

ACC 252: Advanced Financial Accounting

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

Course Objectives

The objectives of the course are to provide the students with a detailed knowledge of accounting principles, concepts, techniques and their application to develop ability and skills in practical work situation. On completion of this course the students will be able to gain the knowledge of government accounting, national accounting standards and international accounting standards. The course further attempts to provide sound knowledge of new trends of accounting. It helps them to understand the concept of business combinations and to prepare the consolidated financial statement.

Course Description

This course contains introduction to advanced financial accounting, preparation of company accounts, valuation of goodwill and shares, new trend in accounting, accounting for contract, accounting for non-profit organizations, government accounting in Nepal.

Course Details

Unit 1: Introduction

LH 10

Meaning, objectives, importance and functions of financial accounting; Accounting Principles, Concepts and Conventions ; GAAP, Accounting Standards, Nepalese Accounting Standards (NAS), International Accounting Standards (IAS), Relative aspects of NAS and IAS.

Unit 2: Preparation of Company Accounts

LH 36

Company expansion through Amalgamation and Absorption: meaning and concept, Purchase consideration – concept and determination, Accounting treatment in the books of both Purchasing and Vendor Company, Preparation of Balance Sheet by Purchasing Company, Internal and external reconstruction: Meaning, importance, need and accounting treatment and balance sheet after reconstruction; Expansion through Subsidiary companies (Holding Company). Concept of Holding and Subsidiary Company, preparation of Consolidated Balance Sheet by holding company after due consideration of: Pre-acquisition and post-acquisition profit, Minority Interest, Cost of Control/Goodwill or Capital Reserve, Revaluation of assets, Dividend from Subsidiary Company, Inter Company debt and unrealized profit; Preparation of accounts from incomplete records (single entry system).

Unit 3: Valuation of Goodwill and Shares

LH 14

Goodwill: concept and need for valuation, Factors affecting the value of goodwill and accounting treatment, Methods of evaluating goodwill: average profit method, super profit method, capitalization method, annuity method; Valuation of shares: concept and need, Factors affecting value of shares, Methods of valuation of shares: net assets method, yield method, earning capacity method.

Unit 4: New Trend in Accounting**LH 28**

Human Resource Accounting: concept, objectives and benefits of HRA, Valuation of Human Resources – Historical Cost Approach, Replacement Cost Approach, Opportunity Cost, Standard Cost Approach, Present Value Approach; Social Accounting: concept and approaches, Social responsibilities of business, Measurement of social cost benefit, Social Accounts and Balance Sheet; Environment Accounting: concept, needs, scope, forms and elements of environment accounting; Forensic Accounting: concept, functions, needs of forensic accounting, Detection techniques used in forensic accounting, Critical aspects to be followed while conducting forensic accounting .

Unit 5: Accounting for Contract**LH 12**

Meaning and concept of contract; Calculation of profit for complete and incomplete contract; Accounting treatments: Contract Account, Contractee's Account, Work in progress account, Balance sheet.

Unit 6: Accounting for Non-Profit Organizations**LH 12**

Concept, features and characteristics of non-profit organization; Accounting procedures of non-profit organization: Receipt and Payment account, Income and Expenditure account, Balance Sheet.

Unit 7: Government Accounting in Nepal**LH 28**

Concepts, objectives and features of government accounting; Historical development of government accounting; Present accounting system (including single treasury accounting system): concept, objectives and importance of accounting system; Comparison with commercial accounting; Preparation of report of income and expenditure; Role of Comptroller and Auditor General in Nepal.

Project Work**LH 10**

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

Reference Books

Battliboi, J. R., *Advanced Accounting*, Standard Accountancy Publication Pvt. Ltd., Mumbai

Jain, S. P. and Narang, K. L., *Advanced Accounting, Corporate Accounting, Vol. 11*, Kalyani Publishers, New Delhi

Shukla, Grewal and Gupta, *Advanced Accounting*, S. Chand and Co., New Delhi

Agarwal, A. N., *The Higher Science of Accountancy*, Kitabmahal, Allhabad

Jawahar Lal., *Accounting Theory and Practice*. New Delhi: Himalaya Publishing House

Jawahar Lal, Cost Accounting, Tata Mc Graw Hill, New Delhi

Directive of Single Treasury Accounting System, 2072

Accounting Standards Board. (2003). *Nepal Accounting Standards*. Kathmandu: ASB.

NFRS (2014). *Nepal Accounting Standards*. Kathmandu: ASB.