

SYLLABUS FOR M.COM. PART II.

2) Group- FINANCIAL MANAGEMENT.

PAPER -I.

Title - BASICS OF FINANCE.

- 1) Introduction to Financial Management :
Nature, Functions, Scope- Goals and objectives-
Relationship with other functional departments-
Financial Planning -
Importance of financial plan - principles - fundamental
relations in financial plan - capitalisation - Bases of
capitalisation - over capitalisation : meaning causes,
effects, corrective steps- Under Capitalisation :
meaning, causes effects and corrective steps.
- 2) Budgets and budgetary Control:
Concept of budgets and budgetary control as means of
financial planning and control - objectives ; advantages
limitations - Essentials for effective budgeting- Budget
Committee- organisation and implementation of budgets
and budgetary control - Types of budgets- classification
quantitative and monetary budgets, functional budgets-
Fixed and flexible budgets - budgetary control - Report
ing System- variations in actuals - reasoning- responsi-
bility and accountability - remedies- Budget Manual.
- 3) Long term investment decisions :
Capital budgeting - Meaning, importance, difficulties
Rationale of capital budgeting- kinds of capital bud-
geting decisions. Data requirement - Methods of appra-
isal and ranking decisions - Urgency, Pay-back, Average
Rate of Return, Discounted Cash flow, Net present value,
Capital Rationing - Meaning, importances, Methods-
Capital expenditure and inflation.
- 4) Cost of Capital : and Capital Structure :
Capital structure : Theories : Net Income Approach,
Net operating Income approach - Modigliam - Miller
Approach - Traditional Approach.
Cost of Capital - Basic Concepts and assumptions - Cost
of equity, preference capital - cost of debt capital.,
cost of external equities and retained earnings, weighted
average cost of capital.

- 5) Sources of finance :
Long term finance - Equity, preference shares, debentures, Term Loans, deposits - Deferred credits - Institutional financing.
Internal funds - Dividend policy - determinants of dividend policy - legal and financial constraints- capital market consideration - Dividend and Taxation - Bonus Shares :- as source of capitalisation - legal aspects provisions of companies Act.
- 6) Special Topics :-
Merger and acquisitions - Financial Services- leasing and Hire purchase - privatisation of public enterprises- Industrial sickness and Rehabilitation - International Financial Management.
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SYLLABUS FOR M.COM PART II.

PAPER II.

TITLE : FINANCIAL DECISIONS AND ANALYSIS

- 1) Concept of Decision Making in finance : Types of financial decisions at different levels - Informations needs Financial Information System - application of concept of MIS in financial system - preparation and presentation of final accounts. Published accounts - accounting policies and standards.
- 2) Operating and financial leverage : Meaning, importance, use - EBIT-, EPS Analysis, Measures of financial leverages combined leverages, total risk element.
- 3) Techniques of financial forecasting - Fund flow analysis, cash flow analysis, ratio analysis.-projecting financial statements: Preparation of project report for institutional finance-Term Loan appraisal by financial institutions- SICOM, ICICI, MSFC, IDBI, Commercial banks- study of Reports of different committees - Tondon Committee, Chore Committee- project Report for industrial Trading service and non-profit making units like Hospitals.
- 4) Working Capital Management : Milk society - concept and meaning of working capital, components of working capital - planning for working , capital assessment of working capital needs - financial and control of working capital - forms of credit working capital and

Bank finance - Types of bank credits - cash credit ,
pledge, Hypothication, overdraft, Bills discounting
and purchase-

5) Cash Management : Objectives - factors determining
cash needs, cash budget, cash management. Tools- Reporting
system for cash management.

6) Inventory Management : Need for inventories- Functions,
objectives- cost- benefits- Levels of stocks- Minimum
maximum , reorder, Danger levels as tools of inventory
Control -EOQ- valuation of Inventories- perpetual, peri-
odic and physical inventory.

7) Receivables Management : objectives - cost, benefits
analysis- credit policies- credit terms- collection poli-
cies-- control of receivables.

8) Marginal Costing : Concept of Marginal Cost, marginal
costing- basic characteristics of marginal costing-
B.E.P. - Cost.- volume- profit analysis- Break Even
Charts and profit charts - Concept of differential cost,
Incremental Cost- Contrinution - Key factor - Multile
Key factor - Application of this technique in different
managerial decisions.

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PAPER: III GROUP: FINANCIAL MANAGEMENT AND SECURITY MARKETS.

TITLE : FINANCIAL SYSTEMS.

1. Financial System : Introduction-Importance in developing economy - Indian Financial System upto and after 1951 - changes since 1990.
2. Financial Markets : Capital Market, Money Market, - Banking and Financial Institutions - Role and functions, working - critical appraisal of MSFC, IFCI, ICICI, IDBI, SIDBI, UTI, LIC, SICOM.
3. Industrial Securities Market : Primary and Secondary Market- objectives of Capital Issues Control Act, 1947-Reasons for repealing Act - Control of Government on Industries - Industrial Policies - Impact of Financial Markets.
4. New Issues Market : Meaning, functions, various methods of floating an issue - Prospectus - Sale - Private placement - Right Issue - Preference Shares - Bonus Shares - Cost of floatation - Underwriting activities - Problems of New Issue Market - Study of relevant provisions of companies Act for Share Issuerquity, preference, bonus issue - Provisions relativity to debentures, public deposits - Maintenance of records, returns and accounts.
5. Stock Exchanges and SEBI : Concept - History and development of Stock exchanges - Regulations regarding stock exchanges - organisation - Membership - Governing body - Patel Committee - Trading regulations - Investors protection - Introduction of SEBI - Act - objectives - recent decisions to regulate market.
6. Some concepts in Stock Markets : Trading Ring - Souda Block Book - Settlement - Badla, Factors influencing Badla Rate - Badla Financing - kinds of deliveries - Bull - Bear - Book closures - over the counter Exchanges in India and National Stock Exchange.
7. Corporate Finance and Tax Planning - Tax Incentives to SSI Under Income Tax Act.
8. Study of different Schemes of State and Central Government for SSI, Employment promotion and women employment. - Capital Subsidy - Sales Tax differentials - Incentive Schemes - MODVAT : special features.
9. Study of State and Central budget - Form, objectives, procedures of preparation and presentation and sanction.

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NORTH MAHARASHTRA UNIVERSITY, JALGAON.

SYLLABUS FOR M.COM. PART - II

TO BE INTRODUCED FROM JUNE, 1994.

3) GROUP : ADVANCED COSTING.

PAPER - I

TITLE : ELEMENTS OF COST AND METHODS OF COSTING.

1. Introduction :

Introduction to basic concepts in costing : Cost, Costing, Cost Accounting Cost Accountancy classification of Cost - Elements of cost.

Statement of Cost :

Cost Sheet, Tenders, Quotations, items to be excluded from cost.

2. Inventory Management :

Purchasing, receiving, storage of materials management, Fixed order Quantity System, Replenishment System - Stock Levels - Fixation of Maximum, Minimum, Reordering, Danger Levels - Use of Levels for Inventory Control - EOQ - Concept, Fixation of EOQ and its use. - ABC Analysis.

Materials Accounting :

Stores Ledger, Bin card, Direct and Indirect Materials, Materials Abstract - Methods of materials issue pricing Treatment of losses, defectives, wastages, scraps. Computation of materials cost per unit of output - Detection, location and prevention of slow and non-moving or obsolete materials.

3. Labour :

Labour routiens : classification of labour, Time booking, Time Keeping - Time & Motion Study, labour productivity, works study, methods study, works Measurement, Labour Turnover - Accounting and Treatment of Direct and Indirect Labour Cost - Computation of labour cost rates - Idle time, overtime.

4. Overheads :

Classification : Functional, Variability - Accounting of overheads : collection, allocation, apportionment and absorption of overhead costs - Different methods of allocation, apportionment and absorption of overheads - Repeated Distribution, Simultaneous Equation - MHR, LHR, Percentages basis - over and under absorption - reasons and treatment.

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5. Methods of Costing :

Job Costing, Contract Costing, Batch costing, operating costing as applied to service sector-Transport, Hotels, Hospitals, University, Tourist Trips-Unit costing, Multiple costing, By-products, joint products, uniform costing.

6. Process Costing :

Preparation of Process cost Accounts - Normal Loss, abnormal loss/gain, concept of equivalent production - valuation of work-in-progress on FIFO, LIFO and weighted Average basis - Interprocess profits.

GROUP : ADVANCED COSTING.

PAPER - II

TITLE : COST ACCOUNTING & COSTING TECHNIQUES.

1. Cost Accounting :

Books of accounts in Cost Accounting - various subsidiary ledgers-documents necessary to construct subsidiary ledgers - Books of original Entry - Purpose of control . Accounts - their nature and procedures of posting from subsidiary ledgers to control Accounts - Double entry accounting system as used in cost accounts, Accounting cycle - preparation of ledger adjustment Accounts, WIP Account and other control Accounts from a given set of transactions.

2. Integral/ Integrated Accounts :

Meaning, nature necessity - process to be used in preparation of integral accounts - practical problems on preparation of integral accounts from a given set of data.

3. Reconciliation of Cost accounts and financial accounts :

Necessity-procedures to be adopted in preparation of reconciliation statements - Ascertainment of Profits as per financial accounts, cost accounts and preparation of reconciliation statements from a given set of transactions and information.

4. Budgets and budgetary control :

Objectives, Methods of preparation of budget - Budget Committees - role, organization and functions and position in the organisational pattern.

Types of budgets : Classifications on different basis - Quantitative, physical, monetary budgets, functional

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budgets, long term and short term budgets, Fixed and flexible budgets.

Budgetary Control : Introduction of budgets in accounting systems, budgetary control Reports-Comparisons of budgets and actuals-reconciliation: reasoning, Responsibility accounting-Budget revisions.

5. Marginal Costing :

Basic concepts, B.E.P., Cost volume-profit analysis, Break Even charts and profit charts-concept of Differential cost, Incremental cost, contribution, key factor, Multiple key factors.

Application of this technique in different managerial decisions - make or buy, Idle capacity, plant shut down, process further or sell, product Mix, competitive pricing, acceptance of contracts, submission of tenders, export pricing, equipment replacement.

6. Standard Costing :

Concept - Standard cost and standard costing - Budgetary control and standard costing-Guidelines for establishment of system of standard costing - setting of standards - Types of Standards - concept of Standard Hour - Variance analysis -Material, labour, overheads, sales variances - Accounting under Standard Costing - Partial Plan, Single plan, Dual plan, Disposition of variances.

7. Value Analysis :

Concept, objectives, procedures, advantages and limitations.

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GROUP : ADVANCED COSTING

PAPER - III

ADVANCED COST ANALYSIS & FINANCIAL DECISIONS

1. Capital Investment Decisions :

Control of Capital expenditure - concept of capital budgeting.

Rationale of capital budgeting - Data for capital expenditure decisions, Methods of Ranking Investment proposals - Urgency, Payback Method, Average Rate of Return, Discounted cash flow Method, Net Present Value Method - cost of capital - capital priorities and rationing capital Expenditure and inflation - plant replacement project - capital expenditure decisions in service sector. - Hire purchase and leasing.

2. Productivity :

Concept, meaning and importance - methods of measurement of productivity - productivity and related ratios - Improvement of productivity.

Cost Reduction - Meaning - cost Reduction and cost control - organisation of cost reduction programme Requisites of a satisfactory cost reduction scheme - fields covered by cost reduction - Tools and Techniques of cost reduction.

3. Costing and operations Research : (Elementary Introductory level only) :

Meaning of O.R., Introduction to tools of O.R., Linear programming - upto development and formalation of problem and equation.

- Transportation Model.,

- CPM - Activity Time, Float or slack, Dummy, -Development of CPM - PERT - (Introduction only)

4. Cost Audit :

Nature, objects and scope of cost audit - Distinction between financial audit and cost audit - Appointment, rights and responsibilities of cost auditor under companies Act. - Cost Audit Report - contents of the Report - cost Accounting Records Rules u/s 209 of companies Act. , - study of provisions u/s 233(B) of companies Act - MAOCARO- productivity audit - Management audit - efficiency Audit.

5. Cost Information System (CIS) and Reporting :

As a part of MIS, CIS and decision making - cost Information needs at different levels of management - Requisites of an effective information system - forms of presentation - various reports. Graphs, charts, tables, digrams . Requirements of financial Institutions for Cost Data in project appraisal - SICOM, MSFC, ICICI, IDBI.

6. Other Uses of Cost :

Government and cost Accounting - cost investigation and cost audit for price ^{fixation in respect of goods subject to price} control - cost accounting for grant of subsidy, price approval by Central Excise authorities - Zero- base budgeting -

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M.COM PART II

PREScribed BOOKS FOR ADVANCED COSTING

Name of the Books	Author
1. Principles & Practice of Cost Accounting	- N.K.PEASAD.
2. Cost Accounts Methods & Practice	- B.K.EHAR.
3. Lectures on Costing	- SWAMINATHAN.
4. Advance Cost Accounting	- SHARMA & NIGAM.
5. Advance Cost Accounting	- JAIN & NARANG.
6. Cost Accountancy	- BLOCKER & WELTMRE.
7. Principles of Management Accounting	- MANMOHAN GOYAL.
8. Head book of Costing	- BHATTACHARYA.
9. Cost and Management Audit	- J.G.PIKHE.
10. Cost Audit	Publication by Institute of Cost and Works Accounts.
11. Cost Audit Manual	- BANARJEE.
12. Quantitative Techniques	- L.C.JHAMB.
13. Operation Research	- GUPTA.
14. Operation Research	- KANTI SWARUP.
15. Operation Research	- S.D.SHARMA.
16. Operation Research	- H.D.TAHA.

GENERAL REMARKS ABOUT PROJECT REPORT :

1. Each Student should prepare the project report on the basis of study of application to Industry business house/Firm/Bank of any topic included in syllabi.
2. Each student should be assigned to concerned teacher guide.
3. Subject, topic and unit should be finalised by 30th sept. of the academic year.
4. Final certified project report should be submitted to college latest by 31st January of academic year in 3 copies - 1 to University, 1 to College and 1 to student.

MCCOM. PART II

GROUP : ADVANCED ACCOUNTANCY .

PAPER I

⑥ TITLE : ADVANCED ACCOUNTANCY.

1. Higher aspects of company accounts :
A amalgamation, absorption and reconstruction of companies -
Liquidation of a company :
Preparation of Statement of affairs.
2. Valuation of shares and goodwill.
3. Accounts of holding companies and preparation of consolidated
Balance sheet for holding companies with one or more
subsidiaries.
4. Branch Accounts :
Advanced study including incorporation procedure of
final accounts , and foreign branches.
5. Hire purchase Trading Account.
6. Underwriters Accounts and accounts of professionals.
7. Theory of Inflation accounting and price level changes.
8. Final accounts of Urban Co-operative banks - Study of
relevant provisions of Co-operative Societies Act and
preparation of final accounts.
9. Accounts of commission agents and share brokers :
- Study of procedures followed and documents used and
preparation of accounts.
10. Government Accounting :
Meaning, objects, classification of accounting heads,
procedures.
11. Accounting principles, concepts and conventions.

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PRESCRIBED BOOKS :

1. Accountancy - Pickles.
2. Advanced Accountancy - Shukla & Grewal.
3. Advanced Accountancy - R.L.Gupta.
4. Advanced Accountancy - J.R.Datliboy.
5. Financial Accounting Advanced - B.D.Agrawal.
6. Advanced Accountancy - H.Chakrawarty.
7. Advanced Accountancy - Yorston & Smite.
8. Accountancy - S.K.R.Paul.

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M.COM. PART - II

GROUP : ADVANCED ACCOUNTANCY

PAPER II

TITLE : 'AUDITING'

1. Audit of a Limited Company :
Appointment, removal. Qualifications, disqualifications, rights, duties and liabilities of an auditor. Civil and criminal, liabilities - study of case laws. - statutory auditors responsibility with reference to branch audit and joint audit.
2. First year audit of a Limited Company :
Audit of Share Capital - Statutory audit - Preparation of Statutory report - Preliminary expenses - promotional expenses - Pre-incorporation contracts and transactions - special report for prospectus.
3. Dividends and divisible profits - financial, legal and policy considerations.
4. Audit Report - Types of reports - clean - qualified Report - concept of 'True and fair' and responsibility which flows out of this concept in connection with audit of companies. Notes on accounts - accounting policies - distinction between notes and qualifications - events occurring after Balance Sheet date. - Preparation of reports.
5. Investigation of accounts - Meaning, Objects Types - Investigation and audit ; a comparative study - Related provisions under companies Act.
6. Audit of Banking companies and Urban co-operative Banks : central statutory audit - Reliance on Internal check and internal control.- Balance Sheet audit - Income Recognition - Health Code Classification - Analysis of advances - LFAR.
7. Audit of Insurance companies.
8. Management audit - efficiency and productivity audit - meaning aims, objectives and procedures.
9. Government System of audit - Role of CAG - aims and objectives and procedures followed.- PAC- role and functions - audit of public sector undertaking.
10. Cost audit : Concept - Relevant provisions under companies Act.
11. Introduction to audit of computerised accounts study of programmes and softwares - distinctive approach needed for such audit - procedure to be followed.

12. International Accounting Standards and accounting policies.
13. Audit under provisions of Section 44 AB of Income Tax Act.
14. Professional ethics and code as applied to auditors in India.

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M.COM. PART II

GROUP : ADVANCED ACCOUNTANCY

PAPER III.

TITLE : TAX LAWS.

- 1) Income Tax Act :
 - a) Definitions - Person, Income, Assessee, Assessment Year- Previous year - Agricultural Income.
 - b) Residential status and charge of income.
 - c) Income not included in total income u/s 10.
- Income Trusts or institutions u/s 11,12,13.
 - d) Computation of Income under different Heads-
- Income from salary, House property,
Profits and gains, capital gains, other sources.
(Sec. 28 to 43 only)
 - e) Computation of Total Income - deductions u/s 80 HH
80G, 80I, 80GG, 80L, 80M, 80P, 80U- Rebate u/s 88,
88A, 88B, set ^{off} and carry forward of losses-
clubbing provisions.
 - f) Computation of Income in case of partnership firms
- Book profits- Interest and Salary to partners.
 - g) Procedure for assessment : Study of provisions u/s
139, 140, 141, 142, 143, 144, 147, 148, 153, 154,
- Procedure for appeals and revisions.
 - h) Income Tax authorities - appointment, rights, duties
and control.
 - i) Study of provisions related to search and seizure
u/s 131, 132, 133.
 - j) Interest and penalties under Income Tax Act.
- 2) Wealth Tax Act - Definitions- Asset- Net Wealth- valu-
ation date- charge of wealth Tax- Exempt assets &
Taxability - Valuation of Immovable Property.
- 3) Gift Tax Act : Definitions - Donor, Donee, Gift,
Transfer of property - charge of Gift Tax , Deemed
gifts- exemptions- computation ^{of} taxable gift.

(Note: Provisions to be studied : As applied to the
assessment year similar to academic year, .e.g. for
academic year 1994-95, provisions as applied to Assessment
year 1994-95 should be studied)
