

CONTENTS

Unit-1 : AMALGAMATION OF BUSINESS

Meaning – Objectives of amalgamation - Difference between amalgamation and absorption – Terms used in Amalgamation - Types of amalgamation - Steps in Accounting for amalgamation - Methods of calculating purchase consideration - journal entries, ledger accounts and balance sheet in the books of the company under same set of books.

Unit-2 : ACQUISITION OF BUSINESS OF NON-CORPORATE ENTITIES

Introduction – calculation of purchase consideration – journal entries, ledger accounts and balance sheet in the books of the company under same set of books.

Unit-3 : PROFIT PRIOR TO INCORPORATION

Meaning – calculation of sales ratio – time ratio – weighted ratio – treatment of capital and revenue expenditure – ascertainment of pre-incorporation and post-incorporation profits by preparing profit and loss account – balance sheet.

Unit-4 : VALUATION OF GOODWILL

Meaning – Circumstances of Valuation of Goodwill – Factors influencing the value of Goodwill – Methods of Valuation of Goodwill - Average Profit Method – Super Profit Method – Capitalization of Super Profit Method – Annuity Method – Capitalization of Profit Method.

Unit-5 : VALUATION OF SHARES

Meaning – Need for Valuation – Factors Affecting Valuation – Methods of Valuation – Asset Backing or Intrinsic Value Method – Yield Method – Earning Capacity Method – Fair Value Method - Rights Issue and Valuation of Rights Issue.

Unit-6 : COMPANY FINAL ACCOUNTS

Statutory Provisions regarding preparation of Company Final Accounts – Treatment of Special Items – Managerial Remuneration – Tax deducted at source – Advance payment of Tax – Provision for Tax – Depreciation – Interest on debentures – Dividends – Rules regarding payment of dividends – Transfer to Reserves – Preparation of Profit and Loss Account and Balance Sheet as per Section 219(1)(b)(IV) and form 23AB. Abridged Profit and Loss Account – Abridged Balance Sheet (Vertical Form).