



**NETAJI SUBHAS OPEN UNIVERSITY**  
**Master of Commerce (M.Com)**

**Programme Objectives:** The objective of this programme is to equip the learners with necessary conceptual, entrepreneurial and analytical skills required for handling business operations. The post graduate degree in commerce is designed for the workforce who wish to work in commerce and industry. The fresh graduates and existing workforce can take the advantage of ODL system to increase their skills and competency in this particular field without disturbing their work schedule.

**Expected Programme Outcome:** After successful completion the students may increase their knowledge in the domain of commerce and management which intern increase their employability in the trade and commerce. The working persons may take this course for their vertical/ horizontal mobility in their work place. The fresh graduates may join this course to increase their employability in the trade, commerce and industry.

**COURSE STRUCTURE**

(20 Papers of 50 Marks each)

***First Year (Part - I)***

1. Principles & Practice of Management
2. Managerial Economics
3. Macro Economics and International Economic Problems
4. Business Environment
5. Direct & Indirect Taxation
6. Accounting Theory
7. Basic Statistical Concepts & Tools
8. Quantitative Techniques
9. Cost Accounting
10. Advanced Financial Accounting

***2nd Year (Part - II)***

11. Strategic Management
12. Marketing and Human Resource Management
13. Corporate Financial Environment
14. Advanced Statistical Concepts & Tools
15. Financial Statement Analysis & Reporting
16. Corporate Tax Planning and Management
17. Management Accounting
18. Financial Management
19. Auditing
20. Computer Applications in Business.

**Full Marks = (500 + 500) = 1000 Marks**

**Detailed Course Contents**

**1<sup>st</sup> Year**

**Paper 1 : Principles & Practice of Management**

**Module - 1 : (25 Marks) :**

1. **Management :** Concept - definitions - significance - is Management a Science or an art ? Evolution of management thoughts - basic managerial functions - social responsibilities of management - professional management - managerial ethics.
2. **Planning :** Concept - definitions - significance - elements - principles process - premise - different types (including strategic planning) forecasting techniques

(qualitative & quantitative) - planning failures limitations of planning - decision making : steps - types -bounded rationality - management by objectives.

3. **Organization** : Concept - definitions - significance - principles - process determinants of organization structure-departmentation (different types) delegation of authority - decentralization of authority.
4. **Motivation** : Concept - definitions - significance - different approaches to motivations.

#### **Module - 2 : (25 marks) :**

5. **Leadership** : Concept-definition-significance-difference approaches to leadership (including situational approach).
6. **Communication** : Concept-definition-significance-process-types-barriers to communication-effective communication.
7. **Controlling** : Concept-definition-significance-steps-requirements of effective control-types-behavioural implications of control.

#### **References :**

Koontz, O'Donnell & Weihrich—Management  
Koontz & Weihrich—Essentials of Management  
Hicks & Gullett—Management  
Stoner, Freeman & Gilbert Jr.—Management  
Newman, Warren & McGill—The Process of Management  
Robbins—Management : Concept & Practice  
Banerjee, Shyamal—Principle & Practice of Management.

### **Paper 2 : Managerial Economics**

#### **Module-1 : (25 marks)**

1. **Introduction** : Positive Vs. Normative Economics. Characteristics of Economic Models-Value Judgement in Economics.
2. **Decision Analysis-Tools & Techniques** : (a) Optimization - Unconstrained and Constrained Optimization concave functions and their role in optimization, Basic ideas of Linear Programming, Operations Research. (b) Decision-making under uncertainty-Introduction, Risk & Uncertainty, The Expected Utility Model, Limitations of Expected Utility Model in Decision Making, Expected Utility & Actual Behaviour.
3. **Demand Analysis** : (a) Neo-Classical Consumer Theory-A review of NeoClassical Consumer Theory. (b) Lancaster's Characteristics Approach to Consumer Theory. (c) Statistical Demand Curve. (d) Cross Price Elasticities & Product-Line Pricing. (e) Short-run & Long-run Elasticities (f) The Product Life-Cycle
4. **Production & Cost Analysis** : (a) Different types of production functions Cobb-Douglas. Leontief & CES Production Functions. (b) Recapitulations of Basic cost concept and relationship, elasticity of scale. (c) Multi-plant Operation. Cost minimization & Multi-plant Production. (d) The Learning Experience Curve. (e) Alternative Methods of Cost estimation-Engineering Analysis. Statistical Cost Estimation. Estimating Learning Curves.

## **Module- 2 : (25 marks) :**

- 5. Market Structure :** (a) Dominant Firms & Monopoly Power, (b) Monopoly Welfare Loss, (c) Modern views of Monopolistic Competition Lancaster's (characteristics Approach), (d) Cooperative Oligopoly-Application of Game Theory, (e) Monopsony and Bilateral Monopoly.
- 6. Theories of the Firm :** (a) Alternative Theories of Firm-Sales Maximization, Williamson's Expense Preference model, Marris's Growth Maximization Hypothesis, Behavioural Theory. (b) Multi Product firm & Multiproduct Pricing. (c) Peak-Load Pricing, Pricing & Capacity Planning, Intertemporal Pricing, Cost Plus & Mark-up Pricing. (d) Advertising.
- 7. Market-Failure : Externalities and Public Goods—** Introduction, Public Goods, Externalities, Second Best and Arbitrary Standards, Role of Property Markets, State interventions in Imperfectly Competitive Industries.

### **References :**

- Baumol, W. J.—Economic Theory and Operation Analysis, Prentice Hall,  
Dobbs Lan M. (2000)—Managerial Economics. Firms, Markets and Business Decision, Oxford, O. U. P.  
Douglas, E. J. (1992)—Managerial Economics : Analysis and Strategy, Engle Wood Cliffs, Prentice Hall.  
Haynes W. W. (1969)—Managerial Economics. Second Edition, New York : Business Publications Inc.

## **Paper 3 : Macroeconomics and International Economic Problems**

### **Module-1 : Macroeconomics (25 marks) :**

- 1. Macroeconomic Paradigms :** What is a Paradigm ? Classical, Keynesian, Monetarist and New Classical Macroeconomics - Implications of these theories for LDCs.
- 2. Basic Macroeconomic Problems :** Inflation and Unemployment - Shortrun and Long-run Phillips Curve - Money and Inflation, Unemployment. Stagflation, Expected Inflation and the Inflation-expectations-augmented phillips Curve, the Political Economy of Inflation and Unemployment.
- 3. Central Bank, Money, Credit and Financial Markets :** Money Stock Determination, the Money Multiplier, Equilibrium in the Financial Markets, the Supply and Demand for Loanable Funds, Money, Credit and Interest Rates, Targets for the Central Bank.
- 4. Business Cycles and Macroeconomic Policy :** Business Cycles - Basic Concepts and Simple Explanation. Economic Policy - (a) Active vs. Passive (b) Rule vs. Discretion (c) Rules for Monetary Policy and (d) Rules for Fiscal Policy.

### **Module-2 : International Economic Problems (25 marks) :**

- 5. Basic Characteristics of Open Economy :** National Income Accounting in an Open Economy, the International Flows of Capital and Goods, Small vs. Large Open Economy.
- 6. Balance of Payments and Exchange Rates :** Nominal vs. Real Exchange

Rates, Fixed Exchange Rate Regimes, Adjustment under Fixed Exchange Rates, Flexible Exchange, Money and Prices, Exchange Rate Fluctuations and Interdependence, Capital Account Convertibility and its Primary Effect on Trade and the Macroeconomy.

7. **Foreign Exchange and Risk Management** : Foreign Exchange Operations, Forex Derivatives - Swaps, Futures, Options and Forward Contracts, Exchange Rate Arrangements in India - LERMS, Transaction Exposure, Translation Exposure and Economic Exposure, Management of Exposures Internal Techniques, Netting, Marketing, Leading and Lagging, Pricing Policy, Asset and Liability Management and External Techniques.
8. **International Monetary System and Regional Economic Cooperation** : The Bretton Woods System and its demise, IMF, SDR, World Bank and Affiliate Organizations, GATT & WTO.

**References** : Gregory Mankiw—Macroeconomics  
Dornbush, Fischer et al—Macroeconomics  
Sodersten & Reed—International Economics

### **Paper-4 : Business Environment**

#### **Module - 1 : (25 Marks) :**

1. Business Environment—An Overview.
2. Business and Society, Social responsibility, Business Ethics & Corporate Governance
3. Political Environment—Political Institutions & Role of State in Economic Development.
4. Economic Environment—Economic System Industrial Policy 1948, Industrial Policy 1956 and Industrial Policy 1991. Privatisation & Disinvestments. Financial Liberalization.

#### **Module-2 (25 Marks) :**

1. Technological Environment —Technology & Society, Technology and Economy, Technology Policy & Management.
2. Legal Environment—Meaning & importance—Principal Provisions of Companies Act, 1956, Foreign Exchange Management Act, 2000, Consumer Protection Act, 1986, Patent Act, 1970 and Trade & Merchandise Marks Act, 1958.
3. International Environment — Globalization, Multi National Corporations & WTO.
4. Natural Environment — Sustainable Development and the Global reality.

#### **References :**

Francis Cherunilam : Business Environment, Himalaya Publishing House.  
K. Aswathappa : Essentials of Business Environment, Himalaya Publishing House.  
V.P. Michael : Business Policy and Environment, S. Chand & Company  
Joseph W. McGuire : Business and Society, McGraw Hill  
Uberio N. K. : Environmental Management, Excel Books.

### **Paper - 5 : Direct & Indirect Taxes**

#### **Module-1 : Direct Taxes (25 Marks) :**

1. Taxation of Business income : A brief Introduction.

2. Deductions u/s 80HHC, 80HHD, 80HHE, 80HHF, 80-IA & 80-IB.
3. Set off and carry forward of losses.
4. Clubbing of income.
5. Assessment Procedure.
6. Advance Tax Payment.

**Module-2 : Indirect Taxes (25 Marks) :**

1. Central Excise Duties : Classification of goods, levy and collection of duties, Excisable goods, recovery of duties not levied or not paid or short levied or short paid or erroneously refunded, claim for refund.
2. Custom duties : Levy of and exemption from customs duties-clearing of imported goods and export of goods, goods-in-transit, duty-drawback.
3. Central Sales Tax : Definitions of certain terms, sale or purchase in course of inter-state trade & commerce, sale or purchase of goods outside a state, sale or purchase in course of import or export, liability to tax on interstate sales.
4. West Bengal Sales Tax : Definitions, registration of dealer and cancellation of registration.
5. VAT : A conceptual introduction.

**References :**

Taxman : Income Tax Act  
 Taxman : Direct Taxes - Law & Practice  
 Taxman : Indirect Taxes - Law & Practice  
 West Bengal Sales Tax Act  
 Central Sales Tax Act  
 Central Excise & Customs Act.

**Note :** Students Should follow university circular in respect of this paper.

**Paper - 6 : Accounting Theory**

**Module-1 : (25 Marks) :**

1. **Nature of Accounting Theory** : Classification of Accounting Theories Foundations of Accounting Theory-Accounting Environment.
2. **Capital, Value and Profit (income)** : Concepts of capital and profit maintenance of capital-valuation of capital-accounting profit vs. economic profit.
3. **Features and justification for Cash-flow Accounting** : Historical Cost Accounting vs. Cash-flow Accounting-Status of Cash-flow Accounting.
4. **Conceptual framework for Financial Accounting and Reporting** : Qualitative characteristics of Accounting Information.

**Module -2 : (25 Marks) :**

5. **Meaning, Importance and Problems of Disclosure in Reporting** : Form and Arrangement of financial Statements-Limitations of traditional measures-Economic Value Added (EVA).
6. **Principles of Govt. Accounting.**
7. **Nature and Scope of Social Accounting** : Objectives of Social Accounting Information-Social Accounts.
8. **Value Added Reporting** : Nature, meaning and scope.

## References :

- Porwal, L. S. : Accounting Theory - An Introduction.  
Hendriksen, E. S. : Accounting Theory.  
Sinha, G. C. : Studies in Accounting Thought.  
Glautier & Underdown : Accounting Theory & Practice.

## Paper-7 : Basic Statistical Concepts and Tools

### Module - 1 : (25 Marks) :

- 1. Introduction** - Recapitulation of basic concepts of Central Tendency. Measures of Dispersion.
- 2. Correlation and Regression** - Bivariate data - Bivariate frequency distribution - scattered diagram - simple correlation - properties of product moment correlation coefficient - simple regression analysis-properties of linear regression - explained variation and unexplained variation - rank correlation - non linear regression - auto correlation, multiple regression.
- 3. Interpolation** - Introduction - finite differences - E operators - differences of a polynomial function - Newton's Forward interpolation formulae Newton's backward interpolation formulae - Central difference formulae - Lagrange's interpolation formulae.
- 4. Theory of Attributes** - Notations - classes and class frequencies - relation between class frequencies - class Symbols as Operators-independence and association of attributes - Yule's coefficient of association - Coefficient of Colligation.

### Module-2 : (25 Marks) :

- 5. Index Number** - Meaning and basic requirements of an index no. - Construction of index no. - using relatives and aggregates - test for index no. Cost of living index no. - Biases in Laspeyres' and Paasche's index no. - Base shifting and chain indices - uses of index no.
- 6. Time Series Analysis** - Meaning and necessity of time series analysis components of time series analysis - measurement of secular trend by free hand, curve fitting moving average method and mathematical curve fitting method-linear parabolic and exponential trend-measurement of seasonal variation - ratio to trend, ratio to moving average and link relative method - cyclical fluctuations-business forecasting.
- 7. Statistical Quality Control** : Different types of quality measures - control charts for variables and attributes - Process control-TQM.

## References :

- Goon, Gupta, Dasgupta, Fundamentals of Statistics  
Slockton and Cleark, Introduction to Business and Economics statistics  
Taro Yamame, Statistical Methods  
N. G. Das, Statistics

## Paper-8 : Quantitative Techniques

### Module-1 : (25 Marks) :

- 1. Introduction to Operation Research-History** : Approach, Techniques and tools.

2. **Linear Programming** : Motivation of linear programming problems. Statements of L. P. P. Formulation of L.P.P. Slack and Surplus variables L.P.P. Matrix form Basic solutions and Basic Feasible Solutions (B.F.S.) degenerate and Non-degenerate B.F.S. Fundamental Theorem of L. P. P. (statement only). Reduction of a feasible solution of BFS standard form of LPP. Solution by graphical method (for two variables), by a simplex method (not more than four variables). Feasibility and optimality condition, Method of Penalty. Concept of Duality. Duality Theory. The dual of the dual in the primal. Relation between the objective value of dual and principal/ problems. Dual problems with at most one unrestricted value, one constraint of equality.
3. **Transportation Problem** : Introduction - Mathematical formulation of transportation problem - the Transportation method for finding initial solutions-North West corner method - Least Cost Method - Vogel's Approximation method - test for optimality - Dual of a transportation model - steps of modi method-loops in transportation table - Degeneracy.
4. **Assignment Problem** : Introduction - Mathematical statement of the problem-Hungarian method of solution - Maximization case in assignment problem—Unbalanced assignment problem - restriction on assignment Travelling salesman problem.

**Module-2 : (25 Marks) :**

5. **Theory of Games** : Introduction - Two person zero sum games - Pure strategies - games with saddle points - rules to determine saddle points mixed strategies - Game without saddle points - the rules of dominance Methods of solution for games without saddle points—algebraic method arithmetic method - Graphical methods.
6. **Project Management PERT and CPM** : Introduction and Definition - Basic difference between PERT and CPM - PERT/CPM network components and precedence relationship - rules of Network Constructions - error and dummy in network critical path analysis-forward pass method - backward pass method-Float of an activity and event Critical Path - Probability in PERT analysis estimation of project completion time - project time cost trade of.
7. **Inventory Management** : Nature of the problem and need for control Deterministic and probabilistic conditions.

**References :**

- Swarup, Gupta & Man Mohan : Operation Research, Sultan Chand V.K.  
 Kapoor : Operations Resomch, Sultan Chand & sons.  
 C.R. Kothari : Quantitative Techniques - Nihas Publishing  
 R. C. Gupta : Quantitative Methods and Operations Research, CBS Publishing

**Paper-9 : Cost Accounting**

**Module-1 : (25 Marks) :**

1. Basics of cost and management accounting
2. Cost concepts and cost objects
3. Classification and analysis of cost.

4. Allocation of overhead cost-Limitation of the volume based methods-actual vs. predetermined.
5. Cost control, cost reconciliation and integrated accounts.

**Module-2 : (25 Marks) :**

6. **Methods of costing** : Job contract, process and service costing.
7. **Marginal costing** : (Conceptual concepts)- Concepts of marginal cost and marginal costing-Segregation of semi-variable overheads into variable and fixed elements-Ascertainment of marginal cost-Concept of profit under marginal costing-Break-even analysis-Computation of breakeven analysis and margin of safety.
8. **Marginal costing and management decisions** : Introduction of a new product-make or buy-problems of limiting factor and dropping a product line.

**References :**

- Owler & Brown : Wheldon's Cost Accounting, ELBS, Pitman.  
 Horngren, Hoster and Datar : Cost Accounting-A Managerial Emphasis, Prentice Hall of India Ltd.  
 Banerjee, B : Cost Accounting, World Press Pvt. Ltd.  
 Prasad. N. K. : Cost Accounting, Book Syndicate.

**Paper-10 : Advanced Financial Accounting**

**Module - 1 : (25 marks) :**

1. Disclosure in Company Accounts-Disclosure requirements as per Companies Act, Accounting Standard and SEBI guidelines
2. Structure of Company Accounts.
3. Valuation of Shares including goodwill.
4. Cash-flow Statement-Preparation as per AS 3 and interpretation.
5. Accounting for Liquidation of Companies-Preparation of The Statement of Affairs, The liquidator's Final Statement of Accounts and the Deficiency or Surplus Accounts.

**Module-2 : (25 Marks) :**

6. **Consolidated Accounts** : Preparation of consolidated Balance Sheet and Income Statement-Main provisions of AS 21.
7. **Schemes for Mergers and Amalgamations and Internal Reconstruction:** Provisions of AS 14.
8. **Segment Reporting** : Meaning of segment-Benefit of segment reporting Provisions of AS 17.

**References :**

- Banerjee, B : Regulation of Corporate Accounting and Reporting in India. The World Press.  
 Bedford, N. M : Extensions in Accounting Disclosure, Prentice Hall  
 Chakraborty, H : Advanced Accountancy, Oxford University Press.  
 Hanif & Mukherjee : Advanced Accountancy.



## PART - II

### Paper - 11 : Strategic Management

#### Module - 1 : (25 marks) :

1. **Introduction** : Concepts of strategy and strategic management-levels of strategy-mission and objectives-basic idea about strategic intent and core competence.
2. **Analysis and Diagnosis** : Environmental analysis and diagnosis : environmental factors, ETOP-internal analysis and diagnosis : internal factors, SAP-SWOT analysis.
3. **Strategic Options** : Alternative grand strategies-stability, growth, retrenchment and combinations-Mergers, Acquisitions and joint Ventures.

#### Module - 2 : (25 marks) :

4. **Choice of Strategy** : Process of strategic choice-Porter's approach : fiveforces model, three generic strategies, value chain analysis-Portfolio analysis.
5. **Strategy Implementation** : Interrelationship between formulation and implementation-issues in strategy implementation : basic idea about resource allocation, leadership and structural considerations.
6. **Strategy Evaluation** : Evaluation and control in strategic managementcriteria for strategy evaluation-strategy evaluation framework.

#### References :

- Ansoff, I : Corporate Strategy, Penguin  
Ansoff, I : Implanting Strategic Management, PHI  
Porter, M. E. : Competitive Strategy, free press  
Subba Rao, V : Strategic Management, Himalaya Publishing

### Paper-12 : Marketing & Human Resource Management

#### Module - 1 : Marketing Management (25 Marks) :

1. **Marketing tasks, concepts and tools** : how marketing practices are changing in the new competitive economy-defining and delivering customer value and satisfaction.
2. **Market-oriented strategic planning-scanning the marketing environment** : analysing Consumer markets and buyer behaviouridentifying market segments and selecting Target markets.
3. **Positioning and differentiating the market offering through the productlife cycle developing new market offerings.**
4. **Setting the product and branding strategy** : developing price strategies and programmes.
5. **Designing and managing marketing channels** : managing advertising, sales promotion, public relations and direct marketing-managing the sales force.

#### Module - 2 : Human Resource Management (25 Marks) :

1. **Meaning, Scope & Functions of Human Resource Management** : Defining, Scope, Objective, Importance of HRM Qualities, Role of HR Manager, Difference between PM & HRM.
2. **Human Resource Planning, Recruitment and Selection, WelfareProgrammes.**

- (a) HR Planning : Meaning Objectives, Processes, Succession Planning ;
- (b) Recruitment & Selection : Concepts, Objectives, Sources of Recruitment, Selection Process.
- (c) Welfare Programmes : Meaning and Objectives and Types of Welfare Programmes.

**3. Training & Performance Appraisal :** Meaning and Objectives ; Difference between

- (a) Training & developments ; Needs, Methods and evaluation.
- (b) Performance Appraisal : Meaning, Importance, Problems and Errors Potential Appraisal-Appriaisal Methods.

**4. Industrial Disputes & Industrial Relations :**

- (a) Industrial Disputes : Meaning, forms & causes ; Methods for Prevention & Settlement
- (b) Industrial Relations : Meaning, Importance, Characteristics & Factors Conditions for Congenial IRs : Meaning, Objectives & forms & Workers' Participation in Management.

**Referances :**

Kotler, Marketing Management, PHI.

Kotler and Armstrong, Principles of Marketing, PHI.

Ramaswamy and Namakumari, Marketing Management : Planning, Implementation and Control-The Indian Context, Macmillan India.

Neelamegham, Marketing in India : Cases and Readings, Vikas.

Srinivasan, Case Studies in Marketing : The Indian Context, PHI.

**Paper-13 : Corporate Financial Environement**

**Module - 1 : (25 marks) :**

1. Introduction to Indian Financial Environment
2. Role and importance of Financial Management
3. Mutual Funds - Types of Mutual funds - Performance Measurement.
4. International Financial Institutions.
5. Overview of Indian Stock Market-Primary Market - Secondary Market.
6. Stock Market Analysis - Fundamental and Technical Approach.

**Module - 2 : (25 marks) :**

7. Efficient Market Theory.
8. Overview of Fixed Income Securities - Bond market Instruments : Government and Corporate Debt Market.
9. Yield curve Analysis - Term Structure of interest rates.
10. Introduction to Derivatives and Derivative Markets.
11. Forward and Futures Contracts - Valuation - Stock Index Funtures.
12. Options Contracts - Option Pricing-Option Trading strategies.

**References :**

Gupta, R. L., Advanced Financial Accounting, S. Chand & sons.

Gedford, N. M. : Extensions in Accounting Disclosure, PHI

Zeff and Dharan, Readings and Notes on Financial Accounting, McGraw Hill  
Banerjee & Basu, Corporate Financial Reporting, University of Calcutta.

### **Paper 14 : Advanced Statistical Concepts and Tools Module-1**

**: (25 Marks) :**

- 1. Basic concepts of probability :** Introduction, definition of various terms, classical definition, empirical definition and axiomatic definition of probability. Random experiment, event, law of addition of probability, multiplication law of probability, conditional probability, independent events, pairwise independent events, Bayes theorem and its application.
- 2. Random variables :** definition of random variable, distribution function, discrete and continuous random variable, probability mass function, probability density function, discrete and continuous distribution function, joint probability law. Mathematical expectation-addition and multiplication theory of expectation and moment generating function.
- 3. Discrete probability distribution :** introduction, Binomial distribution, moments recurrence relation between the moments, moment generating function, Poisson distribution, moments, recurrence relation between the moments, Moment generating function, geometric distribution, moments of geometric distribution.
- 4. Continuous probability distribution, rectangular distribution, moments and MGF of rectangular function. Normal distribution, Chief characteristics of Normal distribution and Normal probability curve.**

**Module-2 : (25 marks) :**

- 1. Introduction :** types of sampling, probability sampling, simple random sampling, systematic sampling, stratified random sampling, cluster sampling, non probability sampling - convenient sampling, purposive sampling, judgement sampling and quota sampling.
- 2. Sampling distribution :** Introduction, sampling distribution of the mean, central limit theorem, T. F. Chi-square distribution.
- 3. Theory of estimation :** Introduction, characteristics of estimators, consistency, unbiasedness, sufficiency and efficiency, most sufficient estimator.
- 4. Testing of hypothesis. :** Basic concepts, hypothesis testing procedure, testing of population mean, population proportion, testing of difference between means, testing for population variance, testing of equality of two population variances, chi-square test, testing the goodness of fit, testing independence of categorized data.

**References :**

Goon, Gupta, Dasgupta : Fundamentals of Statistics. Vol I & II.

Mathai, Rathic : Probability and Statistics.

Kapoor, Saxena : Mathematical Statistics.

### **Paper-15 : Financial Statement Analysis and Reporting**

**Module - 1 : (25 marks) :**

- 1. Introduction :** Meaning and objective of Financial Management Analysis or origin of Financial Statement Analysis-sources of financial

statement information -traditional approach vs. new approach to Financial Statement Analysis      technique of Financial Statement Analysis.

2. **Profitability Analysis** : Application of accounting ratios for measuring profitability concept of economic value added.
3. **Analysis of growth and sustainable earnings** : The meaning of growth the analysis of changes in operation - Operating Leverage - Analysis of changes in financing - the analysis of growth in Investments - Analysis of Sustainable Earnings.
4. **Analysis of Liquidity and Solvency** : Measurement of liquidity and solvency by application of ratios-liquidity of inventory-Inventory turnover ratio-different approaches to calculate inventory turnover-liquidity of Debtors-Debtors turnover and velocity - Liquidity and Distribution of Current Assets.
5. **Analysis of Cash flow statement** : Utility of cash flow statement - cash flow statement as per AS3 – role of cash flow statement.
6. **Inter-firm comparison.**

#### **Module - 2 : (25 marks)**

7. **Concept of stock market efficiency** : Meaning of efficient stock market Random walk and market efficiency - Different forms of market efficiency - Anomalies of market efficiency - role of financial analyst in an efficient market.
8. **Corporate sickness** : Meaning of the term of corporate sickness Provisions of SICA-Suggested measures for turnaround.
9. **Prediction of Bond Risk and Credit Rating** : Different types of risks involved in bond holding - Meaning of Bond Risk Premium- with the help of models - utility of forecasting Bond Risk Premium-Meaning of Credit Rating - Models on forecasting of Credit Rating - Credit Rating and Accounting Ratios - Cash flow and Credit Rating.
10. **Analysis of Merger** : Different forms of corporate merger - Benefits and motives for merger - Evaluation of prospective merger proposals and post merger performance.
11. **Corporate Financial Reporting in India** : Emerging issues and reporting practices.

#### **References :**

Lev. B., Financial Statement Analysis : A new approach, PHI

Foster. G., Financial Statement Analysis, PHI

Foulke, A. R. Practical Financial Statement Analysis, Total McGraw Hill.

### **Paper - 16 : Corporate Tax Planning and Management**

#### **Module - 1**

1. **Concept of Tax Planning** : Corporate Tax Planning - Tax Planning in Strategic & Project Related Decisions - Tax Avoidance.
2. **Tax Planning in functional Management** : Employees' remuneration : Tax implication and planning consonant with company law requirements Research & development.

- 3. Tax Planning with reference to financial management decisions :** Capital structure decision, Dividend policy - Inter - corporate dividend and capitalization of reserves and surplus.

#### **Module - 2**

- 4. Corporate Strategies :** Setting up of new business. Tax aspects of amalgamation and merger. Tax implication of foreign collaboration agreements. Corporate failure and contraction.
- 5. Tax consideration with regard to specific management decisions such as** (i) make or buy, (ii) own or lease, (iii) retain or replace.
- 6. Tax management :** Procedural aspects of assessment, appeal and revision, review and rectification.

#### **References :**

Law and Practice of Income Tax in India-Kanga and Pallivala.

Direct Taxes : Law and Practice : Bhagati Prasad

Corporate Tax Planning F.A. Srinivas

Corporate Tax Planning : D. A. Upponi

### **Paper - 17 : Management Accounting**

#### **Module - 1 :**

- 1. Introduction :** Definition, functions and scope of management accounting ; difference with other branches of accounting ; role, position and responsibility of management accountant.
- 2. Marginal Costing and Management Decision :** Concept and its application in Cost - Volume-Profit (CVP) analysis and managerial decision-making.
- 3. Management Control Systems :** Standard Costing and Variance Analysis - definition-objectives - advantages and limitations of standard costing standard costing vs. budgetary control - analysis and interpretation of variances - reconciliation of budgeted and actual profit. Budgetary Control - Functional budgets - master budget - flexible budget - flexible budgeting - zero - base budgeting - performance budgeting - Programme budgeting.

#### **Module - 2 :**

- 4. Performance Measurement and Responsibility Accounting :** Return on Investment - Residual Income - Economic value Added - Balanced Scorecard. Concept of responsibility centre-responsibility accounting and reporting - preparation of reports under responsibility accounting system.
- 5. Transfer Pricing :** Need - principles - different methods and their applicability.
- 6. Activity based Costing and Activity - based Management :** Concept of activities - cost drivers - cost pool - activity - based costing (ABC) advantages and limitations of (ABC) - traditional costing vs. ABC - cost analysis and recovery of overheads under ABC - using ABC systems for cost management and profitability improvement.

#### **References :**

Management Accounting - M. Y. Khan & P. K. Jain, TMH

Management Accounting principles - R. N. Anthony & T. R. Recce. Homewood III : R. D. Irwin, Inc.

## **Paper - 18 : Financial Management**

### **Module - 1 :**

1. **Introduction** : Functions of Financial Management - Objectives of firm : Profit maximization and value maximization.
2. **Some basic concepts of Finance** : Time value of money - risk - return relationship.
3. **Various sources of Finance** : Long, medium and short-term - Indian financial system (brief introduction)
4. Cost of Capital
5. Analysis of leverages and capital structure theories and planning.

### **Module - 2 :**

6. Management of various components of working capital
7. Capital budgeting decisions of the firm
8. Dividend decisions
9. Financial management of sick enterprises
10. Portfolio management.

### **References :**

- Financial Management - James C. Van Horne, PHI  
Financial Management-Theory & Practice - Prasanta Chandra TMH.  
Financial Policy and Management Accounting - B. Banerjee, world Press.  
Financial Management - Khan & Jain, TMH  
Financial Management - IM Pandey, Vikas.

## **Paper - 19 : Auditing**

### **Module - 1 :**

1. **Auditing** : Nature and scope, audit process, objective of audit - Relationship between Accounting and Auditing principles - Types of Audit - periodical audit, interim audit, continuous audit - Extended meaning of audit, philosophy of audit - Auditing as a social science and social objects of audit.
2. **Planning and Programming of Audit** : Planning the flow of audit work, Audit checklist-Review of audit notes and working papers - Reliance on another auditor, on internal auditor and on an expert.
3. **Evaluation of Internal Control System and Internal Audit** : Evaluation of internal control procedures - Techniques including questionnaire, flow-chart etc., -internal audit - scope, duty, rights - coordination between the two - Role of Audit Committee.
4. **Statements / Standards and Guidance Notes** : Concepts of generally accepted accounting principles - their significance with reference to audit - Concepts of generally accepted auditing Standards - Statements of Auditing and assurance standard issued by ICAI - Compliance with accounting standards including Standards issued under Income Tax Act.

5. **Audit of Limited Companies** : Statutory requirements - Audit report independence of auditor-concept of true and fair and materiality in the context of audit of companies - dividends and divisible profits.
6. **Special Audit** : Concept of Management and Operational Audit - its nature & purpose & organization ; Cost Audit - Forecast Audit - Audit of interim financial statements - Limited review - as per listing agreement.
7. **Application of EDP for Audit** : Specific problems of EDP audit - need for review of internal control - techniques of audit of EDP output - Use of computers for internal and management audit purposes - Audit implication of Computer - aided auditing.
8. **Professional Ethics and Code of Conduct** : Enhancing the quality of audit - emerging issues and measures.

#### **References :**

Contemporary Auditing - Kamal Gupta, Tata McGraw Hill

Auditing : Theory & Practice - P. Kumar, P. Sachdeva & J. Sing,

Fundamentals of Auditing - Gupta & Aurora, Tata McGraw Hill

Cost Audit & Management Audit - Sexena & Vashit, Sultan Chand & Sons.

### **Paper - 20 : Computer Applications in Business**

#### **Module - 1 :**

1. **Computer Hardware** : Computer system as information system ; Computer system difference - types of computer systems, hardware options - CPU, input devices, output devices, storage devices, communication devices, configuration of hardware ; devices and their applications.
2. **Personal Computers** : PC and its main components, hardware configuration, CPU and clock speed, RAM and secondary storage devices, other peripherals used with PC ; Factors influencing PC performance ; PC as a virtual office.
3. **Modern Information Technology** : Basic idea of Local Area Networks (LAN) and Wide Area Networks (WAN) ; E-mail ; Internet technologies, access devices, concept of a World Wide Web and Internet browsing ; Multimedia.

4. **Introduction to Operating Systems** : Software needs, operating systems, application software, programming languages ; DOS ; Windows-Window explorer, print manager, control panel, paintbrush, calculator, desktop, lvy computer, find, run, UNIX.

**Module - 2 :**

5. **Word Processing** : Introduction and working with MS-Word in MS-Office ; Word basic commands ; Formatting - text and documents ; Storing and tables ; Working with graphics ; Introduction to mail-merge.
6. **Spread Sheets** : Working with EXCEL-formatting, functions, chart features ; Working with graphics in Excel ; Using workshop as database in accounting, marketing, finance and personal areas.
7. **Presentation with Power-point** : Power-point basics, creating presentations the easy way ; Working with graphics in Power-point ; Show time, sound effects and animation effects.
8. **Introduction to Accounting Packages** : Preparation of vouchers, invoice and salary statemets ; Maintenance of inventory records ; Maintenance of accounting books and final accounts ; Financial reports generation, Practical knowledge on Wings Accounting and Wings Trade (Software), Tally etc.

**References :**

- Introduction to Microprocessor - Aditya P. Mathur  
Microprocessor, Microcmputer & Their Application - A. K. Mukhopadhyay.