

NEP 2020
B. Com. (Hons.)
Semester-6 (Major)
Corporate Accounting - 2
Course Code: DSC-C-CAC-362
Credit Mark Distribution -04

Unit 1	VALUATION OF GOODWILL [1] Introduction [2] Definitions of Goodwill [3] Goodwill in Accounting Standards [4] Factors Affecting Value of Goodwill [5] When Valuation is Necessary? [6] Recording Goodwill [7] Methods of Valuing Goodwill: (1) Arbitrary Assessment (2) Valuation based on Turnover (3) Valuation on the basis of Profit (A) Simple Profit Method : (i) A certain number of years' purchase of Average Profit Method (ii) A certain number of years' purchase of Weighted Average Profit Method. (iii) Capitalisation of Average Profit Method (iv) Annuity Method (B) Super Profit Method : (i) A certain number of years' purchase of Super Profit Method (ii) Capitalisation of Super Profit Method (iii) Annuity Method (iv) Purchase of Super Profit on Sliding Scale Method [8] Practical Exercise.	25%
Unit 2	VALUATION OF SHARES [1] Introduction [2] Need for Valuation of Shares [3] Factors Affecting Value of Shares [4] Methods of Valuation : Net Assets Valuation or Assets Backing Method [5] Yield Valuation Method [6] Fair Value [7] Valuation of 'Right' in Right Shares [8] Valuation of Bonus Shares [9] Practical Exercise.	25%
Unit 3	AMALGAMATION ACCOUNTS [1] Introduction [2] Meaning of Amalgamation, Absorption and Reconstruction [3] Purposes of Amalgamation and Absorption [4] Purposes of Reconstruction [5] How to Calculate Purchase Consideration ? Two Methods : (a) Net Assets Method (b) Consideration Method [6] Accounting Entries in the Books of Vendor Company and Purchasing Company [7] Points to be Noted for Debentures [8] Points to be Noted for Preference Shares [9] Mergers and Purchase : Accounting Standard 14 [10] Overview of Ind AS 103: Business Combinations (Theoretical Aspects) [11] Practical Exercise.	25%
Unit 4	ABSORPTION ACCOUNTS [1] Introduction [2] Accounts in the Books of Purchasing Company [3] Accounts in the Books of Vendor Company [4] Some Additional Points Arising on Absorption [5] Exchange of Shares on the Basis of Intrinsic Value [6] Inter-Company Transactions [7] Practical Exercise.	25%

Pre-requisite – Student should have primary understanding of the Basics of Financial Accounting and Corporate Accounting and its relevance.

Co-requisite- Student should take up theoretical and practical aspects of Financial Accounting and Corporate Accounting.

Mode of Evaluation: Evaluation will be divided in two parts.

External: Semester End Examination will be conducted by the Gujarat University of 50 Marks.

Internal: Internal Evaluation will be decided by the College/Institutes/University Department as per the instruction given by the University from time to time.

Assessment Tools: Projects, Assignments, MCQ tests

Course Objectives:

The course aims to:

1. To develop a conceptual understanding of valuation practices in corporate accounting, including the valuation of goodwill and shares.
2. To enable students to apply appropriate methods for valuing goodwill and shares in various corporate situations such as mergers, restructuring, and investment decisions.
3. To provide knowledge of accounting procedures involved in corporate restructuring, including amalgamation and absorption in compliance with Accounting Standards.
4. To build practical skills for preparing accounting statements, calculating purchase consideration, passing journal entries and handling inter-company transactions during corporate restructuring processes.

Course Outcome:

After successful completion of this course, students will be able to:

1. Apply suitable methods to value goodwill and shares in different corporate scenarios.
2. Understand and interpret accounting standards related to amalgamation, absorption, and corporate restructuring.
3. Compute purchase consideration and pass accounting entries in the books of vendor and purchasing companies.
4. Develop the ability to analyze, prepare and present financial information required during mergers, acquisitions and restructuring processes.

FBLD (Flip Blended Learning Design Template)

- Any One Unit from the above syllabus can be discussed by the faculty through online mode.
- Online mode can be SWAYAM MOOC Course or any other suggested by the UGC or Gujarat University.

Taxonomy

MOOC Courses

On Corporate Accounting or any topics related to Valuation, Amalgamation and Absorption which is part of the above syllabus.

References:

1. Maheshwari, S. N., & Maheshwari, S. K. (2022). Corporate Accounting. Vikas Publishing House.
2. Gupta, R. L., & Radhaswamy, M. (2020). Advanced Accountancy (Vol. 2). Sultan Chand & Sons.
3. Chakraborty, A., & Dutta, P. (2021). Corporate Accounting. Himalaya Publishing House.
4. Tulsian, P. C. (2021). Corporate Accounting. Pearson Education.
5. Mukherjee, A., & Hanif, M. (2019). Corporate Accounting. Tata McGraw-Hill Education.
6. Shukla, M. C., Grewal, T. S., & Gupta, S. C. (2020). Advanced Accounts (Vol. 2). S. Chand Publishing.
7. Jain, S. P., & Narang, K. L. (2021). Corporate Accounting. Kalyani Publishers.