Important Aspects of the Chapter</i>	6.20
<i>Objective Type Questions</i>	6.20
<i>Assignments</i>	6.20
7. Redemption of Preference Shares	7.1-7.30
Preference Shares Capital	7.2

Objective of the Provisions Regarding Redemption	7.2
Accounting Procedure	7.3
Important Points for Redemption	7.4
<i>Important Aspects of the Chapter</i>	7.25
<i>Objective Type Questions</i>	7.25
<i>Assignments</i>	7.27
8. Buy-Back of Securities	8.1-8.22
Meaning and Purpose of Buy-Back	8.2
Legal Provisions and Main Features of Buy-Back	8.2
Sources of Buy-Back	8.3
Accounting for Buy-Back	8.4
<i>Important Aspects of the Chapter</i>	8.18
<i>Objective Type Questions</i>	8.18
<i>Assignments</i>	8.18
9. Redemption of Debentures	9.1-9.55
Redemption of Debentures	9.2
Sinking Fund Method	9.32
<i>Important Aspects of the Chapter</i>	9.50
<i>Objective Type Questions</i>	9.50
<i>Assignments</i>	9.51
10. Financial Statements of Companies	10.1-10.73
Meaning of Financial Statements	10.2
Legal Provisions	10.2
Format of Balance Sheet	10.2
Revised Format of Financial Statements (MCA under <i>Ind. AS</i>)	10.4
Related Party Disclosure (<i>AS - 18</i>)	10.13
Statement of Change in Equity	10.39
Cash Flow Statement	10.40
Calculation of Earning per share (EPS)	10.61
<i>Important Aspects of the Chapter</i>	10.65
<i>Objective Type Questions</i>	10.65
<i>Assignments</i>	10.67
11. Disposal of Profits	11.1-11.26
Meaning of Dividend	11.2
Declaration of Dividend out of Accumulated Reserves	11.3
Calculation and Payment of Dividend	11.6
Appropriation of Profit	11.8
Managerial Remuneration	11.9
Accounting for Taxes on Income	11.19
<i>Important Aspects of the Chapter</i>	11.23
<i>Objective Type Questions</i>	11.23
<i>Assignments</i>	11.24

12. Corporate Financial Reporting	12.1-12.15
Meaning, Need and Objectives of Financial Reporting	12.2
Meaning	12.2
Need and Objectives of Financial Reporting	12.2
Limitations of Financial Reports	12.3
Objectives of Financial Reporting	12.3
Difference between Financial Reporting and Financial Statements	12.3
Constituents of Annual Reports	12.4
Reports of Board of Directors	12.4
Drafting of Notes to Accounting	12.5
XBRL (Extensible Business Reporting Language) Reporting	12.6
Benefits of XBRL Filing	12.6
Users of XBRL	12.6
Documents Required for XBRL	12.7
Segment Reporting (AS-17)	12.7
Segment Result = Segment Revenue <i>Less</i> Segment Expense	12.8
Principles Involved in the Identification of Reportable Segments	12.9
Sustainabilities Reporting	12.11
Benefits of Sustainable Reporting	12.11
Triple Bottom Line (TBL) Reporting	12.12
Implementation of TBL Reporting	12.12
Users of TBL Reporting	12.12
Corporate Social Responsibility (CSR) Reporting	12.13
Meaning of CSR	12.13
Corporate Social Responsibility in India	12.13
Compliance by a Company Covered under CSR	12.14
Activities of CSR	12.14
Reporting of Corporate Social Responsibility (CSR)	12.14
<i>Objective Type Questions</i>	12.15
<i>Assignments</i>	12.15
13. Accounting Ratios	13.1-13.68
Introduction	13.2
Benefits of Ratio Analysis	13.2
Limitations of Ratio Analysis	13.2
Classification of Ratios	13.3
Liquidity /Short-term Solvency Ratios	13.4
Solvency / Leverage / Capital Structure Ratios	13.6
Turnover / Activity Ratios	13.9
Profitability Ratios	13.13
Some Other Useful Ratios	13.18
Profitability or Earning Power (DU PONT Analysis)	13.19
<i>Important Aspects of the Chapter</i>	13.64
<i>Objective Type Questions</i>	13.66
<i>Assignments</i>	13.66

14. Acquisition of Business by a Company	14.1-14.28
Acquisition of Business	14.2
Accounting Entries	14.3
Maintenance of Same Set of Books	14.16
<i>Important Aspects of the Chapter</i>	14.23
<i>Objective Type Questions</i>	14.23
<i>Assignments</i>	14.23
15. Profit or Loss Pre- and Post- Incorporation	15.1-15.36
Profit or Loss Prior to Incorporation	15.2
<i>Important Aspects of the Chapter</i>	15.29
<i>Objective Type Questions</i>	15.30
<i>Assignments</i>	15.31
16. Valuation of Intangible Assets and Goodwill	16.1-16.34
Intangible Assets	16.2
Cost of Intangible Assets	16.2
Internally Generated Intangible Asset	16.2
Amortization	16.3
Computer Software and Website Cost	16.3
Meaning of Goodwill	16.8
Factors Affecting Value of Goodwill	16.8
Methods for Valuing Goodwill	16.9
Simple Profit Method	16.9
Super Profit Method	16.11
Annuity Method	16.18
Capitalisation Method	16.20
Sliding Scale Valuation of Super Profit	16.20
<i>Important Aspects of the Chapter</i>	16.28
<i>Objective Type Questions</i>	16.29
<i>Assignments</i>	16.29
17. Valuation of Shares	17.1-17.50
Valuation of Shares and Factors	17.2
Need for Valuation	17.2
Methods of Valuation	17.3
Net Assets Basis	17.3
Earnings (Yield) Basis	17.10
Fair Value of Shares	17.14
Productivity Factor Method	17.34
Valuation of Preference Shares	17.35
<i>Important Aspects of the Chapter</i>	17.40
<i>Objective Type Questions</i>	17.40
<i>Assignments</i>	17.41

18. Value Added Statement	18.1-18.5
Meaning of Value Added	18.2
Significance of Value Added	18.2
Value Added Statements (VAS)	18.2
Format of VAS	18.2
Uses of Value Added Statement	18.3
Limitations of VAS	18.4
Economic Value Added (EVA)	18.4
Market-Value Added (MVA)	18.4
Shareholders Value Added	18.5
<i>Objective Type Questions</i>	18.5
<i>Assignments</i>	18.5
19. Funds Flow Statement	19.1-19.54
Meaning of Fund and Funds Flow	19.2
Funds Flow Statement	19.3
Method of Preparation of Funds Flow Statement	19.4
Statement Showing Changes in Working Capital	19.4
Statement Showing Funds from Operations	19.6
<i>Important Aspects of the Chapter</i>	19.47
<i>Objective Type Questions</i>	19.48
<i>Assignments</i>	19.48
20. Cash Flow Statement	20.1-20.62
Meaning of Cash Flow	20.2
Objectives and Advantages of Cash Flow Statement	20.2
Procedure of Preparing Cash Flow Statement	20.3
Classification of Cash Flows	20.3
Cash Flow from Operating Activities	20.4
Cash Flow from Investing Activities	20.8
Cash Flow from Financing Activities	20.9
Other Important Provisions	20.9
Format of Cash Flow Statement	20.11
Differences between Cash Flow Statement and Fund Flow Statement	20.13
<i>Ind AS 7, Statement of Cash Flows</i>	20.15
<i>Important Aspects of the Chapter</i>	20.53
<i>Objective Type Questions</i>	20.54
<i>Assignments</i>	20.54
21. Accounting for Combination or Amalgamation of Companies	21.1-21.140
Combination or Amalgamation of Companies	21.2
External Reconstruction	21.2
Accounting Standard-14 (Amalgamation)	21.2
Calculation of Purchase Consideration	21.4

<i>Ind. AS-103, Business Combinations</i>	21.6
Major Difference between <i>AS-14</i> and <i>Ind. AS-103</i>	21.8
Accounting Entries in the Books of Vendor Company	21.14
Accounting Entries in the Books of Purchasing Company	21.16
Inter-Company Share-Holding	21.97
External Reconstruction	21.115
Amalgamation Prior to Actual Transfer of Business	21.123
<i>Important Aspects of the Chapter</i>	21.126
<i>Objective Type Questions</i>	21.126
<i>Assignments</i>	21.128
22. Accounting for Internal Reconstruction of Companies	22.1-22.90
Methods of Internal Reconstruction	22.2
Sub-division and Surrender of Shares	22.4
Legal Provision for Reduction of Share Capital	22.4
Accounting Procedure	22.5
Preparation of Balance Sheet after Internal Reconstruction	22.6
<i>Important Aspects of the Chapter</i>	22.81
<i>Objective Type Questions</i>	22.81
<i>Assignments</i>	22.82
23. Financial Reporting of Banking Companies	23.1-23.76
Introduction	23.2
Business of a Bank	23.2
Book Keeping System of a Bank	23.2
Some Special Transactions	23.4
Assets Classification and Provisions	23.16
Income Recognition	23.23
Profit and Loss Account and Balance Sheet	23.24
Reserves	23.35
Prudential Norms on Capital Adequacy	23.52
Accounting for Accrued Interest (As per RBI Guideline)	23.63
Classification of Bank Investments	23.66
<i>Important Aspects of the Chapter</i>	23.68
<i>Objective Type Questions</i>	23.68
<i>Assignments</i>	23.69
24. Non-Banking Financial Companies (NBFC)	24.1-24.12
Meaning of NBFC	24.2
Asset Classification	24.3
Accounting of Investments	24.5
Tier 1 Capital	24.7
<i>Important Aspects of the Chapter</i>	24.10
<i>Objective Type Questions</i>	24.11
<i>Assignments</i>	24.11

25. Financial Reporting of Mutual Funds	25.1-25.13
Meaning of Mutual Fund	25.2
Registration of Mutual Funds	25.2
Advantages of Mutual Funds	25.2
Assets Management Company	25.3
Types of Mutual Funds	25.3
Mutual Fund Scheme	25.4
Accounting Policies	25.4
Calculation of NAV	25.5
<i>Important Aspects of the Chapter</i>	25.11
<i>Objective Type Questions</i>	25.11
<i>Assignments</i>	25.11
26. Financial Reporting of Insurance Companies	26.1-26.66
Introduction	26.2
Books Maintained by Insurance Companies	26.2
General Insurance	26.3
Preparation of Financial Statements	26.7
Life Insurance	26.27
Preparation of Financial Statements of Life Insurance	26.30
<i>Important Aspects of the Chapter</i>	26.58
<i>Objective Type Questions</i>	26.58
<i>Assignments</i>	26.59
27. Financial Statements of Electricity Supply Companies and Double Account System	27.1-27.38
Legislative Background of Electricity Supply Companies (ESC)	27.2
Key Features of the Electricity Act, 2003	27.2
Preparation of Financial Statements	27.6
Debt Equity Ratio	27.10
Double Account System	27.15
Double Account System: Treatment of Various Transactions	27.17
Final Accounts Under Double Account System	27.26
<i>Important Aspects of the Chapter</i>	27.33
<i>Objective Type Questions</i>	27.34
<i>Assignments</i>	27.34
28. Accounting of Government Companies and Statutory Accounting	28.1-28.28
Objectives of Government Accounting System	28.2
Government Accounting System in India	28.2
Role of Comptroller & Auditor General in Accounting	28.3
Accounting in the Union Government	28.4
Accounting in Government Concerns	28.6

Accounting System in Government Concerns	28.7
Audit of Government Accounting	28.7
Fundamental Principles	28.7
Audit of Government Companies	28.8
Directions Issued by the Comptroller & Auditor General of India under the Companies Act, 2013	28.9
Classification and Form of Government Accounts	28.14
Basic Structure of the Forms of Accounts	28.19
<i>Important Aspects of the Chapter</i>	28.28
<i>Objective Type Questions</i>	28.28
<i>Assignments</i>	28.28
29. Consolidated Financial Statements (Holding Companies and Subsidiary Companies)	29.1-29.106
Meaning of Holding Companies	29.2
Advantages of Holding Companies	29.3
Disadvantages of Holding Companies	29.3
Presentation of Information to Members of Holding Company – Legal Requirements	29.3
Preparation of Consolidated Balance Sheet	29.4
More than One Subsidiary	29.60
Inter-Company Share Holding (Gross Holding)	29.77
Different Reporting Dates	29.80
Different Accounting Policies	29.83
Consolidated Profit and Loss Account	29.88
<i>Important Aspects of the Chapter</i>	29.95
<i>Objective Type Questions</i>	29.96
<i>Assignments</i>	29.96
30. Liquidation of Companies	30.1-30.63
Modes of Liquidation	30.2
Statement of Affairs	30.3
Deficiency/Surplus Account	30.8
Liquidator's Statement of Account	30.14
Receiver's Receipt and Payment Account	30.27
Liquidator's Cash Account	30.29
Liability of 'B' List Contributories	30.30
<i>Important Aspects of the Chapter</i>	30.50
<i>Objective Type Questions</i>	30.51
<i>Assignments</i>	30.51
31. Accounting Standards (AS) and Indian Accounting Standards (Ind AS)	31.1-31.28
Introduction	31.2
Concept of Accounting Standards	31.2

Accounting Policies and their Disclosures	31.4
Disclosure of Accounting Policies	31.5
Indian Accounting Standards (<i>Ind - AS</i>)	31.9
What is International Financial Reporting Standards (IFRS)	31.9
Need and Procedure of Convergence with IFRS	31.10
First Time Adoption of <i>Ind AS</i>	31.13
Synopses of <i>Ind AS</i>	31.15

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.



Sultan Chand & Sons

Publishers of Standard Educational Textbooks

23 Daryaganj, New Delhi-110002

Phones : 011-23281876, 23277843, 23266105

Email : sultanchand74@yahoo.com

info@sultanchandandsons.com

Website : sultanchandandsons.com



TC 1251

ISBN 978-93-91820-03-9



9 789391 820039