

Course Title: Advanced Financial Accounting – I

Course Description & Objectives:

The purpose of this course is to equip the student with the latest tools and techniques in advance accountancy. The course is divided in to two semesters, Advanced Financial Accounting – I in 3rd Semester whereas Advanced Financial Accounting – II in 4th Semester.

Learning Outcomes:

After studying the course, the student will be able to:

- Understand advance accounting, its characteristics, and application
- Understand consolidation and amalgamation in its financial aspect and effects on financial record
- Understand and apply the lease accounting in accordance with latest International standard on accounting
- Understand and apply branch accounting, Joint venture accounting, and contract accounting at an advanced level.
- Understand and enhance concepts in final accounts of limited companies as studied at bachelor level

Prerequisites:

Students should have basic knowledge of book keeping and financial accounting.

Course Contents	
Capital Stock and Bonds Introduction of Capital stock (share and share capital), kinds of stock, Issuance of common and preferred stock, Over subscription, under subscription, Refund, underwriting Problems: Issuance of stock	Understanding the capital stock. Be able to differentiate the different kinds of stocks Be able to understand the issuance of common and preferred stock. Be able to solve problems related to issuance of stocks
Capital Stock and Bonds Introduction of Bonus shares Calculation of Quantum of bonus Recording issuance of bonus shares, Practical problems: Issuance of Bonus share and its quantum	Be able to understand the bonus share. Understanding why bonus share can be issued. Be able to solve the accounting problems related to issuance of bonus shares and its quantum.
Capital Stock and Bonds Introduction of Right shares Calculation of value of right. Recording issuance of right shares Quiz Problems: Valuation of right shares and Issuance of right shares	Understanding the importance of Rights shares. Understanding why rights shares can be issued. Be able to record the issuance of right shares. Be able to calculate the value of a right share.

<p>Capital Stock and Bonds Introduction of Bonds (term finance certificates, debentures) Issuance of bonds, Interest on bonds, Redemption of bonds Problems: Issuance and redemption of bonds, Interest on bonds</p>	<p>Understanding the bonds. Understanding the issuance and redemption of bonds. Be able to calculate interest on bonds. Be able to record issuance and redemption of bonds.</p>
<p>Quiz Company's Financial Statements Nature and scope of financial statements Preparation of statement of comprehensive income (Income statement/ profit and loss account) Problem: Income statement/ profit and loss account</p>	<p>Understanding the importance of financial statements Be able to make statements of comprehensive income.</p>
<p>Company's Financial Statements Preparation of statement of financial position (balance sheet) Statement of changes in owner's equity Problems</p>	<p>Be able to prepare Balance Sheet Be able to Prepare Statements of Changes in equity</p>
<p>Company's Financial Statements Quiz Preparation of cash flow statement Preparation of Statements of changes in owner's equity Problems</p>	<p>Be able to Prepare Cash Flow statements Be able to prepare Statement of changes in owner's equity</p>
<p>Mid-term Examination</p>	
<p>Amalgamation, Absorption and Reconstruction of companies Introduction of amalgamation Calculation of Purchase consideration Accounting for Amalgamation Problems related to amalgamation.</p>	<p>Understanding the concept of amalgamation Be able to calculate purchase consideration. Be able to solve accounting problems related to amalgamation</p>
<p>Amalgamation, Absorption and Reconstruction of companies Introduction of absorption, reconstruction, in-company owing, and dissenting shareholders. Accounting for Absorption and Reconstruction of Companies. Problems Quiz</p>	<p>Understanding the concept of absorption, reconstruction, in-company owing, and dissenting shareholders. Be able to solve problems related Absorption and reconstruction of companies</p>
<p>Liquidation of company Introduction of Liquidation of companies. Reasons of Liquidation. Appointment of liquidators,</p>	<p>Understanding the concept of liquidation. Understanding the reasons of liquidation. Understanding the appointment of liquidators Understanding the concept of preferential</p>

Preferential payments Problems	payment.
Liquidation of company Preparation of statement of affairs, Liquidator's final statement of account Problems	Be able to prepare statements of Affairs Be able to prepare liquidator final statement of account
Valuation of goodwill and shares Introduction of goodwill Need of Goodwill Importance of Goodwill	Understanding the concept of Goodwill Understanding the need and importance of goodwill
Valuation of goodwill and shares Methods for evaluating goodwill	Be able to find the value of goodwill by using different methods of evaluation
Problem: Evaluation of Goodwill using different methods	Be able to calculate the value of Goodwill

Teaching Methods: Lectures, Discussions, Presentations, Quizzes and Assignments

Assessment Mechanism/Criteria

40% (40 Marks)	Internal Assessment by affiliated institution	*15Marks for Assignments, Quizzes and others **25 Marks for Mid-term Exam
60% (60Marks)	External Assessment by the Punjab University	Final Term Examination

Suggested Readings:

1. Meigs & Meigs, Accounting : The Basis for Business Decisions
2. Hanif & Mukharjee, Corporate Accounting

Additional Readings:

1. Meigs & Johnson Advanced Accounting. McGraw Hill
2. Shukla & Grewal, Advanced Accounting
3. R.R. Gupta, Advanced Accounting
4. Hrishikesh Chakraborty, Advanced Accountancy
5. M. A. Ghani, Advanced Accounting