

HAILEY COLLEGE OF COMMERCE
UNIVERSITY OF THE PUNJAB, LAHORE

Course Title: Advanced Financial Accounting

Course Code: BSC-203

Program: BS Commerce

Credit Hours: 03

Semester: 03

1.0 Introduction of the Course:

This course introduces students to Advanced Financial Accounting that encompasses accounts related to joint stock companies and specialized accounts. As name signifies it takes students to the advanced level of financial accounting. This course will help students learn accounting pertinent to company's share capital, bonds and debentures and company's financial statements. The course will also introduce to introductory level accounting concepts related to consolidation of joint stock companies. This will also help comprehend departmental accounts as specialized accounts. This course is designed in a way to serve as a solid foundation for financial reporting and audit and assurance related courses.

2.0 Pre-Requisites Course or Other Requirements/Skills:

1. Financial Accounting-I
2. Business Organizations and Society

3.0 Course Learning Outcomes:

After studying this course student should be able to:

1. Understand share and share capital, types of shares and share capital, accounting related to issuance of shares, right and bonus shares.
2. Be able to do accounting related to bonds and debentures of joint stock companies
3. Prepare and analyze three major financial statements of joint stock companies
4. Prepare departmental accounts as part of specialized accounts.

4.0 Course Contents:

Unit-I: Introduction to Corporate Accounts and Share Capital

- 1.1 Companies, definition, features, types and legal documents of companies
- 1.2 Definition of share capital, Capital clause of Memorandum of Association, Types of share capital, Types of shares, accounting related to issuance of share capital
- 1.3 bonus shares, calculation of quantum of bonus, issuance of right shares, Presentation of share capital in balance sheet

Unit-II: Bonds and Debentures

- 2.1 Introduction of bonds and debentures, need and objectives of bond issuance, advantages and disadvantages of bond issue.
- 2.2 Interest calculations of bonds, taxation and interest expense, accruals related to bond interest, investment in own bonds, redemption of bonds.

Unit-III: Company Final Accounts

- 3.1 Preparation of company final accounts
- 3.2 Income statement, balance sheet, statement of changes in owner's equity
- 3.3 Adjusting entries related to final accounts.

Unit IV: Consolidation of Companies

- 4.1 Holding company, definition, Consolidation definition, advantages and disadvantages of consolidation.
- 4.2 Procedure of consolidation, Rules for preparing consolidated balance sheet, Amalgamation of companies, Liquidation of companies

Unit V: Departmental Accounts

- 5.0 Definition, advantages of departmental accounting
- 5.1 Methods of departmental accounts, Allocation of departmental expenses
- 5.2 Inter-departmental transfer, cost-based transfer price, market-based transfer price

5.0 Teaching-Learning Strategies:

Suggested, class discussions and applications of concepts using numerical problems and relevant local and international case studies.

6.0 Assignments:

Students would submit assignments on regular basis throughout semester.

7.0 Assessment and Examinations:

Sessional	Mid-Term	Final Examination
25 %	35 %	40 %
Quizzes and Tests, Assignment and Presentations, Attendance, Class Participations and Discipline etc.	Written Paper	Written Paper

8.0 Textbooks:

1. Meigs, W. B., & Meigs, R. F. (1962). Accounting: the basis for business decisions.

9.0 Suggested Readings:

1. Hanif & Mukharjee, *Modern Accountancy*, McGraw Hill Publishing Company, India
2. Afzal & Arif, *Advanced Accounting*, Azeem Academy, Lahore, Pakistan
3. Ghani, *Advanced Accounting*, West Pak Publishing Company, Lahore, Pakistan

9.1 Additional Readings:

International Financial Report Standards (IFRS)