



Advanced Corporate Accounting 4th semester

Bangalore Central University

Module -5

Recent Development in Accounting and Accounting Standards

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Human Resource Accounting

Acc to American Accounting Society Committee, “ Human resource accounting is the process of identifying and measuring data about human resources and communicating this information to the interested parties”



Valuation of Human resources

1. Cost based methods of human resource valuation
 - Historical method
 - Replacement cost method
 - Opportunity cost method
 - Standard cost method
 - Total cost method



Valuation of Human resources

2. Value based methods of human resource valuation

- Unpurchased goodwill method
- Present value of future earnings method
- Rewards evaluation method
- Net benefits method
- Total payment method



Environmental Accounting or Green Accounting

It refers to accounting that exhibits the cost of conservation of environment during the normal course of business. It includes waste management cost, expenses on prevention of pollution and fines on environment related issues.



Advantages and disadvantages on Environmental accounting

Environmental Accounting



Advantages

1. Usefull to stakeholders
2. Helps to plan purchases
3. Better management of energy and water
4. Eco friendly attitude
5. Goodwill of the corporate

Disadvantages

1. No prescribed standards
2. not Mandatory
3. under research stage
4. capital expenditure
5. Internal policy of corporate



Social Accounting

Meaning

Social accounting is concerned with the measurement and disclosure of costs and benefits to the society as a result of operating activities of a business enterprise.

Definition

Acc to Elliot, “Social responsibility accounting is systematic assessment of and reporting on those parts of a company’s activities that have social impact.



Methods of social Accounting

1. **Social Income Statement** : Social Income statement is a statement which covers the net social income to employees, community and general public from an organization for particular period.
2. **Social Balance sheet**: Social Balance sheet consists of assets and liabilities of an organization meant for social benefits to employees, community and general public.



Brand Valuation

Brand valuation is the job of estimating the total financial value of the brand. Like the valuation of any product, of self review or conflicts of interest if those that value of brand also were involved in its creation.

Methods of valuation of Brand

1. Cost approaches
2. Income approach
3. Market approach



Accounting standards

Accounting standards are written policy documents issued by expert accounting body or by government or other regulatory body covering the aspects of recognition, measurement, presentation and disclosure of accounting transactions in the financial statements



Advantages and disadvantages of Accounting standards

Accounting standards

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graph TD; A[Accounting standards] --> B[Benefits]; A --> C[Disadvantages];
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Benefits

1. Comparability of accounting statements
2. Standardization of alternative accounting Treatments
3. Requirements of additional disclosures

Disadvantages

1. Lack of flexibilities
2. Difficulties in making choice between different treatments
3. Restricted Scope



Thank you

