

B.A.F. / THIRD YEAR - VTH SEMESTER (REVISED)

FINANCIAL ACCOUNTING PAPER VI

Topics

- 1. AS- 14 Amalgamation, Absorption & External Reconstruction (excluding inter - company holding)**
 1. In the nature of purchase with corresponding accounting treatments of pooling of interests and purchase method respectively.
 2. Meaning and computation of purchase consideration.
 3. Inter company debtors, creditors, loan, bills, loading in stock.

- 2. Internal Reconstruction**
 1. Need for reconstruction and company law provisions.
 2. Distinction between internal and external reconstructions.
 3. Methods including alteration of share capital, variation of share holder rights, subdivision, consolidation, surrender and reissue/cancellation, reduction of share capital with relevant legal provisions and accounting treatment for same.

- 3. Investment Accounting**
 1. For shares (variable income bearing securities)
 2. For debentures/preference shares(fixed income bearing securities)
 3. Accounting for transactions of purchase and sale of investments with ex and cum interest prices and finding cost of investment sold and carrying cost as per weighted average method(excluding brokerage)
 4. Columnar format for investment account

- 4. Accounting for transaction of foreign currency**
 1. In relation to purchase and sale of goods, services and assets and loan and credit transactions.
 2. Computation and treatment of exchange rate differences

- 5. Introduction to IFRS**
 1. Purpose and objective of financial statement- its frame work- its assumption, characteristics, element, recognition and measurement.
 2. Convergence and first time adoption to IFRS(IFRS – 1)

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TAXATION -III

1. DEFINITIONS

Section 2 – Assessee, Assessment year, assessment, annual value, business,

Capital asset, Income, person, Previous year, transfer

2. BASIS OF CHARGE

Section 3- 9 – Previous year, Residential status, Scope of total income. Deemed income.

3. EXCLUSIONS FROM TOTAL INCOME

Section 10 – restricted to,

- a. Agricultural income
- b. Sums received from HUF by member
- c. Share of profit from firm
- d. Casual and non recurring receipts
- e. Scholarships
- f. Income of minor child
- g. Allowance to members of parliament and legislative assembly
- h. Exemptions related to specific head of income to be covered with relevant provisions such as salary, Income from other sources.

4. HEADS OF INCOME

a. Salary – Section 15-17 incl section 10 relating to:

1. House rent allowance
2. Travel Concession
3. Special allowance
4. Pension- commutation
5. Leave encashment
6. Compensation
7. Voluntary retirement
8. Payment from provident fund
9. Gratuity

b. Income from house property – Section 22-27 (incl: Section 2- Annual value)

c. Profits and gains from business & profession , Vocation

Section 28-32, 36, 37,40, 40A & 43B

(incl: Section 2- Business)

Income from other sources- Section 56-59

5.DEDUCTIONS UNDER CHAPTER VI – A

80C – payment of LIC/PF and other eligible investments

80CCC – Contribution to certain pension fund

80D – Medical insurance premium

80DD – Maintenance and medical treatment to handicapped dependent

80E – Interest on educational loan

80U – Deduction in the case of totally blind or physically handicapped or mentally retarded resident person.

1. COMPUTATION OF TOTAL INCOME AND TAXES THEREON

Of individual and HUF (Including rates of taxes & excluding capital gains)

Problems designed to test the knowledge of provisions of income under specific head-

Notes-

1. The problems should not cover more than two heads of income and two deductions
2. The applicability of law for the purpose of examination would be the law in force as on 31st march immediately preceding the academic year.

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FINANCIAL ACCOUNTING PAPER – V

- 1) **Issue of Shares and Debentures**
 - Shares and share capital
 - Issue of shares by different modes – IPO, Private placements, preferential, rights, ESOP, SWEAT
 - Issue of shares at par, premium and discount
 - Application for shares including minimum subscription, price band, Escrow Account
 - Allotment of shares including under and over subscription (including Prorata allotment) and calls in arrears / received in advance including interest calculation
 - Issue of shares for cash including forfeiture and reissue of forfeited shares
 - Capitalization of reserves and issue of bonus shares.
 - Issue of debentures at par, premium and discount
 - Issue of shares and debentures for purchase of business
 - Issue of shares and debentures for other services

- 2) **Redemption of preference shares**
 - Company law / legal provision for redemption
 - Sources of redemption including divisible profits and proceeds of fresh issue of shares
 - Premium of redemption from sale of security and profit of company
 - Capital redemption reserve account – creation and use
 - Payment from sources including out of fresh issue / profits

- 3) **Redemption of Debentures**
 - Redemption of debentures at par, premium, discount
 - Debenture redemption reserve and debenture redemption sinking fund excluding insurance policy
 - Conversion into new class of shares or debentures with options including at par, premium and discount
 - Purchase / buy back of own debentures or immediate cancellation or holding including ex and cum interest for purchase / sale price (excluding brokerage thereon)

- 4) **Buyback of shares**
 - Company law / legal provision (including related restrictions, power, transfer to capital redemption reserve account and prohibitions)
 - Compliance of conditions including sources, maximum limits and debt equity ration
 - Cancellation of shares bought back

- 5) **Final accounts of Co-operative housing society**
Provisions of Maharashtra State Co-operative Societies Act and rules
Accounting provisions including appropriation to various funds
Format of Final Accounts – Form N
Simple practical problems on preparation of final accounts of a co-operative housing society

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Management Accounting Paper II

Topics

1. Ratio Analysis

Interaction of ratios

Projection of financial statements from given ratios and information

2. Capital Budgeting

Introduction, types of capital, sources of capital

Evaluation of capital expenditure proposal from given cash flow, concept of present value,

Techniques of appraisal of investment proposal

Payback period method, Average rate of return method

Net present value method, IRR

Profitability index method

3. Cash Budgeting

Meaning and objective

Budgeting of receipts and payments- trading, non trading and capital

Preparation of monthly budget and finding out closing cash balance

4. Interpretation of financial statements

Contents and importance of notes to accounts, directors report, audit report

Use of notes to accounts, directors report, audit report. Ratios to analyze financial statements

5. Concept of MIS report in Computer environment

Concept, need, characteristics, role of MIS

MIS and business, MIS and computers

MIS generated by accounting software

Limitations of MIS

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COST ACCOUNTING PAPER –III

- 1) **Uniform costing and Inter – firm comparison**
Meaning and need for uniform costing – Essentials for success of uniform costing – Advantages and limitations of uniform costing – Areas of uniformity, uniform cost manual
- 2) **Inter – firm comparison objectives**
Pre requisites of inter firm comparison – Advantages and Limitations
- 3) **Non integrated system of accounts**
Meaning – Advantages and Disadvantages – Distinctive features – Cost control accounts to be prepared – Journal entries – Simple practical problems
- 4) **Integrated Accounts**
Meaning – Advantages and Disadvantages – Distinctive features –Journal entries – Simple practical problems
- 5) **Operating Costing**
Meaning of operating costing – Determining of per unit cost – Pricing of services – collection of costing data – simple practical problems based on costing of hospital, hotel, goods and passenger transport and other services

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ECONOMICS III

1. Introduction

Demographic features – Poverty, Income Inequality and Unemployment
Urbanisation and its effects

2. Agricultural Sector

Institutional Structure – Land reforms in India
Technological changes in agriculture
Agricultural pricing and agricultural finance
Agricultural marketing
National Agricultural policy

3. Industrial Sector

Growth and pattern of industrialization
Industrial Policy of 1991
Public sector enterprises and disinvestment policy
Small scale sector – problems and prospects

4. Service Sector

Nature and scope of service industry
Recent trends in Banking industry, Insurance industry
Healthcare Industry and Tourism Industry

5. External Sector

Structure and Directions of Foreign Trade
India's Balance of Payments since 1991
FDI, Foreign capital and transactional companies in India
Role and impact of SAARC, ASEAN and WTO

6. Money and Banking

Money market and its features
Monetary policy of RBI
Progress of commercial banking in India
Development of capital markets
SEBI and its functions