

**Nirma University**  
**Institute of Law**  
**B.Com LLB Hons. Programme**  
**Academic Year – 2018-19**  
**Semester II**

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Course Code	2BBL232
Course Title	<b>Corporate Accounting</b>

**Course Learning Outcomes (CLO):**

After completion of this course student will be able to:

1. Compare various types of companies, shares, share capital, debentures and share issues.
2. Recognize the accounting treatment if share and debentures are issued under par, premium and discount, further forfeiture and re-issue of shares.
3. Analyse various provisions of Companies Act, 2013 and preparation of final accounts in accordance with the schedule III of India Companies Act 2013.

**Syllabus**

**60 HOURS**  
**12 HOURS**

**UNIT I- ISSUE AND BUY BACK OF SHARE**

Share and Types of Shares, Share capital and Types of Share Capital

- 1.1 Accounting Entries For Issue of Shares at par, premium and discount
- 1.2 Over and Under Subscription
- 1.3 Firm Allotment and Pro-rata Allotment
- 1.4 Calls-in-Advance and Calls-in-Arrears
- 1.5 Forfeiture of Shares and Re-issue of Forfeited Shares
- 1.6 Issue of Shares For Consideration Other Than Cash
- 1.7 Buy Back of Shares and Surrender of Shares
- 1.8 Introduction to Types of Share Issue: Public Issue, Right Issue and Bonus Issue
- 1.9 Latest SEBI Guidelines

**UNIT II – REDEMPTION OF PREFERENCE SHARE**

**12 HOURS**

- 2.1 Provisions of Companies Act, 1956 regarding Redemption of Redeemable and Irredeemable Preference Shares, in brief.
- 2.2 Methods of Redemption of Preference Shares (Brief Introduction only)
- 2.3 Accounting Entries For Redemption of Preference Shares by Fresh Issue of Shares
- 2.3 Premium on Redemption of Preference Shares
- 2.4 Capital Redemption Reserve and purposes/reasons for its creation

### **UNIT III – ISSUE AND REDEMPTION OF DEBENTURES**

**12 HOURS**

- 3.1 Debentures and Factors to be considered for issue of Debentures
- 3.2 Classification of Debentures
- 3.3 Latest SEBI Guidelines for Issue of Debt Instruments
- 3.4 Accounting Entries For Recording Issue of Debentures at par, premium and discount
- 3.5 Accounting Treatment of Discount on Issue of Debentures
- 3.6 Conversion of Debentures into Shares
- 3.7 Issue of Debentures as Collateral Security for a Loan
- 3.8 Issue of Debentures other than for Cash
- 3.9 Redemption of Debentures and it's Accounting Entries

### **UNIT IV – FINAL ACCOUNTS OF COMPANY**

**12 HOURS**

- 4.1 Books of Accounts to be maintained by a company
- 4.2 Provisions of Companies Act, 2013 regarding Final Accounts of company
- 4.3 Form & Contents of Balance Sheet & Profit & Loss Account as per the Provisions of Companies Act, 2013.
- 4.4 Typical Adjustments for Company Final Accounts: Depreciation, Interest on Debentures, TDS, Advance Payment of Income Tax, Provision For Taxation, Dividend, Corporate Dividend Tax, Premium & Discount on issue of shares & debentures etc
- 4.5 Preparation of Final Accounts of Company as per the provisions of Companies Act, 2013

### **UNIT V – FINANCIAL STATEMENT ANALYSIS**

**12 HOURS**

- 5.1 Meaning and Types of Financial Statements
- 5.2 Meaning of Financial Statement Analysis
- 5.3 Types of Financial Statement Analysis
- 5.4 Purposes and Significance of Financial Statement Analysis
- 5.5 Process of Financial Statement Analysis
- 5.6 Tools or Techniques of Financial Statement Analysis: Comparative Financial Statements, Common Size Financial Statement, Trend Percentages, Ratio Analysis, Cash Flow Statement, Fund Flow Statement
- 5.7 Limitations of Financial Statement Analysis

### **Suggested Readings:**

- 1. Mukherjee,A. and Hanif,M.(2001)*Modern Accountancy*,McGraw-Hill Publishing Company Limited.
- 2. Sheeda Kalideen, and Lester Sullivan. (2006) *Accounting for Law students and Practitioners*, Juta & Co.
- 3. Mukherjee,A. and Hanif,M. (2005)*Corporate Accounting*, Tata McGraw-Hill Publishing Company Limited.
- 4. Maheshwari,S.N. and Maheshwari,S.K. (2009) *Corporate Accounting*, Vikas Publishing House Pvt. Ltd.
- 5. Quinn, John P., Bailey Joseph A. (Jr), David E. Gaulin. (2013)*Law Firm Accounting and Financial Management*.,Law Journal Seminars Press