

# Vipul's™

Useful Books for BFM  
First Year : Semester - II

**FINANCIAL ACCOUNTING - II**

Kishnadwala & Others

**PRINCIPLES OF MANAGEMENT**

Kale: Ahmed

**BUSINESS STATISTICS**

Deshpande

**BUSINESS COMMUNICATION - II**

Roy Choudhary: Nambiar

**FOUNDATIONS COURSE - II**

Rashmi Jijish Karanath: Nitisha Kumar

**FOUNDATIONS COURSE - II**

Priti Thakkar and Others

**ENVIRONMENTAL SCIENCE**

Rinkoo: Nagpal

**COMPUTER SKILLS - I**

Sanchla

*S. Lawa*

[www.vipulprakashan.com](http://www.vipulprakashan.com)

[www.facebook.com/vipulprakashan](http://www.facebook.com/vipulprakashan)



FINANCIAL ACCOUNTING - II

KISHNADWALA - WANDREKAR

# Vipul's

## BFM Series

# FINANCIAL ACCOUNTING-II

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



**VIPUL PRAKASHAN**  
MUMBAI - 400 004



As Per Revised Syllabus under CBCGS System of BFM  
Course under Mumbai University w.e.f. June, 2016

---

**Vipul's**  
**FINANCIAL**  
**ACCOUNTING-II**  
**(BFM First Year : Second 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 REVISED EDITION**

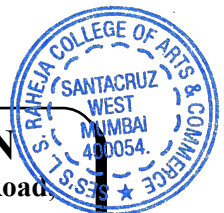


**VIPUL PRAKASHAN**

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

Tele/Fax: 2387 1127 / 2387 9395

E-mail: [vipulprakashan@gmail.com](mailto:vipulprakashan@gmail.com)



***Published by:***

N. V. Maroo

*For* Vipul Prakashan

161, J. S. Seth Road

Mumbai - 400 004.

*Financial Accounting - II (BEM)*

©

Smt. Jekorben and Harkisandas Kishnadwala Charity Trust.

H. A. Wandrekar.

ISBN: 978-93-88440-52-3

*The text of this publication, or any part thereof, may not be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, storage in an information retrieval, or otherwise, without the prior written permission of the Authors and Publishers.*

**Price : ₹ 225.00**

***Printed by:***

Jolly Offset

14, Wadala Udyog Bhavan,

Wadala, Mumbai - 400 031.

MMXIX



# *Preface*

It gives us great pleasure in bringing you this book “**Financial Accounting - II**” as per the syllabus of First Year: Second Semester, Bachelor of Financial Markets (BFM) 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*



# SYLLABUS

Unit	Content	No. of Lectures
1	<b>SHARES AND DEBENTURES:</b> Issue of Shares and Debentures. Types of Shares and Debentures (in India). Accounting Treatments for Issue of Shares and Debentures with New Market and SEBI Rules.	15
2	<b>CORPORATE ACCOUNTING:</b> Capitalisation of Reserves and Issue of Bonus Shares. Preparation of Corporate Financial Statements in Vertical Form.	15
3	<b>SHARE VALUATION:</b> Valuation of Shares. Buyback of Shares and Own Debentures. Investment Accounting.	15
4	<b>INDIAN ACCOUNTING STANDARDS:</b> AS, GAAP and their Impact on Income Statement and Balance Sheet. Latest Development: Computerization of Accounting and Accounting Softwares.	15



# 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 (B) Theory questions OR	08 Marks 07 Marks
Q-5	Short Notes: To be asked 05 To be answered 03	15 Marks

**Note:** Practical question of 15 marks may be divided into two sub questions of 7/8 and 10/5 Marks. If the topic demands, instead of practical questions, appropriate theory question may be asked.



# CONTENTS

No.	Chapter	Pages
1.	Issue of Shares and Debentures	1-101
2.	Preparation of Final Accounts of Companies	102-235
3.	Valuation of Goodwill	236-273
4.	Valuation of Shares	274-316
5.	Buyback of Shares	317-352
6.	Redemption of Debentures and Purchase of Own Shares	353-444
7.	Investment Accounting	445-473
8.	Accounting Standards and GAAP	474-480
9.	Accounting in Computerised Environment	481-491
•	University Question Papers	492-498

