

T. Y. B. Com. Accounting and Finance

Semester - V

**Financial
Accounting V**

Syllabus Objectives

- To understand procedure of Amalgamation of Joint Stock Companies, various methods of calculation Purchase Consideration, External reconstruction.
- To understand provisions and procedure of Internal Reconstruction of the company in adverse situation.
- To understand functions of underwriters in practical manner.
- To understand procedure of liquidation of joint stock company.
- To understand procedure of buyback of shares as per Company's Act, 2013.

Module I

**AS – 14 - Amalgamation,
Absorption
& External Reconstruction
(excluding inter – company
holding)**

Syllabus

- **In the nature of merger and purchase with corresponding accounting treatments of pooling of interests and purchase method respectively.**

Syllabus

- **Meaning and Computation of purchase consideration.**
- **Inter-company debtors, creditors, loan, bills, loading in stock.**

Module II

Internal Reconstruction

Syllabus

- **Need for reconstruction and company law provisions**
- **Distinction between internal and external reconstructions.**

Syllabus

Methods including alteration of share capital, variation of shareholder rights, sub division, consolidation, surrender and reissue / cancellation, reduction of share capital with relevant legal provisions and accounting treatment for same.

Module III

Underwriting of shares & debentures

Syllabus

- Introduction, Underwriting, Underwriting Commission
- Provision of Companies Act with respect to Payment of underwriting commission
- Underwriters, Sub-Underwriters, Brokers and Manager to issues

Syllabus

- **Types of underwriting, Abatement Clause**
- **Marked, Unmarked and Firm-underwriting applications,**
- **Liability of the underwriters in respect of underwriting contract**
- **Practical problems**

Module IV

Liquidation of Companies

Syllabus

- **Meaning of liquidation or winding up**
- **Preferential payments**
- **Overriding preferential payments**
- **Preparation of statement of affairs, deficit / surplus account**
- **Liquidator's final statement of account**

Module V

Buy Back of Shares

Syllabus

- **Company Law / Legal provisions (including related restrictions, power, transfer to capital redemption reserve account and prohibitions)**
- **Compliance of conditions including sources, maximum limits and debt equity ratio.**
- **Cancellation of Shares Bought back (Excluding Buy Back of minority shareholding)**

Syllabus Outcomes

- Calculate purchase consideration by various method of calculation and solving practical problem after considering procedure of amalgamation.
- Prepare statement of underwriter's liability.
- Solve practical problems after considering adverse situation of the company and provisions regarding internal reconstruction.
- Liquidate joint to stock company as per procedure.
- Apply all legal provisions regarding calculation of buyback.