Review of FINANCIAL REPORTING-New Syllabus (equivalent to Advanced accounting of old syllabus) November 2008
SREERAM COACHING POINT

Review of Financial Reporting New Syllabus – November 2008 (old Advanced accounting equivalent)

General points.

1. For the very first time, this paper is with choice. Answer 6 out of 7. However question 1 is compulsory.
2. For old syllabus, this luxury is missing. Students qualify out of old and new syllabi are to be not treated with parity. Principle of Equity is missing.
3. The above matter is to be considered seriously when old syllabus answer sheets are taken for evaluation.
4. No of students in new syllabus is comparatively very low.

Question specific

1. Question no 1 is on accounting standards covering on the elementaries on not-so-popular accounting standards (AS 25, 17,5,9 and 26). However they are pretty easy for attempt. There too internal choice of 4 out 5. These things are missing totally in the old syllabus.
2. A fairly simple question on amalgamation in the nature of purchases, involving lots of computation but worth painstaking considering the marks awarded.
3. It is a super-specialty problem on chain holding on consolidation. Subsidiary company acquired the controlling interest in sub-subsidiary company much earlier to parent company getting into the scene in sub-subsidiary. Classification conflict is the testing arena. Can be considered for 20 marks but reckoning other problems it is well balanced.
4. (a) It is problem on computing NAV for a mutual fund scheme. Though appearing to be a simple one, it has enough tricks to capsize the hopes of the students. Cash balance is to be considered in the computation of NAV.
   (b) It is a lolly pop question on passing journal entries for Buy back of Equity shares. Even a PEII/PCC student would find it a surprise for 8 marks.
5. It is a problem on Computation of Goodwill as well as merger of 3 entities. It is based on past examination question. Fairly a nice question richly deserves 16 marks
6. (a) It is a problem on Inflation accounting. It is based on institute study material illustration. Very well prepared student would have found it easy to tackle.
   (b) Institute has a special love towards value added statement nowadays. A simple problem for 8 marks.
7. The quota of theory question is exhausted in this section. Very well balance questions are asked.

Conclusion: A welcome paper… Its really a morale booster paper for new syllabus students.

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