

JYOTI NIVAS COLLEGE AUTONOMOUS

Programme: B.Com/INTEGRATED B.Com - M.Com

Semester: V

Advanced Accounting

No. of Credits: 4

No. of Hours: 60

Course Objectives:

- To know the output of investment at the end of particular period.
- To understand the accounting procedure of insurance companies.
- To understand the key principles and theories of Advanced Accounting.

Learning Outcomes:

- Understand the key principles and theories of Advanced Accounting.
- Learn various valuation methods and techniques used in practice.
- Develop skills in Advanced Accounting.
- Explore the challenges and considerations involved in preparation of financial statements of Banking & Insurance companies.
- Gain knowledge of Advanced Accounting and their impact on business.

Unit-1: Buy Back of Shares

8 Hours

Introduction and meaning - Objectives and benefits of buy-back-Provisions regarding buyback of shares under Companies Act, 2013 - SEBI regulations regarding buy-back of shares. Methods of buyback: through tender offer to existing shareholders - through open market and through book-building - Accounting entries for buy-back of shares – Problems

Unit- 2: Investment Accounts

14 Hours

Meaning of Investments - Types or Classification of Investments - Valuation of Investments -Cost of Investments - Accounting treatment for Re-classification of Investments - Disposal of Investments and income from investments – Problems

Unit-3: Financial Statements of Banking Companies

14 Hours

Introduction - Functions of a bank - Important provisions of Banking Regulation Act, 1949 with regard to Minimum Capital and Reserves - Statutory Reserve - Cash Reserve - Statutory Liquidity Ratio etc., - Special Features of Bank Accounting. Final Accounts of Banking Companies – components and formats - Accounting treatment for Rebate on Bills

Discounted – Acceptance - Endorsement and Other Obligations - Problems on preparation of bank final accounts

Unit- 4: Financial Statements of Life Insurance Companies **14**
Hours

Introduction - Classification of Insurance Business - Life Insurance and General Insurance. Components of Financial Statements of Life Insurance Business- Revenue Account - Profit and Loss Account - Balance Sheet and Schedules. Problems.

Unit- 5: Financial Statements of General Insurance Companies **10**
Hours

Components of Financial Statements of General Insurance Business – Revenue Account - Profit and Loss Account - Balance Sheet and Schedules - Accounting Principles for preparation of Financial Statements of Insurance companies – Problems on Revenue accounts of Fire & Marine Business only.

Skill Development Activities:

- List any six companies which have exercised buy back along with the terms of Buy back.
- Prepare an Investment A/c with imaginary figures.
- Prepare a schedule of premiums with imaginary figures in respect of Life Insurance Company.
- Prepare a statement of claims with imaginary figures of General Insurance Company.

Books for References:

- Arulanandam & Raman; Advanced Accountancy, HPH
- Hanif and Mukherjee, Corporate Accounting, McGraw Hill Publishers.
- Dr. S.N. Maheswari, Financial Accounting, Vikas Publication
- S P Jain and K. L. Narang, Financial Accounting, Kalyani Publication
- Soundarajan & K. Venkataramana, Financial Accounting, SHBP.
- Anil Kumar, Rajesh Kumar and Mariyappa, Advanced Accounting, HPH
- Radhaswamy and R.L. Gupta, Advanced Accounting, Sultan Chand
- M.C. Shukla and Grewal, Advanced Accounting

Note: Latest edition of text books may be used.