

### Course Outline

Course title: Corporate Accounting  
(Accounting Specialization)

M.Com II (Annual System)

**Course Objectives:**

1. This course is designed to serve the needs of modern accounting principles, procedures and methods that are applied in preparations of financial statements and the proper uses that can be made of financial data.
2. This course will have different relationships with the requirements of the various professional accountancy bodies like ICAP, ICMAP, PIPFA and other universities in Pakistan.
3. The course requires students to study how the design, operation and validation of accounting systems affects, and is affected by, individuals, organizations, markets and society. As indicated above, accounting is often studied in combination with a substantial amount of finance. Under such circumstances, the degree structure should also require the study of the operation and design of financial systems, risk, financial structures, and financial instruments.
4. The objectives of corporate accounting are to provide
  - i. Information that is useful in investment and credit decisions,
  - ii. Information that is useful in assessing cash flow prospects, and

<b>Topic</b>
Income statement and related information <ul style="list-style-type: none"><li>• Format of Income statement</li><li>• Reporting Irregular issues</li><li>• Special Reporting issues</li></ul>
Revenue recognition <ul style="list-style-type: none"><li>• The current environment</li><li>• Revenue recognition at point of sale(Delivery)<ul style="list-style-type: none"><li>• Sale with payback agreement</li><li>• Sales when right of return exist</li></ul></li><li>• Revenue recognition before delivery<ul style="list-style-type: none"><li>• Percentage of completion method</li><li>• Completed contract method</li><li>• Long term contract losses</li><li>• Disclosure in financial statement</li><li>• Completion of production basis</li></ul></li><li>• Revenue recognition before delivery<ul style="list-style-type: none"><li>• Installment sales method</li><li>• Cost recovery method</li><li>• Deposit Method</li></ul></li><li>• Revenue recognition for special sales transactions</li></ul>
Balance sheet issues <ul style="list-style-type: none"><li>• Classification in the balance sheet</li><li>• Additional information reported</li><li>• Techniques of disclosure</li></ul>
Additional valuation issues of Inventory <ul style="list-style-type: none"><li>• Lower of cost or market</li><li>• Valuation basis</li><li>• The gross profit method</li></ul>
Assets:

<ul style="list-style-type: none"> <li>• Acquisition and disposition of property, plant and equipment</li> <li>• Depreciation, Impairments and Depletion</li> <li>• Intangible Assets</li> </ul>
<p>Liabilities</p> <ul style="list-style-type: none"> <li>• Current Liabilities and contingencies</li> <li>• Long term Liabilities</li> </ul>
<p>Stockholders' Equity</p> <ul style="list-style-type: none"> <li>• Identify the key components of stockholders' equity.</li> <li>• Describe the accounting for treasury stock.</li> <li>• Explain the accounting for and reporting of preferred stock.</li> <li>• Describe the policies used in distributing dividends.</li> <li>• Indicate how to present and analyze stockholders' equity.</li> </ul>
<p>Dilutive Securities and Earnings Per Share</p> <ul style="list-style-type: none"> <li>• Describe the accounting for the issuance, conversion, and retirement of convertible securities.</li> <li>• Explain the accounting for convertible preferred stock.</li> <li>• Contrast the accounting for stock warrants and for stock warrants issued with other securities.</li> <li>• Describe the accounting for stock compensation plans under generally accepted accounting principles.</li> <li>• Discuss the controversy involving stock compensation plans.</li> <li>• Compute earnings per share in a simple capital structure.</li> <li>• Compute earnings per share in a complex capital structure</li> </ul>
<p>Investments</p> <ul style="list-style-type: none"> <li>• Investment in debt securities</li> <li>• Investment in equity securities</li> <li>• Other reporting issues</li> </ul>
<p>Accounting changes and error analysis</p> <ul style="list-style-type: none"> <li>• Changes in accounting estimate</li> <li>• Changes in accounting principle</li> <li>• Reporting a change in entity</li> </ul> <p>Error Analysis</p> <ul style="list-style-type: none"> <li>• Income statement error</li> <li>• Balance sheet error</li> <li>• Preparation of financial statements with error correction</li> <li>• Changes from or to the equity method</li> </ul>
<p>Full Disclosure in financial reporting</p> <ul style="list-style-type: none"> <li>• Full disclosure principle</li> <li>• Notes to the financial statements</li> <li>• Disclosure issues</li> <li>• Current reporting issues</li> </ul>

**Recommended Text:( Latest Editions)**

1. Kieso, Weygandt, and Warfield ( ) *Intermediate Accounting*, 12th Edition Wiley higher education.
2. Zubaeri Javed H, *Company Accounts*, Petiwala Book Depot karachi