# Article information:

AS 14: Accounting For Amalgamations - QuickBooks  
<https://quickbooks.intuit.com/in/resources/accounting/as-14/>

# Article summary:

1. In an amalgamation in the nature of purchase, the identity of reserves is not preserved except for statutory reserves.

2. Statutory reserves are reserves required to comply with specific statutes and maintain their identity in the financial statements of the transferee company.

3. When the need to preserve the identity of statutory reserves ends, both the reserves and amalgamation adjustment account are reversed.

# Article rating:

Appears strongly imbalanced: The article is written in a biased or one-sided way, and the information it provides is not trustworthy enough to be considered a reliable source. You should consult other sources to find reliable information on the presented issues.

# Article analysis:

The article titled "AS 14: Accounting For Amalgamations - QuickBooks" provides information about the accounting treatment of amalgamations in the nature of purchase, specifically focusing on the preservation of reserves. While the article presents some useful information, there are several areas where a critical analysis reveals potential biases and shortcomings.

One potential bias in the article is its focus solely on QuickBooks as the source of information. This could suggest that the article is promoting QuickBooks as the preferred accounting software for handling amalgamations. It would have been more balanced to include information from other sources or provide a broader perspective on accounting practices for amalgamations.

The article also lacks evidence or references to support its claims. For example, it states that statutory reserves maintain their identity in the financial statements of the transferee company, but there is no citation or reference to support this claim. Without supporting evidence, readers may question the accuracy and reliability of this information.

Furthermore, the article does not explore counterarguments or alternative perspectives on the topic. It presents only one viewpoint without considering potential drawbacks or criticisms of preserving statutory reserves in amalgamations. A more comprehensive analysis would have included a discussion of different approaches to handling reserves in amalgamations and their respective advantages and disadvantages.

Additionally, there are missing points of consideration in the article. It does not discuss how preserving statutory reserves may impact financial reporting and analysis. For example, it does not address whether preserving these reserves could distort financial ratios or affect investors' perception of a company's financial health.

The article also lacks a discussion of potential risks associated with preserving statutory reserves. It does not mention any regulatory or compliance risks that companies may face if they fail to properly preserve these reserves according to specific statutes. Including this information would have provided a more balanced view and helped readers understand both sides of the issue.

Overall, this article appears to have promotional content for QuickBooks and lacks balance in its presentation of information. It does not provide sufficient evidence or explore alternative perspectives, which limits its usefulness for readers seeking a comprehensive understanding of accounting for amalgamations.

# Topics for further research:

* Accounting treatment of amalgamations in the nature of purchase
* Alternative approaches to handling reserves in amalgamations
* Impact of preserving statutory reserves on financial reporting and analysis
* Criticism of preserving statutory reserves in amalgamations
* Regulatory and compliance risks of not properly preserving statutory reserves
* Comparative analysis of accounting software for handling amalgamations

# Report location:

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