

**Master's Degree Course in Commerce (M.Com.) - External**  
**Revised with effect from 2015-16**

**(1) Objectives :**

1. To equip and train our post graduate students to accept the challenges of 21st Century
2. To Study and analyze the new industrial and commercial culture
3. To make aware the students for acquiring the knowledge of specialized subjects.
4. To understand and measure current events, develop independent logical thinking, train towards personality development
5. To equip the students for seeking suitable employment and entrepreneurship ability
6. To impart knowledge and develop understanding of research methodology and its application
7. To study methods of Data Collection and its interpretations to develop communication and analytical skills in generalization of things, concepts and symbols used in business.

- (2)** The M.Com. degree shall be second degree building on the base provided at B.Com. degree level. The M.Com. degree programme provides an opportunity to acquire advanced knowledge in the main areas of commerce. A student who has passed B.Com. degree examination of this University or any other recognized University shall be admitted to M.Com. Course.
- (3)** The M.Com. Course will be of 2 years duration consisting of 2 parts Part I and Part II. At each part there will be 4 papers of 100 marks each. Thus M.Com. degree examination- Part I and II shall be of 800 Marks.

**The following shall be the scheme of papers**

| <b>M.Com. Part I</b>  |   |
|---|---|
| <b>Course Code</b>  | <b>Subject</b>  |
| <b>Compulsory Paper</b>   |   |
| 101   | Management Accounting and Financial Analysis and Control  |
| 102 (A)<br>102 (B)  | <b>Choose any one Subject of the following as a Compulsory Paper</b><br>Strategic Management<br>Industrial Economics                                  |
| <b>Choose any one Group of the following as a Special Paper</b> |   |
| <b>Group A</b>  | <b>Advanced Accounting &amp; Taxation</b>   |
| 103   | <b><i>Advanced Accounting &amp; Taxation Special Paper I</i></b><br>Title -: Advanced Accounting and Income Tax                                       |
| 104   | <b><i>Advanced Accounting &amp; Taxation Special Paper II</i></b><br>Title -: Specialized Areas in Accounting and Business Tax Assessment & Planning. |
| <b>Group B</b>  | <b>Commercial Laws &amp; Practices</b>  |
| 105   | <b><i>Commercial Laws &amp; Practices Special Paper I</i></b><br>Title -: Information system & E-Commerce practices & Intellectual Property Laws      |

|                |  |
|----------------|--|
| 106            | <b><i>Commercial Laws &amp; Practices Special Paper II</i></b><br>Title -: E-Security & Cyber Laws and Laws Regulation to Copyrights & Design. |
| <b>Group C</b> | <b>Advanced Cost Accounting &amp; Cost system</b>  |
| 107            | <b><i>Advanced Cost Accounting &amp; Cost system Special Paper I</i></b><br>Title -: Advanced Cost Accounting.                                 |
| 108            | <b><i>Advanced Cost Accounting &amp; Cost system Special Paper II</i></b><br>Title -: Cost Control and Cost Systems.                           |
| <b>Group D</b> | <b>Co-operation &amp; Rural Development</b>  |
| 109            | <b><i>Co-operation &amp; Rural Development Special Paper I</i></b><br>Title -: Co-operative Movement in India and Abroad.                      |
| 110            | <b><i>Co-operation &amp; Rural Development Special Paper II</i></b><br>Title -: Organization and Management of Co-operative Business.          |
| <b>Group E</b> | <b>Business Practices &amp; Environment</b>  |
| 111            | <b><i>Business Practices &amp; Environment Special Paper I</i></b><br>Title -: Organized Trade Markets   |
| 112            | <b><i>Business Practices &amp; Environment Special Paper II</i></b><br>Title -: Modern Business Practices                                      |
| <b>Group F</b> | <b>Business Administration</b>   |
| 113            | <b><i>Business Administration Special Paper I</i></b><br>Title -: Production Operation and Financial Management / Knowledge Management.        |
| 114            | <b><i>Business Administration Special Paper II</i></b><br>Title -: Business Ethics, Professional Values.                                       |
| <b>Group G</b> | <b>Advanced Banking &amp; Finance</b>  |
| 115            | <b><i>Advanced Banking &amp; Finance Special Paper I</i></b><br>Title -: Law & Practices of Banking  |
| 116            | <b><i>Advanced Banking &amp; Finance Special Paper II</i></b><br>Title -: Central Banking & Monetary Policy                                    |
| <b>Group H</b> | <b>Advanced Marketing</b>  |
| 117            | <b><i>Advanced Marketing Special Paper I</i></b><br>Title -: Marketing Management  |
| 118            | <b><i>Advanced Marketing Special Paper II</i></b><br>Title -: Customer Relationship Management & Retailing                                     |

|                       |                |
|-----------------------|----------------|
| <b>M.Com. Part II</b> |                |
| <b>Course Code</b>    | <b>Subject</b> |

| <b>Compulsory Paper</b>   |   |
|---|---|
| 201   | Business Finance  |
| 202 (A)<br>202 (B)  | <b>Choose any one Subject of the following as a Compulsory Paper</b><br>Research Methodology for Business<br>Industrial Economic Environment                            |
| <b>Choose any one Group of the following as a Special Paper</b> |   |
| <b>Group A</b>  | <b>Advanced Accounting &amp; Taxation</b>   |
| 203   | <b><i>Advanced Accounting &amp; Taxation Special Paper III</i></b><br>Title -: Advanced Auditing and Specialized Areas in Auditing                                      |
| 204   | <b><i>Advanced Accounting &amp; Taxation Special Paper IV</i></b><br>Title -: Recent Advances in Accounting, Taxation & Auditing and Case Studies.                      |
| <b>Group B</b>  | <b>Commercial Laws &amp; Practices</b>  |
| 205   | <b><i>Commercial Laws &amp; Practices Special Paper III</i></b><br>Title -: Laws Relating to International Business and WTO - Norms & Practices.                        |
| 206   | <b><i>Commercial Laws &amp; Practices Special Paper IV</i></b><br>Title -: Recent Advances in Commercial Laws and Practices and Case Studies.                           |
| <b>Group C</b>  | <b>Advanced Cost Accounting &amp; Cost system</b>   |
| 207   | <b><i>Advanced Cost Accounting &amp; Cost system Special Paper III</i></b><br>Title -: Cost and Management Audit.   |
| 208   | <b><i>Advanced Cost Accounting &amp; Cost system Special Paper IV</i></b><br>Title -: Recent Advances in Cost Accounting and Case Studies in Cost and Works Accounting. |
| <b>Group D</b>  | <b>Co-operation &amp; Rural Development</b>   |
| 209   | <b><i>Co-operation &amp; Rural Development Special Paper III</i></b><br>Title -: Co-operative credit and Banking system.  |
| 210   | <b><i>Co-operation &amp; Rural Development Special Paper IV</i></b><br>Title -: Recent Advances and Case Studies in Co-operation.                                       |
| <b>Group E</b>  | <b>Business Practices &amp; Environment</b>   |
| 211   | <b><i>Business Practices &amp; Environment Special Paper III</i></b><br>Title -: Entrepreneurial Behavior and Entrepreneurial Development Pattern                       |
| 212   | <b><i>Business Practices &amp; Environment Special Paper IV</i></b><br>Title -: Recent Advances in Business Practices, Environment and Case Studies                     |
| <b>Group F</b>  | <b>Business Administration</b>  |

|                |   |
|----------------|---|
| 213            | <b><i>Business Administration Special Paper III</i></b><br>Title -: Human Resource Management and Organizational Behavior.      |
| 214            | <b><i>Business Administration Special Paper IV</i></b><br>Title -: Recent Advances in Business Administration and Case Studies. |
| <b>Group G</b> | <b>Advanced Banking &amp; Finance</b>   |
| 215            | <b><i>Advanced Banking &amp; Finance Special Paper III</i></b><br>Title -: International Finance.                               |
| 216            | <b><i>Advanced Banking &amp; Finance Special Paper IV</i></b><br>Title -: Research Methodology & Case Studies.                  |
| <b>Group H</b> | <b>Advanced Marketing</b>   |
| 217            | <b><i>Advanced Marketing Special Paper III</i></b><br>Title -: Marketing Research & International Marketing                     |
| 218            | <b><i>Advanced Marketing Special Paper IV</i></b><br>Title -: Recent Trends in Marketing  |

**(4) Standard of Passing**

A candidate is required to obtain at least 40 marks out of 100 to pass in each paper at the Annual Examination (in case of regular candidates 32 marks out of 80 marks at the Annual Examination).

A regular candidate shall be declared to have passed in the paper provided he/she has secured an aggregate of 40% marks in the Term End and Annual Examination taken together in paper. Passing in Term End examination is not compulsory. A candidate having 32 marks out of 80 marks in the Annual Examination and Term End Examination taken together may improve his performance in the paper by appearing only for Annual Examination.

**(5) Award of Class :**

The class in respect of M.Com. Examination be awarded to the candidates on the basis of aggregate marks obtained by them in all the eight papers at the Part I and II together. The award of Class shall be as under :

- |      |                        |   |                              |
|------|------------------------|---|------------------------------|
| i.   | 70% and above          | : | First Class with Distinction |
| ii.  | 60% and above but less | : | First Class than 70%         |
| iii. | 55% and above but less | : | Higher Second than 60%       |
| iv.  | 50% and above but less | : | Second Class than 55%        |
| v.   | 40% and above but less | : | Pass Class than 50%          |
| vi.  | Less than 40%          | : | Failure                      |

At the time of filling the examination (Part I/II) from a candidate is allowed to exercise the option by submit-ting declaration authorizing the University to declare as failed in case of his/her aggregate marks failing below

In that case for exemption the candidate has to obtain 55% marks in each paper. The candidate who has opted option can cancel the same within 3 months from the date of declaration of the result. The Class Improvement Scheme shall be continued. The improvement of Performance shall be allowed only at the Annual Examination.

- (6) A Candidate after passing M.Com. Examination will be allowed to appear in the other Special subject after keeping necessary terms in the Special Subject only, for which only Passing Certificate will be issued.
- (7) The Use of Marathi writing answers except in the following subjects is allowed.
- a. Management Accounting
  - b. Advanced Accounting and Taxation
  - c. Advanced Cost Accounting and Cost Systems
- (8) The following shall be equivalence given to the Subjects/Papers under old and revised Courses:
- (9) The student (will be admitted to Revised M. Com. Course with effect from June 2002. For the students who have completed the terms for first year as per old course will be admitted to the second year as per old course M.Com. The examination as per old Course will be held simultaneously for three years from April/ May 2002 for old Course students & repeaters.

**M.Com. Part II**  
**Compulsory Paper**

**Subject Name :- Business Finance**  
**Course Code :- 201**

**Objective :** To provide understanding of nature, structure, and issues in Business Finance, Capital Market and Financial Services in India (Important Note : All Policies and regulations mentioned in this syllabus pertain to 1991 and onwards).

| Unit No.   | Topic   | Marks     |
|------------|---|-----------|
| <b>I</b>   | <b>Business Finance</b><br>To provide understanding of nature, structure, and issues in Business Finance, Capital Market and Financial Services in India (Important Note: All Policies and regulations mentioned in this syllabus pertain to 1991 and onwards).   | <b>10</b> |
| <b>II</b>  | <b>Sources of Finance</b><br>Private Sector: Shares-Various types-Debentures-Types Fixed Deposits, Ploughing back of Profits, Loans and Advances, Cost of Capital Debt Equity Ratio, Financial Problems of SSI Unit in India.<br>Public Sector : Share Capital-Bonds-Ploughing back of Profits Privatization of Public Sector, Private Participation in Equity.<br>Co-operative Sector : Govt. Participation in Capital-Share Capital Limitations in Raising Equity Capital and Borrowings  | <b>14</b> |
| <b>III</b> | <b>Foreign Sources</b><br>* Foreign Direct Investment-Meaning, Need, Govt. Regulations<br>* Foreign Institutional Investment in India Capital Market- Meaning, Need, Limitations, Govt. Regulations- OCB (Overseas Corporate Bodies).<br>* NRI Equity Participation, Govt. Policy Incentives.<br>* Globalization of capital market-Meaning difficulties-ECBs (External Commercial Borrowings), Euro-issues.GDRs/ADRs.   | <b>12</b> |
| <b>IV</b>  | <b>Capital Market</b><br>* Primary and Secondary Capital Market Players.<br>* Securities and Exchange Board of India (SEBI)-Need Functioning, Critical Evaluation.<br>* Stock Exchanges-Membership, Organization, Governing Body Functions and Services-Trading Mechanism, Listing of Shares and other Instruments (Debentures, Govt. Securities, Derivatives).<br>* OTCEI and National Stock Exchange-Need objectives. Trading and Settlement System.<br>* Construction and Types of Stock Market Indias- Dowjones Industrial Average and BSE Sensex-Nifty- CRISIL-500 Standard and Poor.<br>* Scrip less Trading (Dematerialization and Rematerialization) : Meaning, Need and Advantages<br>* E-Broking : Meaning and Operations<br>* Depository : Meaning, Functions, Benefits, Depository System in India and its Marking. | <b>14</b> |

|              |   |            |
|--------------|---|------------|
| <b>V</b>     | <b>Financial Services relating to raising of Capital</b><br>(a) Merchant Banking : Meaning, Services rendered, Management of Capital Issues, Categories.<br>(b) Credit rating-Meaning, Need and Methodology<br>(c) Loan Syndication<br>(d) Project Appraisal. | <b>12</b>  |
| <b>VI</b>    | <b>Listing Regulations</b><br>Introduction - Advantages of listing, Central listing authority (CLA), Regulation 2003- Delisting of securities guidelines, guidelines for listing agreements..   | <b>12</b>  |
| <b>VII</b>   | <b>Securities and Exchange Board of India (SEBI):</b><br>Background, Establishment, functions, powers, achievements and Regulatory aspects, Recent Changes & emerging trends.   | <b>14</b>  |
| <b>VIII</b>  | <b>Mutual Funds:</b><br>Types of Mutual Funds, Importance and Objectives.   | <b>12</b>  |
| <b>Total</b> |   | <b>100</b> |

| <b>Recommended Books</b>  |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. P. V. Kulkarni : Business Finance, Himalaya Publishing House</li> <li>2. K. R. Javeri : Capital Issues-Law Methodology, M. N. Tripathi Pvt. Ltd.</li> <li>3. L. M. Bholey : Financial Methods and Institutions, McGraw Hill, Delhi</li> <li>4. K. Bhalla : Invest Management, S. Chand, New Delhi</li> <li>5. J. M. Pandey : Financial Management, Vikas Publishing House.</li> <li>6. S. C. Kucchal : Corporation Finance, Chaitanya Publishing House, Allahabad.</li> <li>7. F. W. Parish : Business Finance.</li> <li>8. Dr. M. A. Kohak : Services in India, Digvijay Prakashan, 1070, Shivajinagar, Pimpalgaon-Baswant. Dist. Nasik</li> <li>9. Dr. M. A. Kohak : Readings in Indian Financial Services, Pimpalgaon-Baswant (Nasik)</li> <li>10. Financial Management : Prasanna Chandra, Tata McGraw Hill</li> <li>11. Financial Services in India : M. Y. Khan.</li> </ol> |  |
| <b>JOURNAL</b>  |  |
| <ol style="list-style-type: none"> <li>a. Journal of Institute of Chartered Financial Analysis of India, Madras</li> <li>b. Finance India : Indian Institute of Finance, Delhi.</li> </ol>  |  |

**M.Com. Part II**  
**Compulsory Paper**

**Subject Name :- Research Methodology for Business**  
**Course Code :- 202 (A)**

**Objective :-**

1. To expose students to the areas of Commercial and Business research activities as well as careers in research and consultancy.
2. To enhance capabilities of students to design and implement research and study assignments.

| <b>Unit No.</b> | <b>Topic</b>   |
|-----------------|--|
| 1               | Introduction : Research-meaning-objectives and motivation in research-Types of research-Research Approaches - Research process-Criteria of good research-Research and Scientific methods.  |
| 2               | Research Problem and Design : Defining and selection the research problem, Hypothesis – Formulation of Hypothesis Characteristics of good research - Research design-meaning, need-features - types-basic principles - Measurement and scaling techniques - Developing a research plan.  |
| 3               | Business Research Methods – Introduction - Why Research - Business Strategy - What Research is not - Methods and Methodology - Features of a Good Research - Fallacy in Research<br>Important Terms in Research - How To Do?   |
| 4               | Defining Research Problem - The Literature Review - Concept Mapping - How To Do?<br>Commercial and business research : aims- objectives - Importance - Survey - Case study - Action research evaluation research -Research Plan or design - steps to be followed   |
| 5               | Sampling Design : Steps - Characteristics of good sample design - Types of sample design.  |
| 6               | Methods of Data Collection : Primary and secondary<br>- Processing and analysis of data - Testing of Hypothesis.<br>Interpretation of Data.  |
| 7               | Sourcing of Business information and data :<br>Statistical data - Demographic information - Money, Banking - Company Information - Labour market - Capital Market - Tax information - Information on the Economy, International Business - Govt. Information - Syndicated commercial and other non Govt. sources of Information<br>Computer assisted Information acquisition - Types of data bases - Computer data files sources of raw data - Role of Reference Librarian - Abstracts, Citation , Index Bibliography - Evaluating secondary sources |



|   |   |
|---|---|
| 8 | <p>Choice of Research method &amp; Writing skills for Business Research : Experiment survey, Case based Research - Applicability of appropriate methods – planning survey research - Sample and Questionnaire design, field survey, Scheduling Data analysis - Statistical techniques used - Classification, tabulation, scaling &amp; Measurement - use of Computers in data analysis and business. Selection and use of cases in business research. Types of cases. Paper and Project report: selecting and defining Topic or Project - Terms of reference subject matter, style, Structure, Editing sentences, organizing evidence Information and data Avoiding plagiarism- Integrating Statistics and other faults - Communicating research orally- power point presentation.</p> <p>Research problems in business</p> |
|---|---|

### **Books recommended**

1. V.P. Michael, Research Methodology in Management Himalaya Publishing Ho use.
2. Diana Hacker A Pocket Style Manual Red Ford.
3. Teresa Brannick and others
4. C. R. Kothari : Research Methodology : Wishwa Prakashan, New Delhi.
5. Willkinson, Bhandarkar : Methodology and Techniques of Social Research, Himalaya Publishing House, New Delhi, 1999.
6. Sauthu A. N., Singh Amarjit : Research Methodology in Social Sciences, Mumbai, Himalaya Publishing House, New Delhi, 1980.
7. Tandon B. C. : Research Metholology in Social Sciences, Himalaya Publishing House, Allahabad.

**M.Com. Part II**  
**Compulsory Paper**  
**Subject Name :- Industrial Economic Environment**  
**Course Code :- 202 (B)**

**Objectives:**

1. To study the basic concepts of Industrial Finance.
2. To study the effects of New Economic Policy.
3. To study the impact of Labor reforms on Industries.

| Chapter No. | Particulars  | Total Lectures (48) |
|-------------|--|---------------------|
| 1.          | <b>Industrial Finance</b><br>1.1 Meaning, Concept and Functions of Industrial Finance.<br>1.2 Internal Sources of Industrial Finance.<br>1.3 External Sources of Industrial Finance – Foreign Direct Investment (FDI), Foreign Institutional Investment (FII), Non Residential Indians (NRI) as a Source of Industrial Finance | 8                   |
| 2.          | <b>Industrial Growth and Policy in India</b><br>2.1 Industrial Growth in India Since 1991.<br>2.2 New Industrial Policy 1991.<br>2.3 Export and Import Policy Since 1990-91.<br>2.4 Multi National Corporations – Performance and Problems<br>2.5 Special Economic Zones (SEZ) – Progress and Problems                         | 8                   |
| 3.          | <b>Effects of New Economic Policy (1991).</b><br>3.1 Liberalization – Concept & its Effects on Indian Industry.<br>3.2 Privatization - Concept & its Effects on Indian Industry.<br>3.3 Globalization - Concept & its Effects on Indian Industry.  | 8                   |
| 4.          | <b>Industrialization and Environmental Issues.</b><br>4.1 Industrial Development & Environmental Problems.<br>4.2 Major Environmental Issues in the Process of Industrialization- Social Cost & Benefits (pollution, Health issues, work management etc)<br>4.3 Environmental Policy and Regulations.                          | 8                   |
| 5.          | <b>Information Technology (IT) Industries.</b><br>5.1 Meaning and dimensions.<br>5.2 Major issues in Information Technology.<br>5.3 Growth & Present position of IT Industries in India.<br>5.4 Future Prospects of IT Industry.   | 8                   |
| 6.          | <b>Industrial Relations and Labour Reforms.</b><br>6.1 Meaning and Causes of industrial Disputes.<br>6.2 Machinery for Settlement of Industrial Disputes.<br>6.3 Labour Policy Reforms and Its Impact on Industries.   | 8                   |

### **Recommended Books**

1. S. C. Kuchal – Industrial Economy of India.
2. D. R. Gadgil – Industrial Evolution in India, Oxford.1948
3. K. V. Sivayya and V.B.M. Das – Indian Industrial Economy, Chand and Co. Ltd. New Delhi 1999
4. S. C. Kuchal – Major Industries in India, Chaitanya Publishing House, Allahabad.
5. Francis Cherunilam – Industrial Economics – Indian Perspective, Himalaya Publishing House, Mumbai.1999
6. Wadilal Dagli – A profile of Indian Industry, Vora and Co. Mumbai.
7. Dutt and Sunderam – Indian Economy, S. Chand and Co. 2008

**M.Com. Part II**  
**Advanced Accounting and Taxation Special Paper III**  
**Subject Name :- Advanced Auditing and Specialized Areas in Auditing**  
**Course Code :- 203**

**Level of Knowledge - Expert Knowledge**

**Objective:**

1. To impart knowledge and develop understanding of methods of auditing and their application.
2. To impart knowledge and develop understanding of methods of audit in Specialized areas.

**I - TERM**  
**ADVANCED AUDITING**

| UNIT       | TOPIC  |
|------------|--|
| <b>I</b>   | <b>Introduction:</b><br>Auditing concepts. Basic principles governing an audit - Relationship of auditing with other disciplines - Audit Programme - Vouching - Verification and Valuation.  |
| <b>II</b>  | <b>Standards on Auditing:</b><br>Overview of Standard setting process - Role of Auditing and Assurance Standard and Auditing and Assurance Standard Board in India. Brief study of Standards on Auditing issued by the ICAI.   |
| <b>III</b> | <b>Internal Control:</b><br>Significance of Internal control. Evaluation of internal control procedures - Techniques including questionnaire- flowchart - Review of internal control.  |
| <b>IV</b>  | <b>Audit of Limited Companies:</b><br>Preliminaries to the audit of limited company - Audit of share capital transactions - Debentures and other transactions - Audit report with special reference to CARO 2003 - Profit and divisible profit - Dividends -Investigation.               |
| <b>V</b>   | <b>Audit Committee and Corporate Governance:</b><br><b>Corporate Governance:</b> Introduction-Verification of Compliance of Corporate Governance.<br><b>Audit Committee:</b> Constitution - Powers of Audit Committee - CEO/CFO Certification to Board - Report on Corporate Governance. |
| <b>VI</b>  | <b>Audit under Computerized Information System (CIS) Environment:</b><br>Special aspects of CIS Audit Environment - Need for review of internal control - Use of Computers for Audit purposes - Audit tools - Test packs - Computerized audit programme.                                 |

**II TERM**  
**SPECIALIZED AREAS IN AUDITING**

| UNIT      | TOPIC   |
|-----------|---|
| <b>I</b>  | <b>Audit Under Tax Laws:</b><br>Tax Audit U/s 44 AB of Income Tax Act, 1961-Form 3 CA, 3 CB and 3 CD - Audit under VAT Law - Steps to be taken by Auditor - Audit under Excise Law - Excise Audit 2000 - Audit Procedure. |
| <b>II</b> | <b>Internal Audit:</b><br>Nature, Scope and Purpose of Internal Audit - Review of Internal Control -Areas of  |

|            |  |
|------------|--|
|            | Internal Audit - Purchase, sale, cash, bank transactions - Internal Audit Report.  |
| <b>III</b> | <b>Audit of Banks:</b><br>Salient features of enactments affecting Banks - Bank Audit, its approach-Steps in Bank Audit - Checking of Assets and Liabilities - Scrutiny of Profit & Loss items - Audit Report of Banks - Long Form Audit Report  |
| <b>IV</b>  | <b>Audit of Cooperative Societies:</b><br>Provisions of Maharashtra State Co-operative Societies Act 2013 and Multistate Co-operative Societies Act 2002. Special features of Audit of Co-operative Societies. Audit of) Co-operative Consumers Stores, 2) Salary earners Co-operative Society 3) Co-operative Housing Societies, 4) Urban Co-operative Credit Society. Audit Report of Co-operative Societies |
| <b>V</b>   | <b>Audit of Specialized Units:</b><br>Special features of audit of Educational Institutions, Hotel, Club, Hospital, Charitable Trusts.   |
| <b>VI</b>  | <b>Government System of Audit:</b><br>Funds maintained by Government for meeting expenditure and receipts-Structure of financial administration in India-Objects of Government audit-Role of Comptroller and Auditor General of India-Audit of receipt, expenditure, sanctions, Public Accounts Committee-Audit of Public Sector Undertaking-Audit of Local bodies.  |

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**M.Com. Part II**  
**Advanced Accounting and Taxation Special Paper IV**  
**Subject Name :- Recent Advances in Accounting, Taxation & Auditing**  
**and Case Studies**  
**Course Code :- 204**

**Level of Knowledge - Basic Knowledge**

**I - TERM**

**RECENT ADVANCES IN ACCOUNTING, TAXATION & AUDITING**

| UNIT | TOPIC   |
|------|---|
| 1    | IFRS (International Financial Reporting Standards).   |
| 2    | A Study of Managerial Discussion And Analysis as per Section 49 of Listing agreement.   |
| 3    | Corporate Governance Compliance by Companies.   |
| 4    | Accounting and Taxation aspects of Carbon Credit Trading.   |
| 5    | Environmental Accounting.   |
| 6    | Forensic Accounting.  |
| 7    | Lean Accounting.  |
| 8    | Responsibility Accounting.  |
| 9    | ESO (Employee Stock Options ) Accounting.   |
| 10   | XBRL (Extensible Business Reporting Language).  |
| 11   | Transfer Pricing.   |
| 12   | Accounting for KPO (Knowledge Process Outsourcing) and BPO (Business Process Outsourcing).  |
| 13   | Accounting for NGO Grants.  |
| 14   | Accounting for Local Self Governments.  |
| 15   | Introduction of accrual method for Government Accounting.   |
| 16   | Disclosures in Financial Statements- Recent Trends.   |
| 17   | Accounting for Human resources.   |
| 18   | Accounting for Intellectual Property Rights.  |
| 19   | Inflation Accounting.   |
| 20   | A Brief Study of<br>a) Accounting for Derivatives<br>b) Accounting for Retirement Benefits as per AS-15.  |
| 21   | Creative Accounting.  |
| 22   | A brief study of provisions of proposed-<br>i) Direct Taxes Code,<br>ii) Goods and Services Tax,<br>iii) Companies Act, 2013 relating to Account and Audit.   |
| 23   | Non- Financial Reporting Requirements–<br>i) Business Responsibility Reporting,<br>ii) Sustainability Reporting,<br>iii) A brief Study of National Voluntary Guidelines (NVG),<br>iv) Report on Corporate Governance. |

## II - TERM CASE STUDIES

### **Case Studies in Accountancy:-**

A student can select any topic relating to principles practices and procedures of accounting auditing taxation and management accounting. Any topic from the syllabus of the papers studied at M Com. Part One or Part Two under special paper Accountancy & Taxation can be of a use. Pick up any unit studied and try to connect it to commercial word around e.g. in taxation a student has studied taxation of a company, then he can select a topic Tax Planning of a particular company or a study of taxation of an educational institute. On this line following areas have been listed out for Case Studies in Accountancy.

### **Area of Case Studies in Accounting:-**

**Following is the list of topics for case studies in Accounting.**

|   |
|---|
| 1. Financial statement Analysis of – (a) A Limited Company (b) Banks from Private Sector/Co-operative Sector        |
| 2. Study of Working Capital Management of a large Company.  |
| 3. Study of Budgetary Control System of Companies   |
| 4. Study of Management Information System of Companies.   |
| 5. Study of Consolidated Balance Sheet by Holding Company having two/three subsidiaries companies.                  |
| 6. Valuation of Shares of unlisted Companies.   |
| 7. A study of Amalgamation/Merger of procedure of two Companies(Accounting procedure)                               |
| 8. A comparative study of Accounting System of Hotel industry – Five Star, Three star, large Hotel and small Hotel. |
| 9. Comparative study of Accounting of Hospitals from Private sector, Trust and Small Hospital.                      |
| 10. Study of Accounting for Grants to school, college, institute.   |
| 11. Study of Application of Inflation Accounting to a large Company's Balance Sheet.                                |
| 12. Study of Human Resource Accounting for Software, Marketing, Consulting Company                                  |
| 13. Study of Value Added Statements of a Company and its comparison with Conventional Accounting Statement.         |
| 14. Study of Economic Value Added Statement of a Company and its comparison with Conventional Accounting Statement. |
| 15. A study of Application of Accounting Standards of Companies.  |
| 16. Study of Audit planning of firms of Auditors.   |
| 17. A study internal Audit system of four companies.  |
| 18. Tax Planning  |
| 19. Tax Planning regarding purchase of House Property.  |
| 20. Tax planning of Partnership Firm/ Limited Company.  |
| 21. Taxation of Public Trust  |

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|--|
| 22. A study of Perquisites and its impact on Taxable Income Employees from different Companies.  |
| 23. A study of Export Oriented Units from Taxation point of view.  |
| 24. Financial viability of Co-operative Sugar Factories.   |
| 25. Comparative Study of Taxable Income of Individuals and HUFF  |
| 26. Problem of units paying Service Tax  |
| 27. Accounting for Tour and Travel business.   |
| 28. Study of Housing Loan Schemes of Banks and Financial Institutions.   |
| 29. Study of Fees Structure of Non-grant and Grant In Aid Educational Institutions.  |
| 30. Study of shareholders regarding utility of Published Annual Accounts of Company.   |
| 31. Study of Investment Pattern of Individuals from Taxation point of view.  |
| 32. Study of Project Report for Small Scale Industry, Hotel, Xeroxing business, Computer Institute, Hospital, Transport Business, Petrol Pump. |
| 33. Ascertainment of Cost of Capital from Annual Accounts of Companies.  |
| 34. A financial viability study of Sick Industrial Companies.  |
| 35. A study of Tax Audit Report of Non-Corporate and Corporate Assesses.   |
| 36. A study of Secretarial Audit Report of Companies.  |
| 37. A study of Cost Audit Report of Companies.   |
| 38. A study of Government system Audit of Commercial Undertaking/Local bodies.   |
| 39. Commentary on Public Accounts Committee of Central Government.   |
| 40. Study of different Accounts Software e.g. Tally, SAP, ERP, Local Software etc.   |
| 41. Study of Consolidation procedure of different units of an Educational Society.   |
| 42. A study of Significant Accounting Policies of different Companies from different Industries.   |
| 43. A study of Qualified Audit Reports of different Companies.   |
| 44. Study of Comparative study of Advances of Credit Co-op. Societies and Urban Co-op Banks.   |
| 45. Preparation of Project Report of Agro based industries, Poultry Farming, Dairy business, Nursery, Horticulture farm.                       |
| 46. A study of Vehicle Loan schemes of different Banks.  |
| 47. Excise Accounting at manufacturing unit.   |
| 48. Study of NPA of Urban Co-op Banks  |
| 49. Study of Corporate Responsibility Statements of Annual Accounts of Companies   |
| 50. Study of Cash Flow Statement from Annual Accounts of Companies.  |
| 51. Study of Accounting of Leasing and Finance Companies.  |
| 52. A study of Accounting of Electricity Company, (Tata Power, Ahmedabad Electricity Power Co. Ltd.)   |
| 53. An exemption under Income Tax Act, availed by different assesses.  |
| 54. A comparative financial analysis of running of Luxury buses by private operators and State Transport Corporation.                          |
| 55. Financial Analysis of Produce Exchanges at Taluka Level.   |
| 56. Study of Annual Report of Co-op Banks.   |
| 57. Study of Annual Report of Limited Companies  |



|  |
|--|
| 58. Various Accounting Policies followed by Financial Institutions.  |
| 59. Impact of IRAC Norms of financial position of any co-operative bank.   |
| 60. Audit classification of a Credit Co-op. Society.   |
| 61. Determination of Taxable Income of a Charitable Hospital as per Section 11,12,12A & 35 of I.T. ACT.. Act. 1961.                                    |
| 62. Accounting Standards, their application by the limited company to its annual accounts.   |
| 63. Comparative study of effect of Depreciation Allowance on Book Profit & taxable profits of a limited company including carried forward and set-off. |
| 64. Analysis of any three recent cases decided by High Court.  |
| 65. Study of fraud cases detected by application of S.A.P.   |
| 66. Comparative study of Financial Statements of Educational Institutions.   |
| 67. A study on E filing of Tax Returns- Income Tax, VAT, Service Tax etc.  |
| 68. A study of Computerized Accounting system in any business unit   |

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**M.Com. Part II**

**Commercial Laws & Practices Special Paper III**

**Subject Name :- Laws Relating to Intimation Business and WTO – Norms & Practices**

**Course Code :- 205**

**Objectives:**

1. To acquaint the students with basic principles of International Trade, Theories of International Trade and Dispute resolution mechanism.
2. To study the impact of international business environment on foreign market operations and India's response to these developments.
3. To understand purpose and scope of GATT & WTO and to study their legal framework and disputes settlement mechanism.

| Unit No. | Topic  | Periods |
|----------|--|---------|
| 1)       | <p><b>International Law:</b><br/>Meaning, Scope, Objectives, Nature and Development of International Law,<br/>Sources and Evidences of International Law,<br/>Codification of International Law,<br/>India and International Law,<br/>Distinction between Public International Law and Private International Law</p> <p><b>International Business:</b> Meaning, Objectives and Nature,<br/>- <b>Trans-National Corporations:</b> Their rights, duties and Responsibilities under International Law<br/>- Charter on Economic Rights and Duties of States (ERDS)</p>  | 12      |
| 2)       | <p><b>International Trade:</b><br/>Origin and nature of International Trade,<br/><b>International Trade Theories:</b> Adam Smiths' Theory of Absolute Difference in Cost,<br/>David Ricardo's Comparative Cost Theory,<br/>Heckscher Ohlin's Theory of International Trade,<br/>Advantages and Disadvantages or Problems of International Trade,<br/>Free Trade (<i>Laissez – faire</i> policy), Protectionism, Tariff barriers,<br/>Impact of tariff, Non-Tariff barriers (NTB), Balance of Payments in International Trade (Provisions of the GATT, 1994), Role of National and International Law in International Trade, Role of the United Nations in International Trade Law through the United Nations Commission for International Trade Law (UNCITRACL):</p> <ol style="list-style-type: none"><li>(i) International Sale of Goods and related transactions</li><li>(ii) International Transport of Goods</li><li>(iii) Construction Contracts</li><li>(iv) International Payments</li><li>(v) Brussels convention, 1968</li></ol> | 14      |
| 3)       | <p><b>International Business Law: Environmental issues and India's Foreign Trade -</b></p> <ol style="list-style-type: none"><li>(i) Environment Protection- Norms of International Environment Law – United Nations Conference – Stockholm, Nairobi</li></ol>   | 12      |

|           |   |           |
|-----------|---|-----------|
|           | Conference 1980 -Kyoto Protocol - Carbon Credit - Clean Development Mechanism - India's Response: Environment Impact Assessment Under Indian Environment Protection Act.<br>(ii) India's Foreign Trade Policy: Objectives, Strategies and its Legal Dimensions, Provisions regarding Imports-Exports  |           |
| <b>4)</b> | <b>International Commercial Dispute Resolution Mechanism:</b> <ul style="list-style-type: none"> <li>• International Commercial Arbitration &amp; Conciliation under UNCITRAL- Model Law</li> <li>• International Court of Justice and its Jurisdiction</li> <li>• Enforcement of Foreign Awards in India.</li> </ul>   | 10        |
| <b>5)</b> | <b>Introduction to WTO: Historical Background</b><br>International Economic Relations before and after Second World War, Havana charter for International Trade Organizations (ITO), GATT to WTO – A Historical Overview: Protectionism, Formation of GATT, Objectives and Relevance of GATT at present, GATT Tariff Negotiations (from Geneva to Doha and beyond)  | 12        |
| <b>6)</b> | <b>World Trade Organization(WTO):</b><br>Basic Principles of the WTO Trading System, the Objectives, Functions and structure of WTO – Decision making- The WTO Agreement – Membership, Accession and withdrawals, current status of individual accession, WTO and Global Economic Policy making, Achievements of WTO.   | 12        |
| <b>7)</b> | <b>Legal Framework of General Agreement on Tariffs and Trade (GATT) 1994:</b><br>Preamble – General -Most favored Nation Treatment – (Art. – I)<br>Schedules of concessions (Art. – II)<br>National Treatment on International Taxation and Regulations (Art. – III),<br>Special provisions relating to cinematograph films (Art.-IV), Freedom of Transit (Art.-V)<br>Anti-dumping Agreement (Art. – VI)<br>WTO Agreement on Agriculture –WTO Agreement on Textile and Clothing – WTO General Agreement on Trade in Service (GATS) –<br>WTO– International Trade and Human Rights – Trade and Environmental issues in the WTO – Developing Countries and WTO - India's Responses to WTO | 12        |
| <b>8)</b> | <b>The WTO Disputes Settlement Mechanism:</b><br>Elements of disputes settlement - Dispute Settlement Body - Procedure of disputes settlement - Appeals - Good offices, conciliation and mediation - The establishment of panels -Terms of reference of Panels, composition, functions and responsibility of panels – Adoption of Panel Reports – Implementation of Rulings.  | 12        |
|           | <b>Total</b>  | <b>96</b> |

**Recommended Books:**

- 1) Arunkumar Jain, "International Business - Competing in the Global Market", Place-Charles Hill, Tata McGraw Hill, New Delhi.

- 2) M.L.Jhingan, "International Economics", Vrinda Publications, Delhi.
- 3) Malcolm N. Shaw, "International Law", Cambridge University Press, New Delhi, (2007).
- 4) V. K. Bhalla, S. Shiva Ramu, "International Business, Environment and Management", Anmol Publication Pvt. Ltd., New Delhi. (2010).
- 5) Dr. Ram Singh, "International trade operations", Excel Books, New Delhi, (2009).
- 6) Francis Cherunilam, "International Trade and Export Management", Himalaya Publishing House, Mumbai, (2000).
- 7) Dr. S. P. Gupta, "International Law and Human Rights", Allahabad Law Agency, Haryana, (2009).
- 8) Dr. S. R. Myneni, "International Trade Law", Allahabad Law Agency, Haryana (2008).
- 9) Indira Carr, "International Trade Law", Routledge, Abingdon, Oxon, (2014).
- 10) Macmillan, "International Banking Legal & Regulatory Aspects", Macmillan India Ltd., Daryaganj, New Delhi, (2007).
- 11) Judith Evans, "Law of International Trade", Old Baile Press, London, (2001).
- 12) Rajendra P. Maheshwari, "International Business", International Book House Pvt. Ltd., New Delhi, (2011).
- 13) Dr. S. K. Kapoor, "International Law and Human Rights", Central Law Agency, Allhabad, (2004).
- 14) K. C. Johsi, "International Law & Human Rights", Eastern Book Company, Lucknow, (2006).
- 15) R. K. Rangachari, WTO, Its Benefits, Misunderstandings, Agreements, Policies for the developing countries, Palak Publication, Mumbai.
- 16) Francis Cherunilam, International Trade and export Management, Himalaya Publishing House.
- 17) AutarKrishenKaul, "Guide to the WTO & GATT", Satyam Law International, New Delhi, 4<sup>th</sup> edition (2013).
- 18) HemaGarg, "WTO and Regionalism in World Trade", New Century Publications, New Delhi, (2004)
- 19) ArunGoyal, Noor Mohd, "WTO in the New Millennium", Academy of Business Studies, New Delhi.
- 20) K. D. Raja, "WTO Agreement on Anti-Dumping A GATT / WTO and Indian Jurisprudence", Kluwer Law International, New Delhi. (2008).
- 21) JayantaBagchi, "World Trade Organisation – An Indian Perspective" Eastern Law House, New Delhi (2008).
- 22) VibhaMathur, "WTO and India" New Century Publications, New Delhi, (2005).
- 23) Amrita Shahabadi, "World Trade Organisation", APH Publishing Corporation, New Delhi, (2007)
- 24) Anne O. Krueger, "The WTO – as an International Organisation, Oxford University Press, New Delhi (1998).
- 25) T. K. Bhaumik, "The WTO – A Discordant Orchestra" Sage Publications, New Delhi, (2006)
- 26) Bernard Hoekman, AadityaMattoo & Philip English, "Development, Trade, and the WTO" The World Bank, Washington, D.C., Atlantic Publishers & Distributors, New Delhi (2005)
- 27) Dr. S. R. Myneni, "World Trade Organisation", Asia Law House, Hyderabad (2012).
- 28) Palle Krishna Rao, "WTO Text & Cases", Excel Books, New Delhi (2005).

**M.Com. Part II****Commercial Laws & Practices Special Paper IV****Subject Name -:** Recent Advances in Commercial Laws and Practices and Case Studies.**Course Code -:** 206**Objective:** To acquaint the students with the Knowledge about recent changes / developments in commercial laws.

| <b>Unit No.</b> | <b>Topic</b>  | <b>Periods</b> |
|-----------------|---|----------------|
| <b>1)</b>       | <b>Competition Act, 2002:</b><br>Definitions, Prohibition of certain agreements, Prohibition of abuse of dominant position, Regulation of combinations (Ss. 3 to 6),<br>Competition Commission of India. (Ss. 7 to 13)<br>Establishment, Composition, Selection Committee for Chairperson and Members of Committee, Term of Office, Resignation, Removal, Suspension, Restrictions on employment of Chair Person and other members, Appointment, Duties of Director General etc. (Ss. 16 to 17, 41)<br>Duties, Powers, Functions, Meetings and Orders of Commission (Ss. 18 to 20, 22, 31),<br>Acts taking place out of India (Ss. 32)<br>Penalties (Ss. 42 to 48)<br>Competition Appellate Tribunal (Ss. 53A to 53U) | <b>12</b>      |
| <b>2)</b>       | <b>Limited Liability Partnership Act, 2008:</b><br>Definitions, Nature of Limited Liability Partnership (Ss. 2 to 10).<br>Incorporation of Limited Liability Partnership. (Ss. 11 to 21).<br>Partners and their relations (Ss. 22 to 25)<br>Extent and Limitations of Liability of Limited Liability Partnership and Partners(Ss. 26 to 31)<br>Contributions and Financial Disclosures (Ss. 32 to 35)<br>Compromise, Arrangement and Reconstruction of Limited Liability Partnerships. (Ss. 60 to 62)<br>Conversion into Limited Liability Partnership (Ss. 55 to 58)<br>Foreign Limited Liability Partnership (Ss. 59)<br>Winding-up and Dissolution (Ss. 63 to 65)  | <b>12</b>      |
| <b>3)</b>       | <b>Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002:</b><br>Definition & Importance of Act, Regulation of Securitization and Reconstruction of Financial Assets of Banks & Financial Institutions (Ss. 7 to 12),<br>Enforcement of Security Interest (Ss. 13 to 19)<br>Central Registry (Ss. 20 to 26)<br>Offences and Penalties (Ss. 27 to 30)   | <b>12</b>      |
| <b>4)</b>       | <b>The Recovery of Debts Due to Banks and Financial Institutions Act,1993:</b><br>Need & Object, Establishment of Tribunal and Appellate Tribunal – Jurisdiction, Powers and Authority of Tribunals-Procedure of Tribunals, Powers of Tribunals, Recovery of Debt Determined by Tribunal  | <b>12</b>      |
|                 | <b>Total</b>  | <b>48</b>      |

**Reference Books:**

1. Taxman's Corporate Law, Taxman Allied Services Pvt. Ltd., New Delhi. (Recent Edition).
2. Seth's Commentaries on Banking Regulatory Act and Allied Banking Laws, Law Publishers (India) Pvt. Ltd., Allahabad.
3. Taxman's "Banking Law and Practice in India", India Law House, New Delhi.
4. P. N. Varshney, "Banking Law and Practices", Sultan Chand & Sons, New Delhi. (2012).
5. All bare Acts of respective legislations referred in the syllabus.

**M.Com. Part II**

**Advanced Cost Accounting & Cost system Special Paper III**

**Subject Name -:** Cost and Management Audit

**Course Code -:** 207

**Level of Knowledge :** Advanced

**Objectives :** To equip the students with the knowledge of the Techniques and Methods of planning and executing the Cost and Management Audit.

**Term I**

| <b>Unit No.</b> | <b>Topic</b>  | <b>Marks</b> |
|-----------------|---|--------------|
| <b>I</b>        | <b>Introduction</b><br>Nature, Objects and scope of Cost Audit. The concept of efficiency Audit, Proprietary Audit, Social Audit, Systems Audit, Advantages of Cost Audit.  |              |
| <b>II</b>       | <b>Appointment of Cost Auditor :</b><br>Appointment, Rights, Responsibilities, Status, Relationship and Professional and legal liabilities under Companies Act, 1956 and Cost and Works Accountants Act, 1959 and other Statutes as amended from time to time   |              |
| <b>III</b>      | <b>Planning and Execution of the Audit :</b><br>Familiarization with the Industry, The production Process, System and Procedure, List of records and reports, preparation of the Cost Audit Programme, Verification of Cost records and reports, Evaluation of Internal Control System, Audit notes and Working Papers, Cost Audit in E.D.P. Environment. Cost Audit reports-Contents of the report, Distinction between 'Notes' 'Qualifications' to the report. Cost Auditors observations and conclusions. Study of Companies Act, 2013 issued under one year before the examination. |              |

**Term II**

| <b>Unit No.</b> | <b>Topic</b>   | <b>Marks</b> |
|-----------------|--|--------------|
| <b>IV</b>       | <b>Management Audit :</b><br>Meaning, Nature and Scope, Organizational needs for Management Audit and its coverage over and above other audit procedure.   |              |
| <b>V</b>        | <b>Process of Management Audit :</b><br>Audit of the Management Process and Functions such as Planning, Organization, Staffing, Co-ordination, communication, Direction and Control. Evaluation of M.I.S and Control System with special emphasis on corporate image and behavioral problems. Corporate Service Audit-Research and Development, import substitution, Customers channel (export). Social Audit of Business Enterprises Audit of special Responsibility of Management. |              |

### **Recommended Books**

1. Cost Audit and Management Audit — D. Dutta Chowdhury Publication Central Publication, Calcutta.
2. I.C.W.A of India's Publications :
  - A. Industry wise cost accounting record, rules and cost audit report rules
  - B. guidelines on Cost Audit
  - C. Cost Audit report rules
  - D. Cost Audit Social Objectives.
3. Cost audit and Management Audit — V. K. Saxena and C. D. Vashistha, Sultan Chand and Sons, Delhi.
4. Cost Audit and Management Audit — N.P. Agarwal.
5. The Management Audit — P. William, Leonar.
6. Efficiency Audit : Mohanlal Jain, Printwell Jaipur.
7. Efficiency Audit : Laxmi Narayan-Longman.
8. Institute of Cost and Works Accountants of India-Cost Audit Social Objectives.
9. Laws on Cost Audit - N. Banerjee, International Law Book Centre, Calcutta.
10. Cost and Management Audit — Rajnathan, Publisher - Tata McGraw Hill.



**M.Com. Part II**

**Advanced Cost Accounting & Cost system Special Paper IV**

**Subject Name -:** Recent Advances in Cost Accounting and  
Case Studies in Cost and Works Accounting

**Course Code -:** 208

**Objectives:**

To provide knowledge on recent advances in cost accounting and cost systems.

A) Recent Advances in Cost Accounting (50 marks)

B) Case studies in Cost and Works Accounting  
(Specimen cases attach with the syllabus) (50 marks)

**TERM I**

| <b>Unit No.</b> | <b>Topic</b>  | <b>Marks</b> |
|-----------------|---|--------------|
| <b>I</b>        | <b>Cost Accounting Standards (CAS)</b><br>CAS 1 to 5 and 7 (Final) and CAS -8 TO 19.<br>(Drafts And Amendments' Subjects to Finalization from time to time)<br>www.mycwai.org & www.acmas.com can be referred.  |              |
| <b>II</b>       | <b>Basic Excise Audit, VAT Audit And Productive Audit.</b> <ul style="list-style-type: none"><li>• Generally Accepted Cost Accounting Principles.</li><li>• Scope, Of Excise Audit ,VAT Audit</li><li>• Procedure and Reports.</li><li>• <b>Productive Audit</b> –Meaning, Problems of Productive Audit and Means to overcome the Problems.</li></ul> |              |
| <b>III</b>      | <b>Enterprise Resource Planning (ERP)</b><br>_ Introduction, Features and Benefits of ERP<br>_ Reason for Implementation and E-Costing.   |              |

## TERM II

### (B) CASE STUDIES IN COST AND WORKS ACCOUNTING

(Specimen cases attach with the syllabus)

(50 marks)

#### CASE STUDIES IN COST AND WORKS ACCOUNTING

(Specimen cases)

##### CASE NO.1

###### Case: EBQ

A contractor has to supply 10,000 paper cones per day to a Textile unit. He finds that, when he starts a production run, he can produce 25000 paper cones per day. The cost of holding a paper cone in stock for one year is 2 paise and setup cost of production run is Rs. 18. Working days of the factory are 300 in a year. If he runs a factory for all 365 days of the year, what would be your comment?

##### CASE NO.2

ABC Ltd. is a software company. The salary package of the Company for its employee is as under

|                    |                      |
|--------------------|----------------------|
| Basic Pay          | Rs. 20,000 per month |
| Dearness Allowance | Rs. 15,000 per month |
| Fringe             | Rs. 10,000 per month |

Number of working days in a year are 300. 30 Days full pay and 20 days half pay leave in a year is availed and allowed to each employee. An employee has to work for 8 hours in a day.

The company has to quote for an assignment on hourly rate basis. What labour hour rate should be considered on the basis of above data?

##### CASE NO. 3

###### IDRAYANI ENGINEERING COMPANY

Indrayani Engineering Company produces electrical accessories like meters, transformers, switchgears and automobile accessories like taximeters and speedometers.

Indrayani buys the electrical components but manufactures all mechanical parts within its factory which is divided into four production departments. Machining, Fabrication. Assembly and Painting and three services departments - Stores, Maintenance, and Works Office.

Though the company prepared annual budgets and monthly financial statements, it had no formal cost accounting system. Prices were fixed on the basis of what the market can bear. Inventory of finished stocks was valued at 90 percent of the market price assuming a profit margin of 10 percent.

In March the company received a trial order from a government department for a sample transformer on cost-plus-fixed-fee basis. They took up the job (numbered by the company as Job No.879) in early April and completed all manufacturing operator before the end of the month.

Since Job No. 879 was very different from the type of transformers they had manufactured in the past. The company did not have a comparable market price for the product. The purchasing officer of the government department asked the company to submit a detailed cost sheet for the job giving as much details as possible regarding material labour and overhead costs.

Indrayani, as part of its routine financial accounting system had collected the actual

expenses for the month of April, by 5<sup>th</sup> of May. Some of the relevant data are given in Exhibit I.

The company tried to assign directly, as many expenses as possible to the production departments. However, it was not possible in all cases. In many cases an overhead cost, which was common to all departments had to be allocated to the various departments using some rational basis. Some of the possible bases were collected by company's accountant. These are presented in exhibit II.

He also designed a format to allocate the overhead to all the production and service departments. It was realized that the expenses of the service departments on some rational basis. The accountant thought of distributing the service department's costs on the following basis.

- a. Works office costs on the basis of direct labour hours.
- b. Maintenance costs on the basis of book value of plant and machinery.
- c. Stores department costs on the basis of direct and indirect materials used.

The accountant, who had to visit the company's banker, passed on the papers to you for the required analysis and cost computations.

### **REQUIRED**

Based on the data given in Exhibits I and II you are required to:

1. Complete the attached "overhead cost distribution sheet" (Exhibit III).  
*Note:* wherever possible, identify the overhead costs charged directly to the production and service departments. If such direct identification is not possible distribute the costs on some "rational" basis.
2. Calculate the overhead cost (per direct labour hour for each of the four producing departments. This should include share of the service department's costs.
3. Do you agree with :
  - a) The procedure adopted by the company for the distribution of overhead costs?
  - b) The choice of the base of overhead absorption, i.e. labour hour rate?
4. Job No. 879 was expected to be cleared by the Inspection Department in the first week of May. The actual materials cost applicable to Job NO.879 was Rs 4879~. Labour time spent on the job was estimated to be 50 hours in Machining: 10 hours in Fabrication and 20 hours each in Assembly and Painting Department, total Rs. 460.10 Calculate the total cost of this job including overhead costs.
5. If a Job No. 879 is a cost-plus-fixed fees (CPFF) contract with the government. Fixed fee being Rs. 200 what would be the total charges recoverable from the client?
6. Evaluate the cost accounting system adopted by the accountant and suggest improvement, if any, in it.

**Exhibit I**  
**Indrayani Engineering Company**  
**Actual Expenses (Manufacturing Overhead) for April**

|                                     | Rs.      | Rs.                        |
|-------------------------------------|----------|----------------------------|
| Indirect Labour and Supervisions:   |          |                            |
| Machining                           | 33,000   | --                         |
| Fabrication                         | 22,000   | --                         |
| Assembly                            | 11,000   | --                         |
| Painting                            | 7,000    | --                         |
| Stores                              | 44,000   | --                         |
| Maintenances                        | 32,700   | 1,49,000                   |
| Indirect Materials and Supplies:    |          |                            |
| Machining                           | 2,200    | --                         |
| Fabrication                         | 1,100    | --                         |
| Assembly                            | 3,300    | --                         |
| Painting                            | 3,400    | --                         |
| Maintenances                        | 2,800    | 12,800                     |
| Others                              |          |                            |
| Factory Rent                        | 1,68,000 | --                         |
| Depreciation of Plant and Machinery | 44,000   | --                         |
| Building Rates and Taxes            | 2,400    | --                         |
| Welfare Expenses                    | 19,494   | --                         |
| (At 2 percent of direct labour      | --       | --                         |
| Wages and indirect labour and       |          |                            |
| Supervision)                        |          |                            |
| Power                               | 68,586   | --                         |
| (Maintenance- Rs. 366; Works        |          |                            |
| Office Rs. 2,220. Balance to        |          |                            |
| Producing Departments)              |          |                            |
| Works Office Salaries and Expenses  | 1,30,260 | --                         |
| Miscellaneous Stores                | 1,190    | 4,33,930                   |
| Department Expenses                 |          |                            |
| Total                               |          | Rs. <b><u>5,96,430</u></b> |

**Exhibit II**Indrayani Engineering Company  
Projected Operation Data for the Year

| <b>Department</b>   | <b>Area<br/>(sq.m)</b> | <b>Original<br/>Book<br/>Value<br/>of Plant<br/>Machinery<br/>Rs.</b> | <b>Direct<br/>Materials<br/>Budget<br/>Rs.</b> | <b>Horse<br/>Power<br/>Rating<br/>Rs.</b> | <b>Direct<br/>Labour<br/>Hours</b> | <b>Direct<br/>Labour<br/>Budget</b> |
|---------------------|------------------------|---|--|---|------------------------------------|-------------------------------------|
| <b>Machining</b>    | 13.000                 | 26.40.000   | 62.40.000                                      | 20.000                                    | 14.40.000                          | 52.80.000                           |
| <b>Fabrication</b>  | 11.000                 | 13.20.000   | 21.60.000                                      | 10.000                                    | 5.28.000                           | 26,40.000                           |
| <b>Assembly</b>     | 8.800                  | 6.60.000  | –  | 1.000                                     | 7.20.000                           | 13.20,000                           |
| <b>Painting</b>     | 6.400                  | 2.64.000  | 10.80.000                                      | 2.000                                     | 3.30.000                           | 6.60.000                            |
| <b>Stores</b>       | 4.400                  | 1.32,000  |  |   |                                    |                                     |
| <b>Maintenances</b> | 2.200                  | 1,98.000  |  |   |                                    |                                     |
| <b>Works Office</b> | 2.200                  | 66,000  |  |   |                                    |                                     |
| <b>Total</b>        | <b>48,000</b>          | <b>52.80,000</b>  | <b>94,80,000</b>                               | <b>33.000</b>                             | <b>30.18,000</b>                   | <b>99,00,000</b>                    |

*Note:*

The estimates given in this exhibit are for the budgeted year January to December where as the actual given in Exhibit I are for just one month - April of the budgeted year.

**Exhibit III**

Indrayani Engineering Company  
Actual Overhead Distribution Sheet for April

| Department                                  | Production Department |             |          |          | Service Department |             |              | Total Amount Actual Rs. | Basis for Distribution. |
|---|-----------------------|-------------|----------|----------|--------------------|-------------|--------------|-------------------------|-------------------------|
|   | Machining             | Fabrication | Assembly | Painting | Stores             | Maintenance | Works Office |                         |                         |
| A Allocation of overhead to all Departments | -                     | -           | -        | -        | -                  | -           | -            | 1,49,700                | -                       |
| A.1 Indirect labour and supervision         |                       |             |          |          |                    |             |              |                         | -                       |
| A. 2 Indirect materials and supplies        | -                     | -           | -        | -        | -                  | -           | -            | 12,800                  | -                       |
| A. 3 Factory Rent                           | -                     | -           | -        | -        | -                  | -           | -            | 1,68,000                | -                       |
| A. 4 Depreciation of Plant & Machinery      | -                     | -           | -        | -        | -                  | -           | -            | 44,000                  | -                       |
| A. 5 Building Rates & Taxes                 | -                     | -           | -        | -        | -                  | -           | -            | 2,400                   | -                       |
| A. 6 Welfare Expenses                       | -                     | -           | -        | -        | -                  | -           | -            | 19,484                  | -                       |
| A. 7 Power                                  | -                     | -           | -        | -        | -                  | -           | -            | 68,586                  | -                       |
| A. 8 Works Office Salaries & Exp.           | -                     | -           | -        | -        | -                  | -           | -            | 1,30,260                | -                       |
| A.9 Miscellaneous Stores Expenses           | -                     | -           | -        | -        | -                  | -           | -            | 1,190                   | -                       |
| A Total (A1 to A9)                          | -                     | -           | -        | -        | -                  | -           | -            | 5,96,430                | -                       |

| Department   | Production Department |             |          |          | Service Department |             |              | Total Amount Actual Rs. | Basis for Distri. |
|--|-----------------------|-------------|----------|----------|--------------------|-------------|--------------|-------------------------|-------------------|
|  | Machining             | Fabrication | Assembly | Painting | Stores             | Maintenance | Works Office |                         |                   |
| B<br>Reallocation of Service Department cost to production Dept. | -                     | -           | -        | -        | -                  | -           | -            | -                       | -                 |
| B.1<br>Distribution of work office works                         | --                    | -           | -        | -        | -                  | -           | -            | -                       | -                 |
| B. 2<br>Distribution of maintenance Departments costs            | -                     | -           | -        | -        | -                  | -           | -            | -                       | -                 |
| B. 3<br>Distribution of Stores Department Costs                  | -                     | -           | -        | -        | -                  | -           | -            | -                       | -                 |
| Total charged to producing C. Departments (A+B)                  | -                     | -           | -        | -        | -                  | -           | -            | 5,96,430                | -                 |
| D. Labour Hours Actual for April                                 | 1,20,000              | 44,000      | 60,000   | 27,500   | -                  | -           | -            | -                       | -                 |
| E.<br>Overhead Rate per Hour (D)                                 | -                     | -           | -        | -        | -                  | -           | -            | -                       | -                 |

**CASE NO.4****Case: - Job Costing**

You are asked to bring the following incomplete account of a printing plant up to date 31st January, 2004. Also consider the data that appear The Accounts

|                                  |  |
|----------------------------------|--|
|                                  | <b>Materials Costs</b>                     |
| <b>31/12/2003 Balance 30,000</b> |  |
|                                  | <b>Wages Liability</b>                     |
| <b>31/12/2004 Balance 6000</b>   |  |
|                                  | <b>Work in progress control</b>            |
|                                  | <b>Factory Department overhead control</b> |
| <b>Total January</b>             |  |
| <b>Charges 1,14,000</b>          |  |
|                                  | <b>Factory overheads Applied</b>           |
|                                  | <b>Cost' of Goods Sold</b>                 |
|                                  | <b>Finished Goods Control</b>              |
| <b>31/12/2003 Balance 40,000</b> |  |
|                                  | <b>Cost of Goods Sold</b>                  |

**Additional Information**

1. The overhead is applied using a budgeted rate that is set every December by forecasting the following years overheads and relating it to forecast direct labour cost. The budget for 2004 called for Rs. 8,00,000 of Direct Labour and Rs. 12,00,000 'of Factory overhead.
2. The only Job unfurnished on 31st January 2004 was NO.,819, on when total direct Labour costs were Rs. 4000 (125 direct labour hours) and total direct material costs were Rs. 16,000,
3. Total Material placed into production during January were Rs. 1,80,000
4. Cost of goods completed during January were Rs. 3,60,000
5. Material in stock of January 31 was -Rs: 40,000
6. Finished Goods inventory as of January 31 was Rs. 30,000
7. All Factory workers earn the same rate of pay. Direct labour Hours for January total 5000 other labour and supervision totalled Rs. 20,000.
8. Gross factory wages on January pay days totalled Rs. 1,04,000.  
Ignore with holidays.
9. All 'actual' Factory overheads incurred during January has already been posted.

**REQUIRED**

- a. Material purchased during January.
- b. Cost of Goods sold during January.
- c. Direct labour costs incurred during January.
- d. Overhead applied during January.
- e. Balance, Wages Liability, 31" December 2003.
- f. Balance, work-in Progress control, 31" December 2003.
- g. Balance, work-in Progress control, 31" December 2004.
- h. Overhead applied or unapplied overhead for January.



### CASE NO.5

As a result of an expansion programme, Pidilite Industries has excess capacity which is expected to be absorbed by the domestic market in a few years. Twenty five thousand machine hours are available for the next year.

It has received inquiries from two firms located abroad. One offers to buy 2000000 units of product A at Rs. 3.80 per unit, the second offers to buy 5000000 units of product B at Rs; 5.00 per unit. Standard costs for these products are given below:

| Items of cost | Product A | Product B |
|---------------|-----------|-----------|
| Material      | Rs. 1.20  | Rs. 1.30  |
| Labour        | Rs.0.60   | Rs.0.80   |
| Overhead      | Rs.0.12   | Rs. 0.16  |
| Total         | Rs. 1.92  | Rs. 2.26  |

Overhead is applied on a Machine-hour basis at the rate of Rs. 2 per hour. Seventy five percent of the overhead is estimated to be fixed. No selling and administrative expenses would be allocated to either order, transportation charges are to be paid by the buyer.

One of the orders will be accepted. Which should it be? Why?

### CASE NO.6

#### Case: -Budgeting Control

In its round of talks with the representatives of the Trade Union, Arun Ltd. is faced with union demand for an increase of 15% an hourly wage rates, in response to a management offer of 5%.

The management is most reluctant to agree to such a demand but is willing to consider making an increased offer provided that it influences productivity. The suggestion to offer 5% on basis hourly rate plus Rs. 0.15 for every standard hour of output produced. If this is agreed to, it is expected that production would increase by 10% within the budgeted hours (normal factory capacity)

In order to sell the increased output, it would become necessary to effect reduction of 2½% OR 2.5% in the selling price.

The draft budget for forthcoming year, excluding the wages and sales increase are:

|                                | Rs. (In lakhs) |           |
|--------------------------------|----------------|-----------|
| Sales (1,50,000 units)         | --             | 60        |
| Direct Material                | 12             | --        |
| Direct Wages                   | 18             | --        |
| Variable production overhead   | 3              | --        |
| Fixed production overhead      | 10             | --        |
| Variable sales overhead        | 3              | --        |
| (5% of Turnover)               |                |           |
| Fixed sales overhead           | 6              | --        |
| Variable distribution overhead | 1              | --        |
| Fixed distribution overhead    | 1              | --        |
| Fixed administration overhead  | 2              | <u>56</u> |
| Profit                         |                | <u>4</u>  |

You are required to work-out the alternations in the budget:

- i. If trade unions demand is accepted by management.
- ii. If the management proposal of wage increase linked to productivity is accepted by the trade union.
- iii. Also work out minimum output necessary for the management proposal to be more rewarding to the labour force than 115% wage increase.

**CASE NO.7**

Nashik Warehousing Ltd. is considering the purchase of power trucks to replace the hand trucks in use now. By such replacement, it is estimated that the effective storage capacity of the water house space can be increased by 50%.

For use of the power trucks will require the floor of the warehouse to be reinforced at an estimated cost of Rs. 1,00,000, this amount can be written off over the remaining life of 10 years of the building; The warehouse building was acquired on 1<sup>st</sup> July 1974 for Rs. 10,00,000 and depreciation has been provided in the accounts each years at 2 1/2 % p.a. on straight line basis.

The power trucks will cost Rs. 1,30,000 and will have a service life of 10 years and will have an estimated salvage value of Rs.20,000. The maintenance cost of these trucks is estimated at Rs. 20000 p.a.

The land trucks were acquired on 1st July 1991 for Rs. 60,000.

Depreciation has been provided in the accounts at 5% p.a. on straight line basis. These trucks can be sold for Rs. 24000.

Labour costs vary proportionately to the volume of business.

However, the use of power trucks in place of hand trucks will reduce the labour cost by 25%.

The company has 25000 preference shares in Mahindra and Mahindra ltd. It is proposed to dispose off 20000 shares to provide funds for the cost of purchase of .new power trucks.

With additional effective warehousing capacity the company has two alternatives.

- a. Reduce storage racks by 14% and secure an estimated 20% increase in the volume of business.

OR

- b. To enter into a contract with a company which will use 80% of the additional capacity at 50% of present rates.

Fire insurance premium will increase by Rs. 4000 p.a. Other expenses wil1 remain the same except where indicated.

The following is the condensed statement of profit and loss of the Nashik warehousing Ltd. for the year ended 30<sup>th</sup> June 2004.

|                           | Rs.           | Rs.             |
|---------------------------|---------------|-----------------|
| Income : Warehousing rent | 6,00,000      | -               |
| Dividend from M&M Ltd.    | <u>25,000</u> | <u>6,25,000</u> |
| <b>Expenses:</b>          |               |                 |
| Warehousing wages         | 2,08,200      | -               |
| Depreciation : Building   | 25,000        | -               |
| Hand Trucks               | 3,000         | -               |

|                            |           |          |
|----------------------------|-----------|----------|
| Maintenance of Hand Trucks | 5,000     | -        |
| Insurance                  | 14,000    | -        |
| Other Expenses             | 1,09,1800 | 3,66,000 |
| Net Profit                 | -         | 2,59,000 |

The company wants your advice whether to replace the Hand Trucks and if so which of the two alternative opportunities be' availed during the year ended June 2005. Assume replacement will be on 1 July 2004.

### **CASE NO.8**

#### **Cost Control**

The Hindustan Heavy Engineering Ltd. Requires 4000 units of a particular raw material per year. At the beginning of the current year the purchase department expects the purchase price @ Rs. 90 per unit while the accounting department estimated the incremented cost processing an order is Rs. 135 and the cost of storage is estimated to be Rs. 12 per unit. But the costing department is against the incremental processing cost of Rs. 135 per unit rather according to it, this should have been Rs. 80. At the commencement the supplier offers 4000 units @ Rs. 86 per unit. The material will be delivered immediately and placed in the stores. One of the directors of the company saw that 'due to present communication system the incremental cost of placing an order is zero but the accounting department's original estimate of Rs. 135 for placing an order for economic batch is correct. After a series of discussions of the departmental heads company reached to decision not to buy 4000 units at a time.

#### **REQUIRED:-**

- Do you agree with the company's decision? Why?
- What is the total cost, when incremental cost process on order is Rs. 135 per unit?
- What is the total cost, when incremental cost processing an order is Rs. 86?

### **CASE NO.9**

#### **Profit Planning**

The Sparkle Soap Manufacturing Company produces several varieties of soaps having different brand names and characteristics. Different perfumes, appearances, hygienic and luxury propertial make the difference in product quality, although all the varieties of the product investigated are the same or similar use to customers in a very brand sense. The raw material used for the manufacture of soaps is oils and fats, perfume, syrup, colours etc. Costlier raw materials, attractive packing's and improved method of production increase the cost as well as the value of the product, though in different proportions. The comparative economics of different varieties of products under study would be in varying cost of quality and value of quality. The basic problems to strike an acceptable balance between cost and value of quality. The cost of quality can be rather easily evaluated. But the value of quality as determined by the price to be paid by the customers at the specified quality level depends largely on numerous external factors. In the present context the value of quality is taken to be the prevailing market price. It is, of course, other important factors. It is, however, an indicator of the value remaining sensitive to some of the other factors several of which are but notional. The cost analysis of

different varieties of the product under study which are designed as A,B and C in order to study the cost-quality-price behavior comparative unit cost and selling prices of those varieties are evaluated as follows.

|  | Soap C<br>Rs. | Soap B<br>Rs. | Soap A<br>Rs. |
|--|---------------|---------------|---------------|
| Selling price per unit                                   | 0.925         | 1.033         | 2.16          |
| Less Cost per unit                                       | 0.755         | 1.049         | 1..69         |
| Profit per unit before excise<br>duty and trade discount | 0.170         | (-) 0.016     | 0.47          |
| Less excise duty per unit                                | 0.116         | 0.130         | 0.27          |
| Profit per unit before trade                             | 0.054         | (-) 0.146     | 0.20          |

It is obvious from the above calculation that product B, inspite of its superiority in quality to product C, is a losing one. The cost behavior of product B cannot be fully appraised by means of an analysis of average unit cost. This is more so because such an average hides different potent factors that require scrutiny for purpose 'of managerial decision making. In addition accretion of fixed cost in the average underplays the economics of manufacture of the individual products for instance, larger the number of units produced. Lower will be the incidence of fixed cost per unit of product. Specify for the purpose of management, the behavior fixed and variable costs would require to be studied more clearly than the average unit costs permits. It is also necessary to emphasize that in a certain range of output, fixed costs do not have much relevance for planning in the sense that these costs will have to be incurred any way. It will, however, present a different picture if this involved installation of new facilities or increase in the utilization of existing facility. Within the limited capacity range, therefore, a shift in quality of the product would not require any additional fixed cost due to the possible maneuvering in manufacturing process. It is here that marginal cost analysis becomes very relevant, marginal cost analysis can be suitably made in comparing product quality, given the existing facility and set-up in which different varieties of the product can be produced. Marginal cost analysis would reflect the movement of variables in the given circumstances particularly the interaction among different variables. Variable or marginal cost analysis makes it imperative to distinguish between fixed and variable cost in view of the distinct pattern of behavior that can be discerned in the two. Here, for the purpose of the present analysis, the total costs have been divided into fixed and variables cost assumed for the purpose of approximation. The radius of contribution to sales prices are computed from the variable costs of different varieties of the product and the corresponding selling prices. The comparative profitability's are revealed from the following ratios:

|   | Soap C<br>Rs. | Soap B<br>Rs. | Soap A<br>Rs. |
|---|---------------|---------------|---------------|
| Selling price per unit  | 0.925         | 1.033         | 2.16          |
| Variable cost per unit  | 0.536         | 0.802         | 1.18          |
| Contribution per unit<br>before excise duty & trade<br>discount   | 0.389         | 0.231         | 0.98          |
| Less-Excise duty per unit   | 0.116         | 0.130         | 0.27          |
| Contribution per unit<br>before Trade Discount                    | 0.273         | 0.101         | 0.71          |
| Contribution per unit as<br>percentage to sales price<br>per unit | 29.5%         | 9.8%          | 32.9%         |

The lower ratio of contribution to sales price of product B in comparison with those of A and C signifies the imbalance between the variable cost and selling price. The marginal increase in the cost of producing quality B instead of C is Rs. 0.266. It becomes clear that the additional amount of Rs. 0.266 per unit required to be incurred to achieve a change in quality of grade from C to B, in terms of raw material, attractive packing etc. against an increase in selling price of Rs. 0.18 only.

The lack of compatibility between cost and sellings price indicates two possibilities viz.

1. Adequate data on cost might not have been available for guidance on fixation prices.
2. Product cost of B has increased considerably since the original fixation of price to eat away a significant part of contribution but corresponding increase in the price could not be optioned due to external constraints.

Going through the above case, what logical courses of action can be suggested for the purpose of maximization of profit?

**CASE NO. 10**

P Ltd. Manufacture a single product. Its condensed profit and loss statement for the year ended 31" March 2004 is as follows:

|   | Rs.      | Rs.        |
|---|----------|------------|
| Sales                                   |          | 45,00,000  |
| Less cost of sales                      |          | -28,00,000 |
|   |          | 17,00,000  |
| Less selling and distribution expenses: |          |            |
| Variable                                | 4,00,000 |            |
| Fixed                                   | 9,00,000 | 13,00,000  |
| Net Profit                              |          | 4,00,060   |

During the year ended 31" March 2004 the company, manufactured and sold 1 lakhs units. The cost of sales was as follows for the year:

|                   | Total Cost<br>Rs. | Unit Cost<br>Rs. |
|-------------------|-------------------|------------------|
| Materials         | 12,00,000         | 12.00            |
| Direct labour     | 6,00,000          | 6.00             |
| Variable overhead | 2,00,000          | 2.00             |
| Fixed overhead.   | 8,00,000          | 8.00             |
|                   | 28,00,000         | 28.00            |

The co. is facing serious competition and wants to reduce the selling price by Rs. 5, as the competitions are selling the product at Rs, 42 in a meeting of all executives following proposals have been suggested.

The sales manager provided the estimate that sales can be increased by 60% if" selling price is reduced by Rs.5 per unit. The cost accountant advice that the fixed selling costs should be reduced by Rs.1,00,000 by reducing the budget of advertisements which is agreed by 'the sales manager.

The labour Union is not ready to reduce wage rates or to increase productivity. The union is demanding 25% increase in wage rates. In a time study undertaken to introduce piece rate system of payment of wages, it is noted that each workers production and hence total production can be increased by 60% of the present level. Considering the results of the time study the cost accountant recommended that piece rate system of payment of wages be introduced with 25% increase in the present average labour cost of Rs. 6 per unit, it will enable the workers to increase their earnings by more than 25% of the present earnings.

The purchase manager and the production manager are requested to economies on the M.Com. Part II, [External] w.e.f. 2016-17

use and expenses of material so as to reduce material cost by 10% of the present per unit cost of Rs. 12 per unit. The production manager has assured for the same.

The company seeks your advice whether the proposal should be implemented?

What will be the effect on cost and profit per unit and total profit if the price is reduced and other proposals are implemented?

**CASE NO.11**

**Cost Auditor's Observations:**

In the cost audit report under Para 14 cost auditors' observation and conclusions a cost auditor has to inter alia, furnish suggestion for improvement in performance and other observations. As a cost auditor of a manufacture company, furnish your suggestions and observations based on the following information (you may make necessary assumptions)

|  | 2002-03  | 2003-04  |
|--|----------|----------|
| 1. Profit (in Rs. Lakhs)                               | 250      | 340      |
| 2. Capacity utilization                                | 90%      | 95%      |
| 3. Consumption of electricity<br>Tones of output (KWH) | 4.07     | 3.98     |
| 4. Capital Employed (in Rs. lakhs)                     | 1200     | 1100     |
| 5. Salaries & Wages (in Rs. lakhs)                     | 117      | 98       |
| 6. Production (M.T)                                    | 1,80,000 | 1,90,000 |

**CASE NO. 12**

Equipment has a purchase value of Rs. 70,000. Its running costs per year and resale values are given below.

| Year | Running costs<br>Rs. | Resale value<br>Rs. |
|------|----------------------|---------------------|
| 1    | 20,000               | 40,000              |
| 2    | 21,000               | 30,000              |
| 3    | 23,000               | 22,000              |
| 4    | 26,000               | 16,000              |
| 5    | 30,000               | 14,000              |
| 6    | 35,000               | 7,000               |
| 7    | 41,000               | 7,000               |
| 8    | 46,000               | 7,000               |

At which year is the replacement due?

**M.Com. Part II**  
**Co-operation & Rural Development Special Paper III**  
**Subject Name :- Co-operative credit and Banking system**  
**Course Code :- 209**

**Objectives:**

1. To acquaint students with the concept of Co-operative credit system.
2. To study the organizational set-up of co-operatives system.
3. Creating awareness about the problems of rural credit.

| Unit No.   | Topic   |
|------------|---|
| <b>I</b>   | <b>Introduction:</b><br>1.1 Definition of Credit<br>1.2 Importance of Agricultural Credit<br>1.3 Features of credit.<br>1.4 Types of credit<br>1.4.1.Short Term<br>1.4.2.Medium Term<br>1.4.3.Long Term<br>1.5 Need of Institutional Credit for Agricultural Limitations of Credit System |
| <b>II</b>  | <b>Structure of Credit Co-operatives:</b><br>2.1 Federal Credit Co-operatives.<br>2.2 Need for the Integration of Short term, Medium term and Long term credit  |
| <b>III</b> | <b>Agricultural Credit Co-operatives</b><br>3.1 Agricultural Credit Co-operatives- PACS.<br>3.2 District Central Co-operative Bank-DCC Banks.<br>3.3 State Co-operative Banks   |
| <b>IV</b>  | <b>Non Agricultural Credit Co-operatives</b><br>4.1 Urban Co-operative Societies.<br>4.2 Salary earners Co-operative Credit Societies<br>4.3 Non agricultural Credit Societies<br>4.4 Urban Co-operative Banks  |

| <b>List of Books Recommended for Study</b>   |
|--|
| <ol style="list-style-type: none"> <li>1. G.S. Kamat: New Dimensions of Co-operative Management</li> <li>2. K.K.Taimani: Co-operative Organisation and Management</li> <li>3. G.S. Kamat: Cases in Co-operative Management</li> <li>4. Dr.G.H.Barhate, L.P.Wakale and B.G.Sahane , Sahakar Vikas, Seth Publication, Mumbai.</li> <li>5. S.L.Goyal Principle, Problems and Prospects of Co-operative administration, sterling publishing pvt. Ltd. Jalandhar.</li> <li>6. Samiuddin &amp; Rahman- Co-operative sector in India , S.Chand &amp; co.</li> <li>7. Kamat G.S. –New Dimension of Co-operative management, Himalaya Publishing</li> <li>8. Krishanaswami O.R.-Co-operative Audit, National council for Co-operative training , New Delhi.</li> <li>9. Khandelwal M.C. - Co-operative Audit, Patiyala Pustak Bhandar, Jaipur.</li> <li>10. Samiuddin-Scope &amp; Problems of Co-operative sector in India , Aligarh.</li> <li>11. Samiuddin- Co-operative farming &amp; its impact of Rural Industrialization, Aligarh.</li> </ol> |



Journals:

1. 1.Journal of Rural Development, Hyderabad (Rajendranagar).
2. Journal of Co-operative perspective, Pune.
3. 3.The Indian Journal of Commerce, New Delhi.
4. 4.Journal of Sahakari Maharashtra, Pune.

**M.Com. Part II**  
**Co-operation & Rural Development Special Paper IV**  
**Subject Name :- Recent Advances and Case Studies in Co-operation**  
**Course Code :- 210**

**Objectives:**

1. To create awareness regarding globalization and its effects on a rural development.
2. To study Roll and Working through case Studies..

| Unit No.   | Topic  |
|------------|--|
| <b>I</b>   | <b>Social &amp; Economical Aspect:</b><br>1.1 Issue of economic viability of Co-operative institutions<br>1.2 Issue of non-viability and sick co-operative units.<br>1.3 Social responsibility of Co-operative institutions<br>1.4 .Co-operative leadership in global era. |
| <b>II</b>  | <b>Globalization and Co-operatives :</b><br>2.1 Impact of globalization on co-operative institutions.<br>2.2 Challenges of global competition.<br>2.3 Meeting the global challenges.<br>2.4 New management technologies.<br>2.5 Quality enhancement through six Sigma.     |
| <b>III</b> | <b>Case Studies Related to:</b><br>3.1 Dairy Co-operatives<br>3.2 Sugar Co-operatives.<br>3.3 Consumer Co-operatives<br>3.4 Agricultural credit Co-operatives.<br>3.5 Housing Co-operatives.<br>3.6 Non- Agricultural credit Co-operatives.                                |

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11. Samiuddin- Co-operative farming & its impact of Rural Industrialization, Aligarh.

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4. Journal of Sahakari Maharashtra, Pune.

**M.Com. Part II**  
**Business Practices & Environment Special Paper III**  
**Subject Name :- Entrepreneurial Behavior and**  
**Entrepreneurial Development Pattern**  
**Course Code :- 211**

| Unit No. | Name of the Topic  |
|----------|--|
| 1        | Entrepreneurship & Entrepreneurship training Meaning & features – Personal qualities – Studies of personal & social traits – Assessing potential entrepreneurship – tools & techniques used Behavioral tests. Entrepreneurship training Objectives & importance – Training models – Training Components – Information input & training methodologies |
| 2        | Development of achievement motivation Sources of development of achievement - Skills required for effective Entrepreneurship Development - entrepreneurship problems - beliefs & attitude - limitations  |
| 3        | Promoting Entrepreneurship role - task & challenges - Need & importance of trainer - Motivator skills & qualifications required - Training the trainer - development input for trainer motivator - post training support.  |
| 4        | Business opportunity identification - guidance - Importance & relevance of business opportunity - process of identifying & assessing business opportunity - Selection of business opportunity - new trends in the service sector - scope for entrepreneurship in the service sector - market survey tools & techniques                               |
| 5        | Problems in Entrepreneurship Development - Dot com entrepreneurship - role of Govt. in entrepreneurship development – R & D Technology for commercialization - Science technology & entrepreneurship development.  |
| 6        | Specialized institutions involved in entrepreneurship development - Business incubation & venture capitalists – DIC - Entrepreneurship within organization - corporate strategy entrepreneurship.  |
| 7        | Business idea search - Project identification - project design - Network analysis - Business model PERT - Critical path method - Creativity & innovation - Meaning & importance - role in developing a new business - Creativity & problem solving - preparation of business plan.   |
| 8        | Entrepreneurship in education - emerging trends - role in DST in promoting entrepreneurship - Preparation of Business plan - issues in project management - project direction - co-ordination & control - project cost evaluations & cost control - Interface with industrial sickness - project monitoring & MIS.                                   |

**Recommended Books :**

1. S.S. Nadkarni-Developing new Entrepreneurs, EDII Ahmadabad.
2. N.P. Singh - Entrepreneurs v/s Entrepreneurship Asian society for ED.
3. Desai Vasant –Dynamics of Entrepreneurial development & management, HPH
4. Khairka S.S. Entrepreneurial Development, S.Chand & Co, New Delhi.
5. Moharana Drant Desai- Entrepreneurship Development, RBSA Publishers, Jaipur.
6. Paul Jose,Kumar N.Paul T.M. Entrepreneurship Development, HPH, New Delhi.
7. Saini J.S. Rathore B.S. Entrepreneurship Theory & Practice

**M.Com. Part II**  
**Business Practices & Environment Special Paper IV**  
**Subject Name :- Recent Advances in Business Practices,**  
**Environment and Case Studies**  
**Course Code :- 212**

| Unit No. | Name of the Topic  |
|----------|--|
| 1        | Industrial, investment & infrastructure policy of Maharashtra 2006 A)<br>Thrust Areas.<br>1) Agro – Tourism<br>2) Agro processing Policy<br>3) Textile Policy.<br>4) Retail Policy.<br>5) Infrastructure development Policy.<br>6) Cluster Approach for Development.   |
| 2        | A) Recent Scheme of Development of micro small & medium enterprises (MSME).<br>B) Rajeev Gandhi Udyami Mitra Scheme (RGUMI)  |
| 3        | B) Marketing Assistance.<br>1) Gram Udyog Vasahats.<br>2) Urban Haat. C) H.R. initiatives - Labour Market Information cell (LMIC)<br>Service training institute (STI).   |
| 4        | Environment Audit & Corporate Governance Nature - Scope & importance<br>– Types – Limitation - Role & implication - Transparency & corporate<br>discloser – Nominee Direct role.   |
| 5        | Business Guidance - Importance and relevance of business opportunity-<br>process of identifying and assessing business opportunity-business<br>opportunity and needs of potential entrepreneur selection of business<br>opportunity. New trends in service sector and scope for<br>entrepreneurship in the service sector.                               |
| 6        | Problems in entrepreneurship development :<br>(a) Dot Com entrepreneurship or Entrepreneurship<br>(b) Role of Government in entrepreneurship Development<br>(c) R & D Science and technology and entrepreneurship development<br>(d) Specialized institution involved in entrepreneurship development<br>(e) Business incubation and venture capitalists |
| 7        | Business idea search-Project identification-Project design-Network Analysis-<br>Business Model PERT, Critical Path Method-Creative and Innovation meaning<br>and Importance and role in developing a new business.   |
| 8        | Issues in Project Management-Project direction, Coordination and Control.<br>Project cost evaluation and cost control. Interface with industrial sickness.<br>Project monitoring and MIS.  |

**Recommended Books :**

1. S.S. Nadkarni : Development New Entrepreneurs, EDII, Ahmedabad.
2. N. P. Sing : Entrepreneur V. S. Entrepreneurship Asian Society for ED.
3. Desai Vasant : Dyanamics of Entrepreneurial Development and Management. HPH.
4. Khairka S. S. : Entrepreneurial Development, S. Chand and Co., New Delhi.
5. Moharana Drant Desai : Entrepreneurial Development, RBSA Publishers, Jaipur.
6. Paul Jose, Kumar N., Paul T. M. – Entrepreneurship Development, HPH, New Delhi.

**M.Com. Part II**  
**Business Administration Special Paper III**  
**Subject Name :- Human Resource Management and**  
**Organizational Behavior**  
**Course Code :- 213**

**Objectives:**

1. To aware the students with various models of organisational behavior
2. To give basic knowledge about various types of personalities, stress and impact of organisational culture on the functioning of an organization
3. To give basic knowledge about role of human resource in an organisation.
4. To aware the students with various methods of performance appraisal.

| <b>Section -I Organizational Behaviour: [50 Marks]</b> |   |
|--|---|
| <b>Unit No.</b>  | <b>Topic</b>  |
| <b>I</b>   | <b>Introduction To Organisational Behaviour</b><br>Definition and Goals of Organisational Behaviour, Theoretical and Conceptual Frameworks for the Study of Organisational Behaviour. Role of Information Technology in Organisation. Impact of Globalisation on OB. Models of Organisational Behaviour Autocratic, Custodial, – Supportive, Collegial and SOBC   |
| <b>II</b>  | <b>Orginsational Designs, Culture, Personality &amp; Attitudes</b><br>Horizontal Network and Virtual Designs. Definition and Characteristics of Organisational Culture .Creating and Maintaining Culture .Process of Impression Management: Personal branding, Meaning of Personality, Attributes of Personality Dimensions of Attitude, Attitude Change Jon Satisfaction, Outcomes of Job Satisfaction |
| <b>III</b>   | <b>Motivational processes &amp; Emotional Intelligence</b><br>Types of Motives – Primary, General, Secondary Vroom’s Expectancy Theory Meaning of Emotional Intelligence Emotional Intelligence in the Workplace  |
| <b>IV</b>  | <b>Stress And Conflict, Groups &amp; Teams</b><br>Meaning & Causes of Stress: Extra Organizational, Organizational, Group and Individual Types of Conflict: Intra individual, Interactive The Effects of Stress and Conflict Managing Stress and Conflict Concept of Work-life Balance. Types of Groups, GroupsCohesiveness.Dysfunctions of Group Types of Teams and Team Building                      |

| <b>Books Recommended</b>  |
|---|
| <ol style="list-style-type: none"> <li>1. Organizational Behaviour -Freud Luthans</li> <li>2. Human Behaviour at Work -J W Newstorm</li> <li>3. Organisation Behaviour : Text and Cases -Games K, Aswathappa</li> <li>4. Organisational Behaviour -Stephen Robbins</li> <li>5. 5. Organisational Behaviour -DrMrs Oka &amp;MrsKulkarni</li> </ol> |

| <b>Section-II: Human Resource Management [50 Marks]</b> |  |
|---|--|
| <b>Unit No.</b>   | <b>Topic</b>   |
| <b>I</b>  | <p><b>Human Resource Management</b><br/>Introduction – Meaning &amp; Definition .Concept, Approaches, Functions, Challenges of HRM in Indian Context &amp; in changing business scenario. H R Environment – Technology and Structure, Network Organizations, Virtual Organizations, Workforce Diversity, Demographic Changes, Entry of female employees in the workforce, Dual Career Employees, Employee leasing, Contract Labour, Global Competition, Global sourcing of Labour, WTO and Labour Standards.</p> |
| <b>II</b>   | <p><b>Manpower Planning &amp; Development</b><br/>Objectives, Estimating Manpower Requirement, Recruitment &amp; Selection Sources of Recruitment and Process of Selection &amp; Assessment Devices Retention of Manpower, Succession Planning. Training Process and Methodology, Need and Objectives, Training Procedure, Methods of Training and Aids, Evaluation of Training Programmes.</p>  |
| <b>III</b>  | <p><b>Performance Appraisal and Merit Rating.</b><br/>Definition, Methods of Performance Appraisal, Result Based Performance Appraisal, Errors, Ethics in Performance Appraisal, 360 Degree Feedback. Merit Rating – Promotions, Transfers, Job Description, Job Evaluation, Job Enlargement, Job Enrichment, Job Rotation.</p>  |
| <b>IV</b>   | <p><b>Retirement/Separation/Retrenchment Strategies&amp; New Concepts in HRM</b><br/>Kinds of Retirement, VRS and Separation Schemes, Early Retirement Plans, Resignation, Discharge, Dismissal, Suspension, Lay off. New Concepts of Customer Service Level and Agreement, SQDCS, HR Audit, Benchmarking, Downsizing, HR Outsourcing, Assessment Centres. Building Human capital &amp; Employee Satisfaction Survey</p>   |

| <b>RECOMMENDED BOOKS</b> |   |
|--------------------------|---|
| 1.                       | Human Resource Management -Garry Dessler                        |
| 2.                       | Human Resource Management -R S Dwiwedi                          |
| 3.                       | Human Resource Management -V P Michael                          |
| 4.                       | Human Resource Management -Mirza and Saiyadin                   |
| 5.                       | Managing Human Resource -ArunMonappa                            |
| 6.                       | Strategic Human Resource Management – Charles R Green           |
| 7.                       | Strategic Human Resource Management - Kandula                   |
| 8.                       | Strategic Human Resource Management -Jeffery B Mello            |
| 9.                       | Personnel & Human Resource Management -Robert Mat &Jhon Jackson |
| 10.                      | Dynamics of Personnel Administration –Dr.Rudrabasavraj          |
| 11.                      | Personnel & Human Resource Management –A.M Saxena               |
| 12.                      | ManushyabalVyavasthapanVaAudyogikSambandha –DrMadhaviMitra      |
| 13.                      | Employee First & Customer Second :VinitNayer                    |



**M.Com. Part II**

**Business Administration Special Paper IV**

**Subject Name -:** Recent Advances in Business Administration and Case Studies.

**Course Code -:** 214

**Objectives**

1. To aware the students with the tools and parameters of maintaining standard quality
2. To aware the students with innovations and recent development in business world .
3. 3.To aware the students with various types of cases arises before business organisation
4. To give basic knowledge to students to solve business related cases.

| <b>Section-I: Recent Advances in Business Administration [50 marks]</b> |  |
|---|--|
| <b>Unit No.</b>   | <b>Topic</b>   |
| <b>I</b>  | <b>Approaches To Quality Management &amp; Enterprise Resource Planning.</b><br>K Total Quality management, Six sigma, Techniques, feature & utility, Five's system of Quality management. Concept & features of E. R. P. Tools of E. R. Applying E. R. P. In business. Computers & E. R.P  |
| <b>II</b>   | <b>Cross- Cultural Management System</b><br>Global management system- Concept, &Significance. Issues in cross cultural management. Acquisition & mergers- Role & importance Current Trends in acquisitions & mergers national & international scenario   |
| <b>III</b>  | <b>Turn Around &amp; Innovation Management</b><br>Concept & Significance of turnaround management, Techniques of Turnaround management, Turn around management; prerequisite for success. Take over &turn around management Restructuring &Reengineering of business Concept of innovation Advantages and Significances of Innovation Key Steps in Innovation Management Role of Government and Private Institutions in promoting innovation |
| <b>IV</b>   |  |

**Section-II: CaseStudies in Business Administration [50 Marks]**

Total 20 cases will be selected from standard book for study.50 marks are allotted for case study.

**M.Com. Part II**  
**Advanced Banking & Finance Special Paper III**  
**Subject Name :- International Finance.**  
**Course Code :- 215**

**Term I**

| Unit No.   | Topic   |
|------------|---|
| <b>I</b>   | <p><b>International Banking:</b><br/> Reasons For International Banking Types of International Banking offices:<br/> Correspondent Bank Foreign Offices Subsidiary and Affiliate Banks<br/> Offshore banking Centers.</p> <p><b>International Money Market:</b><br/> Euromarkets- Development of Eurodollar Market. Instruments - Euro Notes,<br/> Euro commercial Paper, Medium-term Euro Notes.</p>       |
| <b>II</b>  | <p><b>International Debt and Equity Markets:</b><br/> International Debt Market Instruments:<br/> <b>Procedure for Issue of -</b><br/> Foreign Bonds<br/> Euro Bonds<br/> Global Bonds<br/> Convertible Bonds<br/> Floating rate Notes<br/> International Equity Market Instruments:<br/> <b>Procedure for Issue of -</b><br/> American Depositary Receipts (ADR)<br/> Global Depository Receipts (GDR)</p> |
| <b>III</b> | <p><b>New Exchange Rate Regime:</b><br/> Floating Rate System: Independent Float and Managed Float. Currency Pegging:<br/> Pegging to single Currency ; Pegging to basket of Currencies 'Pegging to SDRS<br/> (Special Drawing Rights); Crawling Peg. Convertible and Non-Convertible<br/> Currency.</p>  |
| <b>IV</b>  | <p><b>International Financial Institutions</b><br/> Origin, Objectives, Structure and Operations of:<br/> A. Bank for International Settlements (BIS)<br/> B. International Monetary Fund (IMF)<br/> C. World Bank Group: International Bank for Reconstruction and<br/> Development (IBRD); International Finance Corporation (IFC); BRICS.</p>  |
| <b>V</b>   | <p><b>Foreign Exchange Market:</b></p> <ul style="list-style-type: none"> <li>• Meaning of foreign exchange</li> <li>• Features of foreign exchange market.</li> <li>• Participants of foreign exchange market.</li> <li>• Spot market: features</li> <li>• Forward market: features</li> <li>• Forward market Hedging</li> <li>• Swap rates</li> <li>• Currency futures</li> </ul>                         |

|              |  |
|--------------|--|
|              | <ul style="list-style-type: none"> <li>• Currency Options</li> <li>• Risk in Foreign Exchange Market</li> </ul>  |
| <b>VI</b>    | <p><b>Foreign Exchange Market in India:</b></p> <ul style="list-style-type: none"> <li>• Structure and Growth of Indian foreign Exchange Market</li> <li>• Foreign Exchange Management Act, 2000: Origin &amp; Scope</li> <li>• Authorized money changers and Authorized Dealers in Foreign Exchange.</li> <li>• Dealing Rooms – Concept &amp; Importance</li> <li>• Types of Accounts: of Non-Resident Indians</li> <li>• Meaning of Non-Resident</li> <li>• Non-Resident (External) Account (NRE)</li> <li>• Non-Resident (Ordinary) Account (NRO)</li> <li>• Foreign currency (Non-Resident) Account (FC NR)</li> <li>• Resident Foreign Currency Account (RFC)</li> <li>• Non-Resident Non-Repatriable Account (NRNR)</li> <li>• Role of Reserve Bank of India in Foreign Exchange Market.</li> <li>• Factors Influencing foreign exchange rate</li> </ul> |
| <b>VII</b>   | <p><b>Financing of Foreign Trade:</b><br/>Objectives of Foreign Trade Documentation.<br/><b>Documents:</b></p> <ul style="list-style-type: none"> <li>• Letter to Credit (L/C)</li> <li>• Parties to L/C; operation of L/C</li> <li>• Types of L/C: Revocable &amp; Irrevocable</li> <li>• Transferable, Back to back credits</li> <li>• Revolving L/C</li> <li>• Anticipatory L/C</li> <li>• Draft, Types of draft.</li> <li>• Mate's Receipt. Bill of lading, Invoice. Insurance policy,</li> <li>• Certificate of origin, consular's invoice, bill of exchange</li> </ul>   |
| <b>VIII</b>  | <p><b>Methods of Financing Foreign Trade:</b><br/>Bank Credit –</p> <ul style="list-style-type: none"> <li>• Pre-shipment credit</li> <li>• Post-shipment credit</li> <li>• Medium-term credit</li> <li>• Credit under duty draw back scheme</li> </ul> <p>Export-Import Bank of India (EXIM Bank): Objectives, Functions, Performance and Role, Export Credit Guarantee Corporation (ECGC)</p>  |
| <b>Total</b> |  |

| <b>Recommended Books</b>  |
|---|
| <ol style="list-style-type: none"> <li>1. International Financial Management - V. Sharan</li> <li>2. Financial Institution and Markets - a Global Perspective - Hazel J. Johnson</li> <li>3. Foreign Exchange; International Finance-Risk Management-A.V. Rajwade</li> <li>4. Financial Markets and Institutions- L.M. Bhole</li> </ol> |

5. International Financial Management-Eun/Resnick
6. International Financial Management, Markets, Institutions-James C. Baker-
7. Reserve Bank of India Bulletin-
8. Annual Reports of IMF, World Bank, ADB.
9. Reports on Trends & progress of banking in India –RBI

**M.Com. Part II**  
**Advanced Banking & Finance Special Paper IV**  
**Subject Name :- Research Methodology & Case Studies.**  
**Course Code :- 216**

| Unit No. | Topic   |
|----------|---|
| 1        | <p><b>Recent Developments in Banking:</b></p> <ul style="list-style-type: none"> <li>➤ Financial inclusion : Concept, Benefits, RBI guidelines, Economic Growth and financial inclusion, constraint.</li> <li>➤ Regulation with respect to management of NPAs and Maintenance of Capital adequacy.</li> <li>➤ Micro finance &amp; role of Banks.</li> <li>➤ Customer service, customer education &amp; Customer Relationship Management.</li> <li>➤ The Banking Ombudsman Scheme, 2006</li> <li>➤ Concept of CAMELS rating in banks.</li> </ul>   |
| 2        | <p><b>Technological Developments in Banks: Delivery channels</b></p> <ul style="list-style-type: none"> <li>➤ Core Banking</li> <li>➤ Tele banking, Mobile banking,</li> <li>➤ ATMs</li> <li>➤ Internet Banking.</li> <li>➤ Electronic Funds Transfer (BCS credit-debit, SWIFT, RTGS, and NEFT)</li> </ul>  |
| 3        | <p><b>Recent Developments in Money Market:</b></p> <ul style="list-style-type: none"> <li>➤ Call/ Notice / Term policy</li> <li>➤ Treasury Bills</li> <li>➤ Commercial paper and certificate of deposits.</li> <li>➤ Collateralized borrowing and lending obligations. (CBLD)</li> <li>➤ Money market mutual fund. (Repos)</li> <li>➤ Repurchase obligations (Market Repo &amp; Repo with RBI)</li> <li>➤ Money market derivative.</li> </ul>   |
| 4        | <p><b>Recent Developments in Capital Market:</b></p> <ul style="list-style-type: none"> <li>➤ Recent reforms in the capital market with reference to primary market : Book building, reverse book building mechanism (75%-100%), Green shoe option, Online IPOs., Grading &amp; IPO's</li> <li>➤ Secondary market : organization, Regulation and functions of stock exchanges, listing and trading of securities, the BSE, the NSE, OTCEI, and the interconnected stock exchanges of India. The working of these stock exchanges.</li> <li>➤ Changing trends in foreign institutional investments.</li> <li>➤ Introduction of depositories and custodian,</li> <li>➤ Options and futures trading in equity derivatives market.</li> </ul> |

### **Recommended Books**

1. Financial Institution and Markets - a Global Perspective - Hazel J. Johnson
2. Foreign Exchange; International Finance-Risk Management-A.V. Rajwade
3. Financial Markets and Institutions- L.M. Bhole
4. International Financial Management-Eun/Resnick
5. International Financial Management, Markets, Institutions-James C. Baker-
6. Reserve Bank of India Bulletin-
7. Annual Reports of IMF, World Bank, ADB.

### ***Case Studies***

1. A lawyer has 3 separate current accounts in ABC bank: 1) personal account, 2) office account and 3) clients account. In expectation of good balance in clients' account, ABC bank had allowed him a clean advance of Rs 25,000 in his personal account. For some reasons, the bank grew unhappy with this arrangement and therefore, recalled the advance. When the lawyer failed to respond to the bank's notice to repay, it decided to take recourse against the other accounts for recovery of the outstanding balance of Rs 25,000 in the personal account. The bank found that there was a credit balance of Rs 15,000 in the clients' account and also a credit balance of Rs 2,000 in the office account. The lawyer also had a safe deposit vault in ABC bank in the joint names of himself and his wife, with operations by either or survivor. He also had a fixed deposit of Rs 5,000 maturing after 4 months. He had left some shares with the bank of the approximate value of Rs 3000 with instructions to sell them at or above a fixed price. The shares were still lying unsold.

Consider the recourse which the bank can have on the balances and securities etc. as detailed above for settlement of its due in his personal account.

2. A, B and C are partners in Yashwi Traders. The firm has a current account, operated by any one of the partners with Bank of Hindustan Ltd. A gives a mandate favoring 'M' to operate the firm's account on his behalf and the Bank pays a Cheque for Rs 20,000 drawn by "M" under this mandate. The firm refuses to accept the debit. Discuss the status of the bank that honoured this Cheque.

3. A Cheque of Rs 15000 by a customer in favour of Sales Tax Officer is presented for payment. The balance in the account is Rs 12000/- but the

customer has other Cheques for collection for Rs 10000/-.

You as a banker return this Cheque unpaid on the remark "Effects not cleared, Present again". On the next day all collection Cheques are realized and the balance of your customer's account now is Rs 22,000/-. The customer presents a Cheque for withdrawal worth Rs 16,000/-. The clerk on the clearing desk believes that the customer may not be allowed to withdraw because the bank should reserve an amount of Rs 15,000/- to meet the Cheque drawn in favour of Sales Tax Officer. Is his stand and understanding right?

4. E.G. Finance company opens a current account with 'MNO Bank' with introduction given by one of its clients. After six months the company winds up the business and partners are absconding. While scrutinizing their account, the bank notices that the following items were deposited in their account and credited after collection:

- i. Fixed deposit receipt for Rs 20,000 issued by another bank. The deposit was in the name of Ramesh Mathur & co. purporting to have been duly signed and crossed.
- ii. A Cheque for Rs 25,000 drawn by 'Life Insurance Co' in favour of Garware Nylons Ltd., crossed 'Not Negotiable'.

Please discuss whether, as collecting banker, you would incur any liability towards the true owner of the deposit receipt and the Cheque in question.

5. What are the due dates of the following instruments? Explain the principle involved in each case and give the actual details of the working:

- a. Bill of exchange dated 25<sup>th</sup> January, 2009 payable 3 months after date.
- b. A bill of exchange dated 24<sup>th</sup> March, 2009 payable 60 days after date.
- c. A bill of exchange dated 31<sup>st</sup> May, 2009 payable 90 days after sight.
- d. A promissory note falling due for payment on a Sunday.

6. A demand draft issued on one of your branches gets lost in transit before reaching the payee. The purchaser applied for refund. The payee is unwilling to join in the indemnity as the draft had not been received by him at all. How would you deal with the situation?

7. Mr A.S. Salve, your valued customer, approaches you to grant an overdraft facility up to Rs 25,000 in his current account. He offers the following securities:
- i. 100 shares of Indian Seamless and Metal Tubes in his wife's name
  - ii. A recurring account with a balance Rs 25,000 in the name of his wife jointly with his son issued by another branch of your bank
  - iii. His own life insurance policy worth Rs 50,000 maturing in March 2011. Which of the securities would you accept and why? What precautions would you take and what document would you obtain for the advance?
8. A limited company, manufacturing consumer durable approaches ABC bank. As a banker for an advance of Rs 5 lakh against pledge of raw material, finished goods and stock in progress. What precautions would you take as a banker in granting the advance? What documents would you obtain?
9. A bank advances money on the security of a guarantee. The guarantor learning that the principal debtor is in financial difficulties, tenders to the bank the full amount of his liability under the guarantee and says that the security deposited by the customer with the bank may be surrendered to him. Discuss the position.
10. The salient features of the Balance sheet of A and B Limited as at 31<sup>st</sup> March 2010 is as under:

| <b>Particular</b>                     | <b>Amount (Rs)</b> |
|---------------------------------------|--------------------|
| Paid up capital                       | 2,00,000           |
| Profit and loss debit balance         | 50,000             |
| Fixed assets                          | 60,000             |
| Inventory                             | 3,70,000           |
| Creditors                             | 1,50,000           |
| Book debts                            | 2,00,000           |
| Outside borrowings from money lenders | 1,50,000           |
| Deposits by directors                 | 1,20,000           |
| Annual sales                          | 4,00,000           |
| Loss for the year 2010                | 30,000             |



The directors approach Bank of Hindustan for advance facilities to repay the outside borrowings and sundry creditors against the security of fixed assets, stock and book debts.

As a branch manager of Bank of Hindustan, how will you view the above proposal? Should you decide to grant the facilities, state the stipulation you will like to make. Please give reasons.

## M.Com. Part II

### Advanced Marketing Special Paper III

Subject Name -: Marketing Research & International Marketing

Course Code -: 217

#### Objectives:

- To acquaint the student various marketing research techniques & to enable them to use them in practice in national and international market.
- The Course participants will become more familiar with the nature and practices of international marketing. They should feel equally confident to be able to distinguish international marketing mechanics from the domestic marketing models and approaches.
- They would be far more equipped to design and participate in designing an international marketing strategy.

| Unit No. | Name of the Topic   | Periods |
|----------|---|---------|
| I        | <b>INTRODUCTION &amp; MARKETING RESEARCH PROCESS :</b><br><b>A.</b> Marketing Research- Meaning, Factors involved in Marketing Research, Types of Marketing Surveys, Role of Marketing Research in Marketing, Implications of marketing research on marketing mix(7 P's), Ethics in Marketing Research, Career in Marketing Research.<br><b>B.</b> Research Process- Formulating the Problem, finding basic research issues, Developing Hypotheses, Characteristics of a good Hypothesis, Research Methods, Research Design, Sampling, Data Collection Techniques, Data Analysis & Interpretation, Writing a Research Report. |         |
| II       | <b>MARKETING RESEARCH IN PRACTICE:</b><br><b>Applications of Marketing Research :</b> Cluster analysis for identifying market segments, Conjoint analysis for Product research, Multi-dimensional scaling, Discriminate analysis and perceptual mapping for Brand positioning research, Advertising research – copy testing, media selection, media scheduling, Market and Sales Analysis, Sales forecasting – objective and subjective methods, Test marketing, Industrial versus consumer marketing research.   |         |
| III      | <b>THE INTERNET AND MARKETING RESEARCH TODAY:</b><br>Sources of Collecting Marketing, Information, Meaning, Importance, Advantages & Disadvantages of Web Based Marketing Research, Primary & Secondary Data Collection through Internet, Reach analysis, Marketing Research in Social Media, Online Brand Perception Research, Online Targeted Advertising.  |         |
| IV       | <b>International Marketing:</b><br>Concept of International Marketing and its scope, Objectives of International Marketing, Challenges and Opportunities in International Marketing.<br><b>International Marketing Environment</b><br>Macro factors (Economic, Political, Legal, Socio-Cultural & technological factors affecting international market.<br>Recent import and export policies & procedures.  |         |

|           |   |  |
|-----------|---|--|
| <b>V</b>  | <b>International Marketing Mix</b><br>☒☒International Research and Segmentation<br>☒☒Developing Global Products and Pricing<br>☒☒International Promotion and Advertising<br>☒☒International Distribution Systems<br>☒☒GATT, WTO, Facilities & incentives related to export Business   |  |
| <b>VI</b> | <b>Procedural Aspect Export Documentation and arranging Finance for Exports.</b><br>☒☒Processing/Manufacturing goods for Export and their inspection by Government Authorities Compulsory Quality Control and pre-shipment Inspections, Excise Clearance, Insuring goods against marine risk, Marine Insurance, Submitting documents to Bank for purchase/Collection/ Negotiation under L/C. Export Credit Limit.<br>☒☒Financial and fiscal incentives provided by the Government and Foreign exchange facilities by the R.B.I. and EXIM Bank. Institutional support from Government. |  |

| <b>Books Recommended:</b> |  |
|---------------------------|--|
| 1.                        | Winning The World Marketing – Bhattacharya                                   |
| 2.                        | International Trade and Export Management – B.M. Wahi and A.B. Kalkundribar. |
| 3.                        | International Marketing Management – Varshney and Bhattacharya               |
| 4.                        | International Marketing Export Marketing – S.Shiva R amu                     |
| 5.                        | International Marketing – S.S. Rathor, J.S. Rathor                           |
| 6.                        | Global Marketing Strategy – Douglas & Craig                                  |
| 7.                        | Research for Marketing Decisions – Paul Green, Donald Tull, Gerald Albaurn   |
| 8.                        | Marketing Research –Aakar, Kumar, Day  |
| 9.                        | Marketing Research – Thomas C. Kinnear                                       |
| 10.                       | Marketing Research – Nargundkar  |
| 11.                       | Marketing Research – Measurement & Methods – Donald S. Tull, Del I. Hawkins  |
| 12.                       | Marketing Research – Beri  |
| 13.                       | Business Research Methods – Cooper.  |
| 14.                       | Basic Marketing Research: Volume 1-Scott M. Smith Gerald S. Albaum.          |
| 15.                       | Essentials of Marketing Research: Paurav Shukla.                             |

**M.Com. Part II**  
**Advanced Marketing Special Paper IV**  
**Subject Name :- Recent Trends in Marketing**  
**Course Code :- 218**

| Unit. No.  | Name of the Topic   | Periods |
|------------|---|---------|
| <b>I</b>   | <p><b>Marketing Strategy:</b><br/> Strategic Marketing Management (overview) – Why strategic marketing – External Analysis – Internal Analysis- Vision – Strategy identification – strategic choice. Meaning- Definition - Types of Marketing Strategies. Elements of Marketing Strategy Process of Creating a Marketing Strategy. Global v/ s Local Marketing Strategy Factors to be taken into account while adopting a particular Marketing Strategy. Advertising and Media Planning</p>   |         |
| <b>II</b>  | <p><b>Sustainable Marketing</b><br/> Concept and Importance Sustainable Marketing and Sustainable Development, Sustainable Marketing and related ethical issues, Current examples of Corporate Sustainability endeavors.</p>  |         |
| <b>III</b> | <p><b>Digital Marketing</b><br/> Concept and Relevance of study in modern times. Search Engine Optimization, Search Engine Marketing.<br/> Social Media: Types of Social Media, social Media Mix, Social Media Marketing, Social Media Management , Social Media Audit<br/> E Commerce: Credit card transactions, electronic payment system, cyber cash and smart cards.<br/> A study of some e marketing websites: <a href="http://www.alibab.com">www.alibab.com</a>, <a href="http://www.flipkart.com">www.flipkart.com</a> and <a href="http://www.ebay.in">www.ebay.in</a></p>                               |         |
| <b>IV</b>  | <p><b>Retailing</b> – Concept, Definition and Importance .<br/> Single Brand Retail , Concept and Definition.<br/> Multi Brand Retail – Concept and Definition.<br/> History of FDI in Single Brand retail in India.<br/> History of FDI in Multi Brand Retail in India.<br/> The pros and cons of allowing FDI in Single Brand retail in India<br/> The pros and cons of allowing FDI in Multi Brand Retail in India<br/> Government of India Policy on FDI in Single Brand Retail and FDI in Multi brand retail. State of Maharashtra Policy on allowing FDI in Single Brand Retail and Multi Brand Retail.</p> |         |
| <b>V</b>   | <p><b>INTEGRATED MARKEITNG COMMUNICATION</b><br/> Concept and Process of Integrated Marketing Communications (IMC): Elements of IMC - IMC Message Design: AIDA model - Considerations for creative idea visualization - Media Management - Media Process - Media Jargons - Media Buying - Strategies and execution - Ethics and social responsibility in IMC campaigns - Evaluating Marketing Communication Programmes</p>  |         |
| <b>VI</b>  | <p><b>STRATEGIC SERVICES MANAGEMENT</b><br/> Strategic role of services – contribution of services to custom satisfaction, sustainable competitive advantage, services ask differentiators for manufacturing industries also - e services online</p>  |         |

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|  | Consumer Behavior – Self service technologies Services marketing applications– Financial service Hospitality services, Education services, IT services, Hot services, Event management services, Consultancy service Retailing services, Telecommunication services, Not-for-pro services and Social services, Government services, NG services, etc. |  |
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| <b>Books Recommended:</b>  |
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| <ol style="list-style-type: none"> <li>1. Integrated Marketing Communications – Kenneth Clown &amp; Donald Bach PHI, 2002</li> <li>2. Strategic Marketing Management - David Aaker</li> <li>3. Marketing Strategy, 3rd Ed. - Boyd Walker, Mulli Larrech</li> <li>4. Relationship Marketing -S.Shajahan</li> <li>5. Customer relationship Management - Shet Parvatiyar, Shainesh</li> <li>6. Retail Management – Gibson Vedamani</li> <li>7. Retailing Management – Swapna Pradhan</li> <li>8. Service Marketing - Rampal &amp; Gupta</li> <li>9. Essence of Services Marketing - Ardian Payne</li> <li>10. Services Marketing - S.M.Jha</li> </ol> |