

GROUP II- PAPER 5: ADVANCED ACCOUNTING

(One paper – Three hours – 100 Marks)

Objective:

1. To acquire the ability to apply specific Accounting Standards, Guidance Notes and legislations to different transactions and events and in preparation and presentation of financial statements of business entities;
2. To understand and apply financial reporting and regulatory requirements of Banking, Financial services and Insurance sector.

Contents:

1. Application of Accounting Standards:

- AS 7 : Construction Contracts
- AS 9 : Revenue Recognition
- AS 14: Accounting for Amalgamations
- AS 18 : Related Party Disclosures
- AS 19: Leases
- AS 20 : Earnings Per Share
- AS 24 : Discontinuing Operations
- AS 26 : Intangible Assets
- AS 29 : Provisions, Contingent Liabilities and Contingent Assets.

2. Application of Guidance Notes issued by the ICAI on specified accounting aspects.

3. Special Aspects of Company Accounts

- (i) Accounting for employee stock option plan;
- (ii) Buy back of securities;
- (iii) Equity shares with differential rights;
- (iv) Underwriting of shares and debentures.

4. Reorganization of Companies

- (i) Accounting for amalgamation (excluding inter-company holding) and reconstruction;
- (ii) Accounting involved in liquidation of companies.

5. Financial Reporting of Banking, Financial Services and Insurance (BFSI)

- (i) Insurance companies;
- (ii) Banking companies;
- (iii) Non-Banking Financial Companies;
- (iv) Mutual funds

and regulatory requirements thereof.

6. Valuation of goodwill

7. Consolidated Financial Statements

Concept of consolidation and simple problems on Consolidated Financial Statements with single subsidiary (excluding problems involving acquisition of Interest in Subsidiary at Different Dates; Different Reporting Dates; Disposal of a Subsidiary and Foreign Subsidiaries).

Notes :

1. If either new Accounting Standards (ASs), Announcements and Limited Revisions to ASs are issued or the earlier ones are withdrawn or new ASs, Announcements and Limited Revisions to AS are issued in place of existing ASs, Announcements and Limited Revisions to AS, the syllabus will accordingly include / exclude such new developments in the place of the existing ones with effect from the date to be notified.
2. The specific inclusions/exclusions, in any topic covered in the syllabus, will be effected every year by way of Study Guidelines. The list of applicable Guidance Notes in Accounting will also form part of the Study Guidelines.