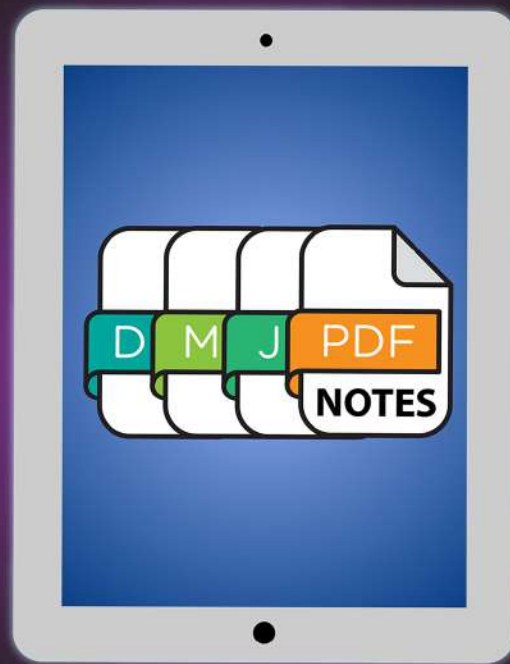




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# **Advanced Accounting**



**Paper-5**

# Amendments List 2021

| Chapter     | Topic                                                                                    | Old                    | New-additions                                        | Pg. No.   | Specific comments |
|-------------|------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------|-----------|-------------------|
| <b>Ch-1</b> | <b>Application of Accounting Standards</b>                                               |                        |                                                      |           |                   |
| 2.1         | Contingencies and events occurring after balance sheet date                              | -                      | Accounting treatment for contingent losses and gains | 1.3       |                   |
|             | example 1                                                                                | Exceptions to the rule | removed                                              | 1.6       |                   |
| 2.2         | Net Profit or loss for the period, prior period items and changes in accounting policies | -                      | Footnote added                                       | 1.11      |                   |
| 2.2         | Net Profit or loss for the period, prior period items and changes in accounting policies | Footnote removed       | -                                                    | 1.11      |                   |
|             | Prior period itmes last para                                                             | -                      | added                                                | 1.14      |                   |
| 2.3         | Construction contract                                                                    | -                      | Inclusion in construction contract poin a & b added  | 1.19      |                   |
|             | Combining and segmenting construction contracts                                          | -                      | introduction changed                                 | 1.24      |                   |
|             | Contract revenue and cost                                                                | -                      | 2 flow charts added                                  | 1.27&1.28 |                   |
|             | illustration 2                                                                           | -                      | Question slightly changed                            | 1.31      |                   |
|             | Completed service contract method                                                        | -                      | changed                                              | 1.34      |                   |
| 2.4         | Illustration 4                                                                           | -                      | added                                                | 1.37      |                   |
| 2.5         | Accounting for amalgamation                                                              | -                      | example added                                        | 1.39      |                   |

|      |                                             |                                                                               |                                         |           |
|------|---------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------|-----------|
|      | adjustment to reserves                      | -                                                                             | 1 st bullet changed                     | 1.41      |
| 2.6  | Segment reporting                           | Primary and secondary segment para 3 along with a & b and Matrix presentation | -                                       | 1.53&1.54 |
|      | Secondary segment information               | 3 & 4 para                                                                    | -                                       | 1.57      |
| 2.7  | Related party transactions                  | -                                                                             | related party issues added              | 1.65      |
|      | Related party issue                         | present                                                                       | -                                       | 1.67      |
|      | Disclosure                                  | -                                                                             | last para added                         | 1.68      |
| 2.8  | AS-19                                       | applicability point d                                                         | -                                       | 1.71      |
|      | Definitions                                 | -                                                                             | inception of lease                      | 1.71      |
|      | Types of lease                              | -                                                                             | Last point added                        | 1.73      |
|      | Indicators of finance lease                 | -                                                                             | Examples added under point b,c,e        | 1.73      |
|      | Accounting treatment in the books of lessee | -                                                                             | Example 1 changed                       | 1.88      |
|      | Accounting treatment in the books of lessor | -                                                                             | Example Journal entries changed         | 1.9       |
| 2.10 | Definitions                                 | -                                                                             | Timing difference added and example     | 1.108     |
|      | Definitions                                 | -                                                                             | Measurement changed                     | 1.109     |
|      | Transitional provision                      | Present                                                                       | -                                       | 1.109     |
|      | Illustration 3&4                            | present                                                                       | -                                       | 1.113     |
| 2.11 | Discontinuing operations                    | -                                                                             | Separate major line of business changed | 1.116     |
| 2.12 | Intangible assets                           | -                                                                             | exchange of assets added                | 1.128     |

MCQ q.no. 7-12 and  
Practical q.no. 9-18 are  
Added

|             |                                                          |         |                                                                |           |                                             |
|-------------|----------------------------------------------------------|---------|----------------------------------------------------------------|-----------|---------------------------------------------|
| 2.13        | AS-29                                                    | -       | Reliable estimate of the obligation (two example added)        | 1.141     |                                             |
|             | Transitional provision                                   | Present | -                                                              | 1.148     |                                             |
|             | Illustration 1                                           | -       | Figures changed                                                | 1.15      |                                             |
| <b>Ch-2</b> | <b>Dissolution of Partnership firm</b>                   |         |                                                                |           |                                             |
| 1.3         | Consequences of dissolution                              | -       | Distinction between Partnership and Dissolution of Partnership | 2.5       |                                             |
| 1.4         | Closing of partnership books on dissolution              | -       | Specimen of realisation account                                | 2.6 & 2.7 |                                             |
| 1.4.1       | Treatment of goodwill at the time of dissolution of firm | -       | added                                                          | 2.7       | MCQ q.no. 1 and Practical q.no. 5 are Added |
| 1.5         | Consequences of insolvency of a partner                  | -       | Introduction para added                                        | 2.16      |                                             |
|             | Illustration 5                                           | -       | Different method of solving                                    | 2.26      |                                             |
|             | Amalgamation, conversion and sale                        |         |                                                                |           |                                             |
|             | Illustration 4                                           | -       | Balance Sheet changed                                          | 2.82      |                                             |
| <b>Ch-3</b> | <b>ESOPS</b>                                             |         |                                                                |           |                                             |
|             | Chapter overview changed                                 | -       | changed                                                        | 3.2       |                                             |
| 1           | Introduction to ESOP                                     | -       | Introduction added                                             | 3.2 & 3.3 |                                             |
|             | Important terms to be remembered                         | -       | 2,3,7,10,11,14-18 added                                        | 3.4&3.5   |                                             |
|             | Why ESOP's                                               | -       | added                                                          | 3.5       |                                             |

|             |                                                           |                             |                                                     |            |                                                                            |
|-------------|-----------------------------------------------------------|-----------------------------|-----------------------------------------------------|------------|----------------------------------------------------------------------------|
|             | What company sees while granting ESOP's                   | -                           | added                                               | 3.5        | MCQ q.no. 5&6 Therotical question no. 4 and Practical question no. 5 added |
|             | Employee Share-based Payment Plans with Cash Alternatives | -                           | Valuation method & Pricing criteria added flowchart | 3.9        |                                                                            |
|             | Performance conditions                                    |                             | added                                               | 3.10       |                                                                            |
|             | cancellation of shares or stock options                   | -                           | added                                               | 3.10       |                                                                            |
|             | Illustration 7                                            | -                           | added                                               | 3.23       |                                                                            |
| <b>Ch-4</b> | <b>Buy Back</b>                                           |                             |                                                     |            |                                                                            |
|             | illustration 5                                            | -                           | added                                               | 4.23       | MCQ q.no. 7,8&9 Practical question no. 1 added                             |
| <b>Ch-5</b> | <b>Amalgamation of companies</b>                          |                             |                                                     |            |                                                                            |
| 1           | Introduction                                              | -                           | changed                                             | 5.2&5.3    |                                                                            |
| 2           | Meaning of amalgamation                                   | -                           | changed and three examples added                    | 5.4        |                                                                            |
|             | Concept of the examples                                   | table                       | changed                                             | 5.4        |                                                                            |
|             | Amalgamation in the nature of merger                      | -                           | (v) changed                                         | 5.5        |                                                                            |
| 4           | Purcahse consideration                                    | -                           | 2nd para three lines added                          | 5.7        |                                                                            |
|             | Methods of computing Purchase consideration               | -                           | 1,2,3,4 added                                       | 5.7        |                                                                            |
|             | Illustration 1                                            | -                           | Note changed slightly                               | 5.1        |                                                                            |
|             | Illustration 2                                            | -                           | Note 1 changed and note 2 added                     | 5.11       |                                                                            |
|             | Illustration 4                                            | Points (i)(ii)(iii) removed | -                                                   | 5.9 & 5.10 |                                                                            |
| 5           | Methods of accounting for amalgamation                    |                             |                                                     |            |                                                                            |

|             |                                                         |   |                                                                                 |           |
|-------------|---------------------------------------------------------|---|---------------------------------------------------------------------------------|-----------|
|             | Pooling of interest method                              | - | Last two paras with steps added                                                 | 5.15&5.16 |
|             | Purchase method                                         | - | Difference between purchase consideration and net assets along with steps added | 5.16      |
|             | Treatment of reserves                                   | - | few changes made                                                                | 5.17      |
| 6           | Journal entries to close the books of vendor company    | - | Introduction added                                                              | 5.24      |
| 7           | Entries in the books of Purchasing company              | - | Introduction para added                                                         | 5.32      |
|             | Illustration 9                                          | - | B LTD total of balance sheet changed                                            | 5.46      |
|             | Illustration 10                                         | - | 5th point added in question                                                     | 5.51      |
|             | Summary                                                 | - | Point 2,6,partly 7,10, partly 12,14 and 15 added                                | 5.60&5.61 |
| <b>Ch-6</b> | <b>Internal Reconstruction</b>                          |   |                                                                                 |           |
|             | Learning outcomes                                       | - | Changed                                                                         | 6.1       |
|             | Chapter overview                                        | - | Types of reconstruction added                                                   | 6.2       |
| 1           | Meaning of reconstruction                               | - | para 1,2 & 3 modified a little                                                  | 6.2&6.3   |
|             | difference between internal and external reconstruction | - | Changed                                                                         | 6.3       |
| 2.1         | Alteration of share capital                             | - | Introduction added                                                              | 6.4       |

MCQ q.no. 8&9 Practical question no. 5 added

MCQ q.no. 5 Practical question no. 1&2 added

|             |                                                         |                                                               |                                                           |      |                                                     |
|-------------|---------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|------|-----------------------------------------------------|
|             |                                                         |                                                               | Paid up capital in notes to accounts instead of called up | 6.6  | question no. 1&2 added                              |
|             | Illustration 1 solution                                 | -                                                             |                                                           |      |                                                     |
| 2.2         | Variation of shareholders rights                        | -                                                             | 1st para modified                                         | 6.8  |                                                     |
| 3           | Enteries in case of internal reconstruction             | -                                                             | point 1,2&5 added                                         | 6.11 |                                                     |
| 6           | Summary                                                 | -                                                             | point 6 added                                             | 6.41 |                                                     |
|             |                                                         |                                                               |                                                           |      |                                                     |
| <b>Ch-7</b> | <b>Liquidation of companies</b>                         |                                                               |                                                           |      |                                                     |
|             | Chapter overview                                        | -                                                             | Flow chart changed                                        | 7.2  | MCQ q.no. 1,2,3,4, Practical question no. 2&3 added |
|             |                                                         | Contributor y can file petition ignoring the following points |                                                           |      |                                                     |
| 4           | Petition of winding up                                  | -                                                             |                                                           | 7.4  |                                                     |
|             | Sec 59 Provisions if the insolvency and bankruptcy code | -                                                             | Point 3 starting changed                                  | 7.5  |                                                     |
|             | Illustration 1                                          | -                                                             | added                                                     | 7.8  |                                                     |
| 12          | B List contributories                                   | -                                                             |                                                           | 7.17 |                                                     |
|             | illustration 1                                          | illustration 1                                                | changed                                                   |      |                                                     |
| 13          | Liquidator/s Financial statement of accounts            | -                                                             | added                                                     | 7.19 |                                                     |
|             | Illustration                                            | -                                                             | 4,5,6,10,13 Added                                         |      |                                                     |
|             |                                                         |                                                               |                                                           |      |                                                     |
| <b>Ch-8</b> | <b>Banking Company accounts</b>                         |                                                               |                                                           |      |                                                     |
| Unit-1      |                                                         |                                                               |                                                           |      |                                                     |
| 1.1         | Meaning of Banking                                      | 1.1.2                                                         | -                                                         | 8.5  |                                                     |
|             | Functions of a commercial Bank                          | present                                                       | -                                                         | 8.7  |                                                     |

|             |                                       |                                                         |                                              |           |
|-------------|---------------------------------------|---------------------------------------------------------|----------------------------------------------|-----------|
|             | 1.2-1.5                               | Present                                                 | -                                            | 8.7-8.11  |
| 1.4         | Cash Reserve                          | Demand and time liabilities and other liabilities added | -                                            | 8.12&8.13 |
| 1.9         | Licensing of Banking companies        | Present                                                 | -                                            | 8.13      |
| 1.1         | Liquidity Norms                       | Maintenance of statutory liquidity ratio present        | -                                            | 8.15      |
| 1.14        | Unclaimed deposits                    | Present                                                 | -                                            | 8.17      |
| 1.16        | Resolution of stressed assets         | Present                                                 | -                                            | 8.18      |
| Unit-2      |                                       |                                                         |                                              |           |
| 2.5         | Departmental Journals                 | present                                                 | -                                            | 8.24      |
| 2.9         | Disclosure in notes to accounts to FS | present                                                 | -                                            | 8.35      |
| Unit-3      |                                       |                                                         |                                              |           |
| Unit -4     |                                       |                                                         |                                              |           |
|             | Illustration 2                        | Present                                                 | -                                            | 8.51      |
| 4.4         | Classification of investments         | -                                                       | Sale of securities held to maturity category | 8.62      |
| 4.6         | Valuation of investments              | -                                                       | Prudential norms for classification added    | 8.65      |
| Unit-5      |                                       |                                                         |                                              |           |
| Unit-6      |                                       |                                                         |                                              |           |
|             |                                       |                                                         |                                              |           |
| <b>Ch-9</b> | <b>NBFC's</b>                         |                                                         |                                              |           |
|             | Chapter overview                      | -                                                       | Flow chart changed                           | 9.2       |
| 2           | Definition of NBFC                    | -                                                       | changed completely                           | 9.2&9.3   |
| 3           | Registration                          | -                                                       | para below point b changed                   | 9.3       |

MCQ q.no. 6,9,10&11  
Practical question no. 4,5&6  
added

|    |                                                                           |                 |                                     |           |
|----|---------------------------------------------------------------------------|-----------------|-------------------------------------|-----------|
| 5  | Classification of NBFC                                                    | -               | Point 4,5,8,9,10,11,12, 13,14       | 9.5       |
|    | B. Categories of NBFC's registered with RBI                               | -               | Flow chart changed                  | 9.7       |
|    | Sub-heading                                                               | -               | All sub-headings and matter changed | 9.7-9.10  |
|    | C. Residuary non-banking company                                          | -               | added                               | 9.1       |
| 6  | Registration and regulation of NBFC                                       | Present         | -                                   | 9.11&9.12 |
| 7  | Residuary Non-Banking companies                                           | Present         | -                                   | 9.11&9.12 |
| 8  | Minimum net owned funds                                                   | Second text box | -                                   | 9.13      |
| 6  | Minimum net owned funds                                                   |                 |                                     |           |
|    | Illustration                                                              | -               | 1&2 added                           | 9.11&9.12 |
| 10 | Categories of NBFC                                                        | Present         | -                                   | 9.14      |
| 12 | Important definitions                                                     |                 |                                     |           |
|    | Net Book Value                                                            | Present         | -                                   | 9.17      |
|    | Infrastructure Finance company                                            | Present         | -                                   | 9.17      |
|    | Subordinated debt                                                         | Present         | -                                   | 9.17      |
|    | Systematically important non-deposit taking non-banking financial company | Present         | -                                   | 9.17      |
| 13 | Income Recognition                                                        | Explanation     | -                                   | 9.18      |
| 16 | Applicability of Prudential Norms                                         | Present         | -                                   | 9.21      |
| 17 | Asset classification                                                      | (b) para 2 & 3  | -                                   | 9.22      |

MCQ q.no. 4,5,6,7,8,9,10  
Practical question no. 2,4&5  
added

|              |                                          |                |                                             |           |                                                      |
|--------------|------------------------------------------|----------------|---------------------------------------------|-----------|------------------------------------------------------|
| 13           | Asset classification                     | -              | (c) Doubtful assets changed                 | 9.19&9.20 |                                                      |
| 20           | Disclosure in BS                         | Present        | -                                           | 9.28      |                                                      |
| 15           | Provisioning requirements                | -              | Illustration 6 added                        | 9.28      |                                                      |
| 20           | Asset-Liability Management               | -              | Illustration 7 added                        | 9.40&9.41 |                                                      |
|              | Summary                                  | -              | Requirement of minimum NOF of 200 Lakhs     | 9.42      |                                                      |
|              | Summary                                  | b,c,d,e points | -                                           | 9.44&9.45 |                                                      |
|              | Summary                                  | -              | Tier I Capital changed                      | 9.42      |                                                      |
|              |                                          | -              | Asset classification changed                |           |                                                      |
|              |                                          | -              | Income recognition added                    | 9.43      |                                                      |
|              |                                          | -              | Standard assets changed                     | 9.44      |                                                      |
|              |                                          |                |                                             |           |                                                      |
| <b>Ch-10</b> | <b>Consolidated Financial Statements</b> |                |                                             |           |                                                      |
|              | Chapter Overview                         | -              | Note Added                                  | 10.2      |                                                      |
|              | Illustration 6                           | -              | Added                                       | 10.28     |                                                      |
|              | Illustration 7                           | -              | Notes to accounts added in the question     | 10.33     | MCQ q.no. 8,9,10 Practical question no. 1,2,&3 added |
|              | Illustration 8                           | -              | a&b bit in solution figures changes         | 10.41     |                                                      |
|              | Illustration 9                           | -              | Dividend removed and hence solution changed | 10.42     |                                                      |

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