

Useful Books for BAF
Second Year : Semester III

- (1) **Special Accounting Areas (FA – III)**
Kishnadwala & Others
- (2) **Methods of Costing (CA – II)**
Arvind A. Dhond
- (3) **Techniques of Auditing & Audit Procedures (Audit – II)**
Sandeep Gupta: Sachin Bhandarkar
- (4) **Macro Economics (Economics – II)**
Saraswathy Swaminathan
- (5) **Business Regulatory Framework (Business Law – II)**
Kalaivani Venkataraman
- (6) **Introduction to Management (Management – I)**
N. G. Kale: M. Ahmed
- (7) **Quantitative Methods for Business – II**
Nitin Kulkarni

www.vipulprakashan.com

www.facebook.com/vipulprakashan



SPECIAL ACCOUNTING AREAS

KISHNADWALA - WANDREKAR



Vipul's

Accounting & Finance Series

(Financial Accounting - III)

**Special
Accounting
Areas**

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



**VIPUL PRAKASHAN
MUMBAI - 400 004**

**AS PER REVISED SYLLABUS OF BAF COURSE FOR
MUMBAI UNIVERSITY W.E.F. JUNE, 2014**

(Financial Accounting – III)
SPECIAL
ACCOUNTING
AREAS

(BAF Second Year: Third Semester)



CA H. V. KISHNADWALA

B.Com., F.C.A., D.C.M.,

Formerly, Senior Lecturer in Accountancy & Computer Systems in
N. M. College of Commerce & Economics, Vile Parle (West), Mumbai - 56.

CA H. A. WANDREKAR

M.Com., F.C.A.,

Assistant Professor,
L. S. Raheja College of Arts & Commerce, Santacruz (West), Mumbai - 400 054.

SECOND EDITION



VIPUL PRAKASHAN

161, Jagannath Shankar Seth Road,
Girgaum, Mumbai - 400 004.

Tele/Fax: 2387 1127 / 2387 9395

E-mail: vipulprakashan@gmail.com

Published by:

N. V. Maroo

For Vipul Prakashan

161, J. S. Seth Road

Mumbai - 400 004.

Special Accounting Areas (FA - III) (BAF)

©

Smt. Jekorben and Harkisandas Kishnadwala Charity Trust.

H. A. Wandrekar.

ISBN: 978-93-85834-27-1



Price : ₹ 175.00

Printed by:

Jolly Offset

14, Wadala Udyog Bhavan,

Wadala, Mumbai - 400 031.

MMXVI

Preface

It gives us great pleasure in bringing you this book “Special Accounting Areas” (Financial Accounting - III) as per the revised syllabus of Second Year: Third Semester, B.Com. Accounting and Finance (BAF) course of Mumbai University.

A number of illustrations are given for better and easier understanding of all the topics. Additional exercises have also been given for practice of the students.

We thank the publishers for their untiring efforts to bring out this book.

We are sure that like our other books, this book will also be well received by the teaching fraternity and the students. Suggestions for further improvements are welcome preferably by e-mail at:

vipulprakashan@gmail.com or

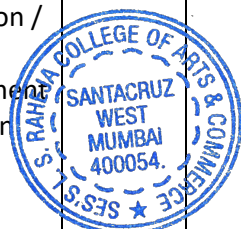
hkishnadwala@gmail.com or

hrishi6879@gmail.com

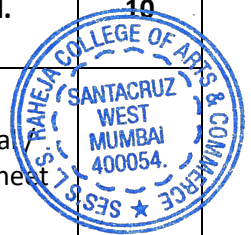
Authors

Syllabus

No.	Modules / Units	No. of Lectures
1	<p>Partnership Final Accounts based on Adjustment of Admission or Retirement / Death of a Partner during the Year</p>	15
	<p>Simple final accounts questions to demonstrate the effect on final</p> <p>Accounts when a partner is admitted during the year or when partner</p> <p>Retires / dies during the year</p> <p>Allocation of gross profit prior to and after admission / retirement / death when stock on the date of admission / retirement is not given and apportionment of other expenses based on time / Sales/other given basis</p> <p>Ascertainment of gross profit prior to and after admission/retirement / death when stock on the date of admission / retirement is given and apportionment of other expenses based on time / Sales / other given basis</p> <p>Excluding Questions where admission / retirement / death takes place in the same year</p>	
2	<p>Piecemeal Distribution of Cash</p>	10
	<p>Excess Capital Method only</p> <p>Asset taken over by a partner</p> <p>Treatment of past profits or past losses in the Balance sheet</p> <p>Contingent liabilities / Realization expenses/amount kept aside for expenses and adjustment of actual</p>	



	<p>Treatment of secured liabilities</p> <p>Treatment of preferential liabilities like Govt. dues / labour dues etc</p> <p>Excluding: Insolvency of partner and Maximum Loss Method</p>	
3	Amalgamation of Firms	15
	<p>Realization method only</p> <p>Calculation of purchase consideration</p> <p>Journal/ledger accounts of old firms</p> <p>Preparing Balance sheet of new firm</p> <p>Adjustment of goodwill in the new firm</p> <p>Realignment of capitals in the new firm by current accounts / cash or a combination thereof</p> <p>Excluding: Common transactions between the amalgamating firms</p>	
4	Conversion / Sale of a Partnership Firm into a Ltd. Company	10
	<p>Realisation method only</p> <p>Calculation of New Purchase consideration, Journal Ledger Accounts of old firms. Preparing Balance sheet of new company</p>	
5	Accounting with the Use of Accounting Software	10
	<p>Cost Centre, Cost Categories</p> <p>Inventory- Creation of groups, Creation of stocks, Stock Categories</p> <p>Inventory vouchers-Stock Journal, Manufacturing Journal, Godown Management, Batch wise Management.</p>	



Question Paper Pattern

Maximum Marks: 75

Duration: 2½ Hrs.

Questions to be Set: 05

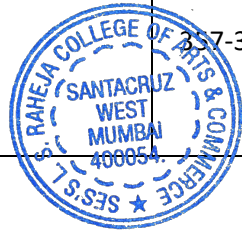
All Questions are Compulsory Carrying 15 Marks each.

Q-1	Objective Questions (A) Sub Questions to be asked 10 and to be answered any 08 (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)	15 Marks
Q-2	Full Length Practical Question OR	15 Marks
Q-2	Full Length Practical Question	15 Marks
Q-3	Full Length Practical Question OR	15 Marks
Q-3	Full Length Practical Question	15 Marks
Q-4	Full Length Practical Question OR	15 Marks
Q-4	Full Length Practical Question	15 Marks
Q-5	(A) Theory questions	08 Marks
	(B) Theory questions	07 Marks
	OR	
Q-5	Short Notes: To be asked 05 To be answered 03	15 Marks

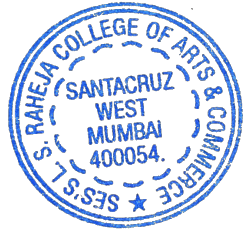
Note: Full length question of 15 marks may be divided into two sub questions of 08 and 07 marks. Relevant Law / Statute/ Rules In force and Relevant Accounting Standards In force on 1st April immediately preceding commencement of Academic Year is applicable for ensuring examinations after relevant year.

CONTENTS

No.	Chapter	Pages
1.	Partnership Final Accounts	1-124
2.	Piecemeal Distribution of Cash	125-173
3.	Amalgamation of Partnership Firms	174-266
4.	Conversion into or Sale to a Limited Company	267-322
5.	Accounting with the use of Accounting Software	323-356
•	Objective Questions	357-360



Slawa



This page is intentionally left blank