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**FINANCIAL ACCOUNTING - V**

**H. V. KISHNADWALA  
H. A. WANDREKAR**



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# FINANCIAL ACCOUNTING

(PAPER - V)

**H. V. KISHNADWALA  
H. A. WANDREKAR**



As Per Revised Syllabus under CBCGS System of BAF  
Course under Mumbai University w.e.f. June, 2018

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# Preface

*We have great pleasure to place this book on “Financial Accounting - V” in the hands of the students and the teacher fraternity of Third Year: Fifth Semester for T. Y. B. Com. Accounting and Finance (BAF) course of Mumbai University.*

*We have tried to explain the topics in a simple language so that the students understand the new concepts. The book contains an adequate number of illustrations (with graded level of difficulty) and exercises.*

*We are sure that the book will be well received by the student and teacher fraternity. Suggestions for improvement of the book are welcome preferably by e-mail at:*

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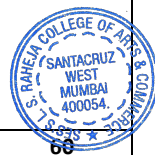
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# Syllabus

Sr. No.	Topics	No. of Lectures
<b>1</b>	<b>Underwriting of shares &amp; debentures:</b>	<b>8</b>
	Introduction, Underwriting, Underwriting Commission Provision of Companies Act with respect to Payment of underwriting commission Underwriters, Sub-Underwriters, Brokers and Manager to issues Types of underwriting, Abatement Clause Marked, Unmarked and Firm-underwriting applications, Liability of the underwriters in respect of underwriting contract Practical problems	
<b>2</b>	<b>Buy Back of Shares:</b>	<b>10</b>
	Company Law / Legal provisions (including related restrictions, power, transfer to capital redemption reserve account and prohibitions). Compliance of conditions including sources, maximum limits and debt equity ratio. Cancellation of Shares Bought back(Excluding Buy Back of minority shareholding) Practical problems	
<b>3</b>	<b>AS – 14 - Amalgamation, Absorption &amp; External Reconstruction (excluding inter-company holdings):</b>	<b>15</b>
	In the nature of merger and purchase with corresponding accounting treatments of pooling of interests and purchase method respectively. Meaning and Computation of purchase consideration. Problems based on purchase method only. Practical problems	
<b>4</b>	<b>Internal Reconstruction:</b>	<b>15</b>
	Need for reconstruction and company law provisions. Distinction between internal and external reconstruction. Methods including alteration of share capital, variation of shareholder rights, sub division, consolidation, surrender and reissue / cancellation, reduction of share capital with relevant legal provisions and accounting treatment for same. Practical problems	
<b>5</b>	<b>Liquidation of Companies:</b>	<b>10</b>
	Meaning of liquidation or winding up Preferential payments Overriding preferential payments Preparation of statement of affairs, deficit / surplus account Liquidator's final statement of account Practical problems	
	<b>Total</b>	<b>68</b>



# Question Paper Pattern

**Maximum Marks:** 75

**Duration:** 2½ Hrs.

Questions to be Set: 05

All Questions are Compulsory Carrying 15 Marks each.

<b>Q-1</b>	Objective Questions <b>(A)</b> Sub Questions to be asked 10 and to be answered any 08 <b>(B)</b> Sub Questions to be asked 10 and to be answered any 07 (*Multiple choice / True or False / Match the columns, Fill in the blanks)	<b>15 Marks</b>
<b>Q-2</b>	Full Length Practical Question OR	<b>15 Marks</b>
<b>Q-2</b>	Full Length Practical Question	<b>15 Marks</b>
<b>Q-3</b>	Full Length Practical Question OR	<b>15 Marks</b>
<b>Q-3</b>	Full Length Practical Question	<b>15 Marks</b>
<b>Q-4</b>	Full Length Practical Question OR	<b>15 Marks</b>
<b>Q-4</b>	Full Length Practical Question	<b>15 Marks</b>
<b>Q-5</b>	<b>(A)</b> Theory questions <b>(B)</b> Theory questions OR	<b>08 Marks</b> <b>07 Marks</b>
<b>Q-5</b>	Short Notes: To be asked 05 To be answered 03	<b>15 Marks</b>

**Note:** Full length question of 15 marks may be divided into two sub questions of 08 and 07 marks.



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2.	Buyback of Shares	15-52
3.	Amalgamation of Companies	53-243
4.	Internal Reconstruction of Companies	244-409
5.	Liquidation of Companies	410-430
•	University Question Paper	431-434

*S. Lawa*

