COURSE OUTLINE
Course Title: Advanced Accounting
(Accounting Specialization)

M.Com. Part II (Annual System)

Course Objectives:
• To equip the student with the latest tools and techniques in advance accountancy

After studying the course, the student will be able to:
• Understand advance accounting, its characteristics, and application
• Understand consolidation and amalgamation in its financial aspect and effects on financial record
• Understand and apply the lease accounting in accordance with latest international standard on accounting
• Understand and apply branch accounting, Joint venture accounting, and contract accounting at an advanced level.
• Understand and enhance concepts in final accounts of limited companies as studied at bachelor level

<table>
<thead>
<tr>
<th>Topic</th>
<th>Subtopics</th>
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| **J OINT-VENTURE ACCOUNTS** | • Introduction & Features of Joint Venture  
                          • Memorandum Method  
                          • Valuation of unsold stock  
                          • Conversation of consignment into joint venture |
| **COMPANY FINAL ACCOUNTS** | • Typical adjustment in problems of company final accounts  
                          • Depreciation  
                          • Interest on debentures  
                          • Tax deducted at source  
                          • Advance payment of income tax  
                          • Provision for taxation  
                          • Dividends  
                          • Suspense accounts  
                          • Profit on revaluation of fixed assets  
                          • Discount on issue of debentures  
                          • Managerial Remunerations  
                          • Divisible profits  
                          • P&L appropriation accounts |
| **BRANCH ACCOUNTING**   | • Independent Branch  
                          • Dependent Branches  
                          Some special items  
                          o Goods in transit  
                          o Cash in transit  
                          o Head office expenses charged to branch  
                          o Depreciation on branch fixed asset  
                          o Inter branch transaction  
                          • Incorporation of branch Trial Balance in the Head Office books  
                          • Abridged incorporation  
                          • Closing the books of accounts of the branch |
| **CONTRACT**            | • Basic concepts and rules  
                          • Comparison of Cost to cost basis & work certified basis  
                          • If work certified and uncertified are given but estimated further cost are unavailable |
# Consolidation

**Acquisition of a Subsidiary**
- At date of acquisition
- In the year of acquisition
- After year of acquisition
- Acquisition since incorporation of subsidiary
- Piecemeal acquisition
- Non-controlling interest valued at full (or fair value)
- Fair value adjustment at acquisition
- Acquisition by issuance of shares
- Acquisition during the year

**Intercompany Transactions**
- Intercompany sale of goods
- Intercompany sale of fixed assets
- Goods & cash in transit
- Proposed dividend by subsidiary
- Dividend by subsidiary from pre-acquisition profit
- Bonus shares issued by subsidiary
- Inter-company billing by parent to subsidiary for group charges.

**Preference Shares and Debentures in Subsidiary**
- Preference shares
- Debentures

## Amalgamation
- Forms of Amalgamation
  - Merger
  - Acquisition
- Motive for Amalgamation
- Procedures
- Accounting for Amalgamation
- Types of Amalgamation
- Amalgamation in the nature of merger
- Amalgamation in the nature of purchase
- Calculation of purchase consideration
- Methods of accounting for amalgamation
- Purchase method
- Inter-company investments

## Accounting for Leasing
- Introduction
- Basic issues in leasing
- Lease classification the primary accounting issue
- Accounting by lessee
- Books of lesser finance leases
- Residual values
- Impact of Incorrect Lease classification
- Initial direct cost
- General concept and exercises

### Recommended Text