

Approved by the BoS in Accountancy on 08-03-2025 Item No. 03

## **As Per NEP 2020**

# **Tolani College of Commerce (Autonomous)**



Knowledge is Supreme

**Title of the Course: Accountancy and Financial Management – IV  
(Corporate Accounting)**

**(Semester – IV)**

**Programme: Bachelor of Commerce (B.Com.)**

**Syllabus for 4 Credit Course  
From the Academic Year 2025 – 2026**

**Name of the Course: Accountancy and Financial Management – IV**  
**(Corporate Accounting)**

Sr. No.	Heading	Particulars
1	<b>Description of the course:</b>	The learners will learn about the Redemption of preference shares which involves repaying shareholders while ensuring compliance with legal provisions like adequate reserves or issuing fresh shares. Buy-back of shares allows a company to repurchase its own shares, reducing capital and improving financial ratios. Ascertainment and treatment of profit prior to incorporation focus on dividing pre-incorporation profits into capital and revenue profits based on time or sales ratio. Internal reconstruction restructures a company's finances without liquidation, involving capital reduction, asset revaluation, and liability adjustments to strengthen financial stability.
2	<b>Vertical:</b>	Major
3	<b>Type:</b>	Theory
4	<b>Credit:</b>	4 Credits (1 Credit = 15 Hours for Theory in a Semester)
5	<b>Hours Allotted:</b>	60 Hours
6	<b>Marks Allotted:</b>	100 Marks Continuous Evaluation 40 Marks Semester End Examination 60 Marks
7	<b>Course Objectives:</b>	<ol style="list-style-type: none"> <li>1. To understand the legal provisions and accounting procedures for redemption of preference shares.</li> <li>2. To understand the concept and purpose of buy-back of shares.</li> <li>3. To understand the concept of profit/loss prior to incorporation and its relevance in accounting.</li> <li>4. To understand the need for internal reconstruction in financially distressed companies.</li> </ol>
8	<b>Course Outcomes:</b>	<ol style="list-style-type: none"> <li>1. Learners will be able to Analyze the impact of redemption on shareholders' funds and capital structure.</li> <li>2. Learners will be able to Understand the motives behind share buy-back and its regulatory framework</li> <li>3. Learners will be able to Identify and classify incomes and expenses into pre- and post-incorporation periods.</li> <li>4. Learners will be able to Apply different techniques of internal reconstruction such as capital reduction, alteration of capital, and compromise agreements.</li> </ol>
9	<b>Modules</b>	
	<b>Modules I: Redemption of Preference Shares (15 Hours)</b>	
	<ul style="list-style-type: none"> <li>• Provision of the Companies Act for redemption of Preference Shares (Sec 55 of the Companies Act, 2013), Companies (Share and Debentures) Rules.</li> <li>• Methods of Redemption of fully paid up Preference Shares as per Companies Act, 2013: The proceed of a fresh issue of shares, the capitalisation of undistributed profits and a combination of both, calculation of minimum fresh issue to provide</li> </ul>	

	<p>the fund for redemption. (Question on entries and/or Balance Sheet)</p> <p>Note: Companies governed by Section 133 of the Companies Act, 2013 and comply with the accounting standards prescribed for them. Hence, the balances in security premium account not to be utilised for premium payable on redemption of preference shares.</p>
	<p><b>Module II: Introduction to Issue of Shares &amp; Buy-back of Shares (15 Hours)</b></p> <ul style="list-style-type: none"> <li>• Introduction to Issue of Shares</li> <li>• Basic sums based on issue of shares</li> <li>• 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)</li> </ul>
	<p><b>Module III: Ascertainment and Treatment of Profit Prior to Incorporation (15 Hours)</b></p> <ul style="list-style-type: none"> <li>• Principles for ascertainment (Preparation of separate combined, columnar Profit and Loss A/c including different basis of allocation of expenses and income)</li> </ul>
	<p><b>Module IV: Internal Reconstruction (15 Hours)</b></p> <ul style="list-style-type: none"> <li>• Need for reconstruction and company law provisions</li> <li>• Distinction between internal and external reconstructions.</li> <li>• 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.</li> </ul>
10	<p><b>Reference Books:</b></p> <ul style="list-style-type: none"> <li>• Ashish K. Bhattacharyya – “Financial Accounting for Business Managers”, Prentice Hall of India Pvt. Ltd.</li> <li>• Shashi K. Gupta – “Contemporary Issues in Accounting”, Kalyani Publishers.</li> <li>• R. Narayanaswamy – “Financial Accounting”, Prentice Hall of India, New Delhi</li> <li>• Ashok Sehgal – “Fundamentals of Financial Accounting”, Taxmann’s Publishers</li> <li>• Financial Accounting Reporting – Barry Elliot and Jamie Elliot – Prentice Hall ( 14th Edition</li> </ul>

### Evaluation Pattern

Continuous Evaluation: 40%

Semester End Examination: 60%

The Continuous evaluation will consist of

	<b>Total Marks</b>
Class Test/ Assignment/ Project Work/ Presentation/ Case Study/ Book Review	40

### Semester End Examination Question Paper Pattern

Maximum Marks: 60

Duration: 2 Hours

All Questions are Compulsory Carrying 15 Marks each.

<b>Q. No.</b>	<b>Particular</b>	<b>Marks</b>
Q-1	A. Practical Question (Module – I)	<b>15 Marks</b>
	<b>OR</b>	
	B. Practical/ Theory Question (Module – I) C. Practical/ Theory Question (Module – I)	<b>08 Marks</b> <b>07 Marks</b>
Q-2	A. Practical Question (Module – I)	<b>15 Marks</b>
	<b>OR</b>	
	B. Practical/ Theory Question (Module – I) C. Practical/ Theory Question (Module – I)	<b>08 Marks</b> <b>07 Marks</b>
Q-3	A. Practical Question (Module – I)	<b>15 Marks</b>
	<b>OR</b>	
	B. Practical/ Theory Question (Module – I) C. Practical/ Theory Question (Module – I)	<b>08 Marks</b> <b>07 Marks</b>
Q-4	A. Practical Question (Module – I)	<b>15 Marks</b>
	<b>OR</b>	
	B. Practical/ Theory Question (Module – I) C. Practical/ Theory Question (Module – I)	<b>08 Marks</b> <b>07 Marks</b>

**Note: Questions of 7/8 marks (Practical/theory) may also be divided as 2 questions of 10/5 marks (Practical/theory) or 1 full length question (Practical/theory) of 15 marks.**

### Signature of Team Members

<b>Sr. No.</b>	<b>Name</b>	<b>Signature</b>
1	Dr. Ishtiyag Chiplunkar	
2	Mr. Murugan Nadar	