

Advanced Financial Accounting

Program in which it is offered: B.Com

Course Category: Elective

Schedule of Offering: Semester ...

Course Credit Structure: 3

Course Code: CK252

- **Lecture:** 2 Hours
- **Practical:** 1 Hour

Contact Hours per week: 4 hrs

Instructor:

1. Introduction

This course is meant to provide advance level of knowledge in accounting for those students who are specialising in the field of accounting. The course is designed in a manner to rationalise all accounting courses and has included topics of special nature. It will provide an inclusive knowledge on the preparation of financial statement of Banking Companies and Insurance companies. Further the course would provide a thorough understanding of accounting of the Dissolution aspect of Partnership accounts and a few other aspects like Insurance Claims and Investment Accounts. A brief discussion on the recent developments in accounting and other branches of accounting like Human Resource and Social Accounting are also facilitated in this course.

2. Course Objectives

- To provide working knowledge of the final accounts of Banking and Insurance Companies and to enable them to prepare investment accounts
- To know the accounting treatment of dissolution of Partnership Firms
- To make students aware of the recent developments in the field of Accounting

3. Pre-requisites

Students should have completed atleast one course on Accounting other than basic course, during the degree programme.

4. Readings

Recommended Texts:

1. Shukla, M.C., Grewal, T.S. & Gupta S.C., Advanced Accounts. Vol.-I., *S Chand and Company (Pvt.) Ltd, New Delhi.*

2. Maheswari, S.N & Maheswari, S.K., Corporate Accounting, Vikas Publishing House, New Delhi
3. Shukla, M.C., Grewal, T.S., & Gupta S. C., Advanced Accounts. Vol.-II., S Chand and Company Pvt. Ltd, New Delhi
4. Amitabha Mukherjee, Mohammed Hanif, Corporate Accounting, McGraw Hill Education

5. Module-wise topics

Module 1: Financial Statements of Banking Companies (14 hours)

- Meaning of banking companies
- Important provisions of banking companies Act, 1949
- Preparation of final accounts of banking companies-Profit and loss account, Balance sheet
- Transactions of special type – Rebate on Bills Discounted
- Asset classification and provisions
- Non Performing Assets.
- Capital Adequacy Norms

Learning Outcome:

- Students will learn to prepare the final accounts of banking companies

Module 2: Financial Statements of Insurance Companies (18 hours)

- Insurance Companies – Special Terms
- Final Accounts of Life Insurance – Revenue Account - Profit and Loss Account and Balance Sheet (As per IRDA Regulation Act, 2002) – Determination of Profit in Life Insurance Business – Valuation Balance Sheet (Accounts of General Insurance Companies excluded)
- Insurance Claims: Types of claims-loss of stock policy-Ascertainment of the value of stock on the date of fire-Ascertainment of actual amount of claim to be lodged-Average clause-Loss of profit policy-Procedure to ascertain amount of claim (Simple problem).

Learning Outcome:

- Students will learn to prepare the final accounts of insurance companies

Module 3: Investment Accounts (10 hours)

- Cum-interest; Ex-interest; Cum-dividend; Ex-dividend
- Accounting entries
- Preparation of Investment Accounts

Learning Outcome:

- Students will learn to prepare the investment accounts

Module 4: Dissolution of a Partnership Firm (12 hours)

- Dissolution of the Partnership Firm – Introduction
- Insolvency of partners – Garner Vs. Murray case, When all partners are Insolvent
- Sale to a limited company
- Gradual Realisation of Assets and Piecemeal distribution

Learning Outcome:

- Students will understand the accounting treatment for the dissolution of a firm.

Module 5: Human Resource Accounting and Social Accounting (6 hours)

- Concept of Human Resource Accounting
- Valuation of Human Resource Accounting (theory only)
- Social Accounting – Concept of Social cost benefit
- Measurement of Social cost benefit (theory only)
- Human Resource Accounting and Social Cost Benefit Analysis in India
- Recent Developments in Accounting – Economic Value Added, Brand Accounting, Lean accounting, Forensic Accounting, International Accounting.

Learning Outcome:

- Students will get familiarised with other emerging fields of accounting

6. Pedagogy

The teaching methodology of this course will mainly be lecture oriented and problem solving through demonstrations. Initially the theoretical background of each module will be taught through lecturing and discussions. Furthermore, to instill practical knowledge, students will be made to work-out problems as a team member and later individually. Students will be encouraged to explore Recent Developments in accounting through discussion, seminar and assignments. Learning through Business games along modular themes will be supplemented for effective learning.

7. Evaluation Pattern

• Mid Term Examination	:	25%
• Practical Problem Diary/Assignment	:	20 %
• Students' Presentation	:	15 %
• End-Term Examination	:	40 %
Total	:	100 %