Gujarat University
Ahmedabad
T.Y.B.COM
Commercial Communication III
With Effect From June 2008

Segment One
Text : **Naga-Mandala;** By- Girish Karnad

Segment Two

1. **Report Writing**

   a. *Press Reports*
      i. Reports on Natural Calamities
      ii. Reports on Accidents
      iii. Reports on Speeches related to topics of academic and commercial interests

   b. *Business Reports*
      i. Individual Reports
      ii. Committee Reports

2. **Questionnaire**
   a. *Launching of a new product*
   b. *Review of an existing product*
   c. *Socio economic analysis*
   d. *Questionnaire regarding habits*
   e. *Questionnaire regarding academic and educational survey*

   <div align="center">OR</div>

2. **Essays**

3. **Import Export Correspondence**
   a. *Inquiry sent to an overseas manufacturer*
   b. *Reply to the above letter*
   c. *Inquiry from a prospective importer from abroad to an Indian manufacturer.*
   d. *Reply to the above letter*
   e. *Letter requesting the bank to open an irrevocable letter of credit*
   f. *The importers intimation to an exporter of the opening of an irrevocable credit in his favour*
   g. *The exporter's intimation regarding the shipment*

4. Correspondence with Insurance Companies

    a. *Letter soliciting information about various policies*
    b. *Buying a policy*
    c. *A letter requesting information for loan against an existing policy*
    d. *A letter to the company asking for full benefits due to the death of the policy holder by the kin*
    e. *A letter claiming medical re-imbursement on the policy*
    f. *Surrendering of a policy*

5. Stock Market Reports (Comprehension)

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Structure of Question Paper with Allocation of Marks

1.	**Long Question (Text)**	**10**
2.	**Short Notes (Any Two) (Text)**	**5+5=10**
3.	**Press Report (Any One out of Two)**	**8**
4.	**Business Report (Any One out of Two)**	**8**
5.	**Questionnaire (Any One out of Two)**	**8**
	OR	
5.	**Essay (Any One out of Two)**	**8**
6.	**Letter of Import Export Correspondence (Any One out of Two)**	**8**
7.	**Letter of Insurance Correspondence (Any One out of Two)**	**8**
8.	**Stock Exchange Report (Comprehension)**	**10**

Syllabus T.Y.B.Com.
BUSINESS ORGANISATION AND MANAGEMNT-III
Syllabus prescribed for Third Year B.Com.
Effective from June 2008

Objective : The Objestive of this course is to help the students understand the basics of some areas of Management like Financial Management, Marketing Management, Personnel Management and E-Commerce.

1. **Financial Management :** 35%

   (A) **Financial Management :**

   Meaning, Importance, Finance Function - Traditional and Modern Concept - Inter-relationship between Finance Function and other Functional Areas of management - Role Financial Manager.

   (B) **Capitalisation :**

   Meaning, Causes, Effects of Under-capitalisation and Pver-capitalisation - Watered Stock

   Capitpal Structure :

   Meaning , Determination of Capital Structure-Meaning and Computation of Trading on Equity.

   (C) **Cost of Capital :**

   Meaning and Importance - Computation of cost of capital for debentures or bonds, equity and preference capital and Retained earnings.

   (D) **Working Capital :**

   Concept and types of Working Capital - Factors determining working capital requirement - Principles of Working Capital Management - Sources of Working Capital.

   (E) Dividend Policies - Determinants Stability - FOrms - Restrictions

2. **Marketing Management :** 35%

   (A) Branding - Types of branding and important decisions in branding.

   (B) Pricing - Objectves - Cost oriented, Demand oriented and Compctition - oriented pricing.

   (C) Advertising - Meanings, importance, advantages and disadvantages - Difference between Publicity and Advertisenment.

   (General awareness of various types of advaertising media)

   (D) Sales Promotion Types, Tools and Objectives of sales promotion.

   (E) Personal Selling by Travelling salesman and at sales counter, qualities of an effective salesman and Public Relations.

   (F) Physcial Distribution - Retailing and Whole-selling - Their nature, importance - Marketing decisions for it.

   (G) Marketing Research - Meaning - Importance - Limitations.

Gujarat University
Syllabus T.Y.B.Com.
MONEY AND FINCANCIAL SYSTEM
Economics - Paper - III
Syllabus prescribed for Third Year B.Com.
Effective from June 2008

Objective : Objective of this syllabus is to expose the final year students of commerce factry to (a) the working of monetary and financial systems in India, (b) working of international monerary institutions and (c) centre-state finacial relations in India.

1. Total Marks : 100
2. Equal weightage to all units
3. Four units to be covered in each academic term

Unit-1 : Money : Functions; Alternative measures of money supply in India-their different componenjts-Meaning and changing relative importance of each-High powered money-meaning and uses-Sources of changes in high powered money.

Unit-2 : Finance : Role of finance it an ana economy-Kinds of finance-Financial system; Components-Financial intermediareis-Markets and instruments and their functions.

Unit-3 : Indian Banking System : Definition of bank-Commercial banks-importance and functions; Structure of Commercial banking system in India; Balance sheet of a Bank; Meaning and importance of main liabilities and assets.

Unit-4 : The Reserve Bank of India : Functions; Instruments of monetary and credit control; Main features of monetary policy since independence.

Unit-5 : Interest Rates : Various rates in India (viz. bond rate, bill rate, deposit rates etc); Administrered rates and market-determind rates; Sources of difference in rates of interest; Behavior of average level of interest rate since 1951-impact of inflation and inflationary expectations.

Unit-6 : Fiscal policies of Gow of India- Taxation, Expenduiture and Borrowing Policies-Revenue deficit and Fiscal deficit in the budgets of the Central Government since the introduction of economic reforms in India.

Unit-7 : Centre state financial relations in India-Recommendations and implications of last two Finance commissions.

Unit-8 : Interantional Monetary Fund : Its functioning during the last 25 Years- World Bank and its working during the last 25 years.

Suggested Readings :

1. Gupta S. B. : Monetry Planning of India; S.Chand, New Delhi.
2. Khan M.Y. : Indian Financial System-Theory and Practic; Tata McGraw Hill New Dlhi.
3. Reserve Bank of India : Functions and Working
4. Merrill : Financial Planning in the Bank Macmillan India Ltd. New Delhi
5. Agarwal A. N. : Indian Economy.

T.Y.B.Com.
Business Law
(Effective from June 2005)

1. The Indan Contract Act, 1872.
2. The Sale of Goods Act, 1930, excluding sections relating in suits for branch of contracts and miscellaneous provisions.
3. The Indian Partnership Act, 1932.
4. The Negotiable Instruments Act, 1881. Chapter I to IV (Section 1 to 60) and Sec. 118.
5. The Companies Act, 1956. Provisions relating to formation of Companies-Memorandum and Articles of Association, Prospects, Directors and Private Companies.
6. The Trade Union Act, 1926. Provisions relating to registration of trade unions and rights and liabilities of such trade unions.
7. The Industrial Disputes Act, 1947 :
   (a) Industrial Disputes
   (b) Provisions relating to settlment of disputes by concialiation
   (c) Provisions relating to reference to Industrial disputes to Courts of Tribunal for Adjudication.
   (d) Powers of the courts and tribunals on reference.
8. The Consumer Protection Act, 1986 : Salient features; Definition of Consumer; Grievance Redressal Machinery.

Allocation of marks :

1. Indian Contract Act, 1872	
The Sale of Goods Act, 1930	55%
The Indian Partnership Act, 1932	
2. The Negotiable Instruments Act, 1881	10%
3. The Companies Act, 1956	15%
4. The Trade Unions Act, 1926	
5. The Industrial Disputes Act, 1947, The Consumer Protection Act, 1986	_____
	100%

BUSINESS STATISTICS (Compulsory Paper)
(To be Effective from June 2008)

1 1.1 <u>Co-ordinate Geometry</u>   **20 %**

Definition of Slope, Intercept, Conditions for parallel and perpendicular lines.

Distance between two points.

Equations of a straight line in the following forms

(i) $y = mx + c$ (ii) $y - y_1 = m(x - x_1)$

(iii) $\dfrac{y - y_1}{y_1 - y_2} = \dfrac{x - x_1}{x_1 - x_2}$ (iv) $Ax + By + c = 0$ (v) $\dfrac{x}{a} + \dfrac{y}{b} = 1$

Simple illustrative examples

1.2 <u>Matrix Algebra</u>

Definition of a matrix, Different types of matrices, properties of matrices, Determinant of a square matrix, Inverse matrix, solution of simultaneous linear equations by using inverse matrix (upto 3 variables only), Business applications.

2   **20 %**

2.1 <u>Correlation</u> [For two variables]

Concept of correlation, correlation coefficient properties, Scatter diagram, Karl Pearson's and Spearman's rank correlation coefficient, Probable Error, Coefficient of determination and its interpretation, Correlation Coefficient for Bi-variate table- Intra class correlation coefficient.

2.2 <u>Regression [For two variables]</u>

Concept of regression - Two lines of regression - Properties of regression coefficients - Forecasting on the basis of regression equation - Regression equation pertaining to linear model in the form $Y = \alpha + \beta x + U$ and relevant properties.

2.3 <u>Association of Attributes</u> :

Meaning and criteria of independence and association of attributes, Association in 2 x 2 contingency table only, Method of expected frequency, Proportion method and Yule's Coefficient of association, condition for consistency.

3   **20 %**

3.1 Time Series Analysis

Components of a time series – Determination of trend by graphical, moving average and least squares methods – To separate seasonal component by using sales forecasts and seasonal variation by moving average method with examples.

3.2 Business Forecasting Methods

Forecasting concept, types and importance – General approach to forecasting, Methods of forecasting, Forecasting demand, Industry verses company sales forecasts. Factors affecting company sales – Graphical method - Linear and parabolic trends - Exponential smoothing method.

4   **20 %**

4.1 Interpolation – Extrapolation

Meaning and scope for interpolation and extrapolation. Understanding of the operators Δ and E, Newton's Method, Binomial Expansion Method, Lagrange Method.

4.2 Demographic Methods

Meaning and scope of Demography - Crude, standard and Age specific rates. Mortality rates pertaining to (i)CDR(ii)SDR (iii) IMR.

Birth rates pertaining to (i) CBR (ii) SBR (iii) Age specific BR

Fertility rates pertaining to (i) CBR (ii) GFR (iii) SFR (iv) TFR

5   **20 %**

5.1 Arithmetic and Geometric Progression

Introduction of arithmetic progression and geometric progression, sum of series in arithmetic progression, arithmetic mean, geometric mean, sum of series in geometric progression.

5.2 Linear Programming

Definition and Formulation of L.P.P. – solution by graphical method upto two variable – applications and uses of L.P.P.

Reference Books :

(1)   Sancheti & Kapoor : Business Statistics, Sultan Chand & Sons, New Delhi.

(2)   Sancheti & Kapoor : Business mathematics, Sultan Chand & Sons, New Delhi.

(3)   Kapoor V.K. : Business Mathematics, Sultanchand & Sons, Delhi.

(4)   Srivatava O.S. : A Text Book of Demography, Vikas publishing.

(5)   Loomba & N. Paul : Linear Programming Tata Mc Graw Hill, New Delhi.

(6)   Gass S. I. : Linear Programming Methods & Applications, Mc Graw Hill.

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GUJARAT UNIVERSITY
APPLICABLE FROM JUNE 2008
ADVANCED ACCOUNTING AND AUDITING – IV at T. Y. B. Com.
(COST & MANAGEMENT ACCOUNTING)

(1) Process Costing : Meaning, Definition and Features; Job Costing vs. Process Costing; Process losses and gains; Accounting of waste, scrap, defectives and spoilage; Valuation of Work–in–Progress (Equivalent Production); Meaning of Joint Products and By-Products; Objectives for allocation of joint costs and Methods of Accounting for Joint Products; Methods of Accounting for By-Products; Inter process profit and transfer price.

(2) Marginal Costing: Break-Even and CVP Analysis: Meaning and definition of Marginal Cost, Marginal Costing & Contribution; Marginal Costing vs. Absorption Costing; Features of Marginal Costing; Situations where Marginal Costing Technique is useful in managerial decision making; Key or Limiting Factors Analysis (analysis when more than one limiting factors exist is not expected); Optimizing Product Mix.

Methods of Determination of Break–even Point: Graphical Method; Traditional Break–even Chart and Contribution Break-even Chart; Algebraic Method. Limitations of C/S Ratio, Margin of Safety, Angle of incidence and assumptions of Break-even Analysis; **Cost-Volume –Profit Analysis**: Simple problems on its application and its limitations .

(3) Meaning of the following terms relating to **'Decision- making process'** (only short objective type theoretical questions are expected): Relevant Cost, Incremental cost, Sunk Cost, Opportunity Cost, Avoidable/unavoidable Costs, Imputed or Notional Cost, Discretionary Costs, Common Costs, Traceable Costs, Joint Costs and Step Costs.

(4) Budgets & Budgetary Control: Introduction; Meaning of Budget and Budgetary Control; Types of Budgets; **Preparation of following Functional Budgets only:** Sales Budget, Selling and Distribution costs Budget, Production Budget, Materials Budget, Labour Cost Budget, Factory Overheads Budget, Administrative Overheads Budget and Cash Budget, Flexible Budget. (R & D Budget, projected Profit & Loss A/c and Balance Sheet are not included).

(5) Standard Costing and Variance Analysis: Direct Material Cost variances, Direct Labour Cost variances, Variable Overhead cost variances and Fixed Overhead cost variances (Recovery Rates based on labour time only) – Problems relating to Reconciliation, interpretation, Investigation and missing data are not expected.

(6) Capital Budgeting: Following methods are covered.
  1) Accounting rate of return
  2) Payback Method
  3) Net Present Value
  4) Profitability Index
  (P.V. factors and Annuity factors must be provided in the question. Advanced level problems are not expected)

(7) Leverages: Calculation of operating, Financial and combined leverages.

NOTES:
(a) A multiple choice question (divided into 5 sub-questions) carrying **20% marks** shall be asked, requiring the students to select correct option supported by necessary workings/explanations.
(b) Questions from **Para (1) & (2)** shall not be asked in option of Questions from **Para (4) to (7).**
(c) Practical problems (in addition to Multiple Choice Question) carrying not less than **35% marks** shall be asked from the topics covered in **Para (1) & (2) and** Practical problems (in addition to Multiple Choice Question) carrying not less than **35% marks** shall be asked from the topics covered in **Para (4) to (7).**

**ADVANCED ACCOUNTING AND AUDITING – V at T. Y. B. Com.
(MANAGEMENT ACCOUNTING & AUDITING)**

Section- I Management Accounting [50%]

(1)   Introduction

(2)   Analysis and Interpretation of Financial Statements:
Concept, Nature, Objectives and Limitations of Financial Statements; Analysis and Interpretation of Financial Statements; Types of Analysis and Interpretation; Methods of Analysis and Interpretation; Comparative Financial Statements, Common Size Statements, Trend Analysis and Funds Flow Analysis (in Theory only).

(3)   Accounting Ratios and its interpretation (Including concept of *EPS* as per **AS-20) :**
Definition; Mode of expression and Interpretation of Ratios; Classification of Ratios; *Practical problems on the following Ratios only:* Current Ratio; Liquid Ratio; **Turnover Ratios** relating to Stock, Debtors, Creditors, Net Assets, Fixed Assets and Working Capital; Gross Profit Ratio, Net Profit Ratio, Operating Ratio, Expense Ratios, Rate of Return on Investment, Return on Shareholders' Funds, Earning per Share and Price Earning Ratio; Leverage Ratio (Trading on Equity or Capital Gearing); Advantages and Limitations of Ratio Analysis. **Note:** *Preparation of Financial Statements from given ratios is not expected; Emphasis is to be given on interpretation.*

(4)   Cash Flow Statement: Concept and Significance of Funds Flow Statement; Sources and Applications of Cash; Cash from Operation; Income & Expenditure Approach and Net Profit Approach; Differences between Fund Flow Statement and Cash Flow Statement; Preparation of Cash Flow Statement as per **AS-3.**

(5)   Amalgamation & Absorption (excluding inter–company holding) of Companies (as per **AS-14) (Including Merger)**

Section – II   Auditing   [50%]

(a)   Audit of Share Capital & Debentures

   (1)   Issue of shares: at par, at premium, at discount; Redemption of Redeemable Preference Shares; Issue of Right Shares. Buy back of Shares
   (2)   Issue of shares for consideration other than cash; Bonus shares; Issue of shares on conversion of debentures/bonds:
   (3)   Forfeiture of shares & surrender of shares.
   (4)   Share Transfer Audit
   (5)   Statutory Audit
   (6)   Audit of redemption of debentures.

(b)   Auditor's Report and Certificate: Importance, Legal Requirements, Difference between Audit Report and Certificate; Clean and Qualified Report; *"True and Fair"* in auditor's Report; Companies Auditor's Report Order, 2003.

(c)   Divisible Profits: Meaning and Importance; Legal provisions under the Companies Act and principles enunciated under some famous legal cases; Legal provisions for depreciation. Auditor's duties regarding distribution of dividend.

(d)   Investigations:
     (i)   Meaning and need; Difference between Audit and Investigation.

     (ii)   Investigation in the following cases:
          1.   For purchase of business
          2.   For granting of a loan
          3.   In case of declining profits
          4.   In case of suspected frauds

(e)   Audit Programme of:
     (1)   Hospital run by a Charitable Trust
     (2)   Educational Institutions
     (3)   Branch of a Commercial Bank
     (4)   Manufacturing Companies

NOTES:
(1)   Both the Sections are independent sections and under any method of paper–setting, Questions from **Section I** shall not be set in option of Questions from **Section II.**
(2)   Practical problems carrying not less than **80% marks** of **50% marks** allotted to Section I shall be asked from the topics covered in **Section I.**
(3)   A multiple choice question (divided into 5 sub-questions) carrying **30% of 50% marks** allotted to **Section II** shall be asked from the syllabus prescribed in **Section II,** requiring the students to select correct option supported by necessary workings/explanations.

GUJARAT UNIVERSITY
Syllabus of T.Y. B.Com.
ADVANCED STATISTICS PAPER - IV
(To be Effective from June 2008)

1   **Compound Interest and Annuities**   **20 %**

Different types of interest rates, concept of present value and amount of a sum, Types of annuities, present value and amount of an annuity including the case of continuous compounding. Valuation of simple loans and debentures, problems relating to sinking funds.

2   **20 %**

    2.1   **Correlation and Regression**   **(For two variables)**

Concept of correlation, correlation coefficient properties (with proof). Karl Pearson's correlation coefficient, Spearman rank correlation coefficient (with proof). Concept of regression, Two lines of regression (with proof). Properties of regression coefficient (with proof)

    2.2   **Multiple and Partial Correlation and Regression**

Definition and concept of Partial and Multiple Correlation (three variables). Concept Multiple Regression equations. Numerical examples.

    2.3   **Non-linear equation**

Fitting of a exponential curves like $(i) \quad y = ab^x \quad (ii) \quad y = a e^{bx}$

$(iii) \quad y = ax^b$ etc

3   **20 %**

    3.1   **Analysis of Variance**

ANOVA Techniques for one way and two way classifications with simple illustrations.

    3.2   **Elements of Designs of Experiments**

Concept of randomization and local control, Complete Randomized Design, Randomized block design, Latin Square design. Analysis of CRD, RBD & LSD when one observation is missing. Efficiency of RBD over CRD, LSD over CRD and RBD.

4   **Non - Parametric test**   **20%**

Meaning – Importance of NP test. Sign test, Median test, Run test, Mann-Whitney test, Wilcoxon's test, Kruskal-Wallis test, Kolmvgorow – Smirnov test (without derivation). Simple examples (table value given).

5   **20 %**

5.1 Double Sampling Plan

Meaning of D.S.P. and its parameters O.C. function of D.S.P. (using cumulative Poisson distribution) O.C. Curve.

Formulas of AOQ, ATI, ASN of D.S.P. and their numerical examples. Comparison of S.S.P. and D.S.P.

5.2 Total Quality Management

Concept of T.Q.M., Demiy's 14 points for Management, Introduction to JIT and Quality Circle.

ADVANCED STATISTICS PAPER - V
(To be Effective from June 2008)

1   **Decision Theory**   **20 %**

Meaning of Decision Theory, Methods of Decision Theory, Decision under uncertainty- Maxi-max, Maximin, Hourwich, Laplace, Mini-max regret. 2 Decision under certainty – EMV, EOL, EVPI.

2   **20 %**

   2.1   **Demand Analysis**

Demand and supply function, Market equilibrium, effect of taxation and subsidy, marginal and average, revenue & cost function, Elasticity of demand & supply properties and relationship. Utility, total utility, marginal utility – Lagrangian multiplier method for maximizing utility.

   2.2   **Monopoly & Duopoly Problems**

Discussion of monopoly problems-classical duopoly problems (idea only). Simple examples of monopoly under perfect competition. Difference between monopoly & duopoly problems.

3   **Inventory Control**   **20 %**

Inventory systems, costs associated with inventory system classical EOQ model with its derivation, Economic lot size model under finite production rate. Lot size model when shortages are allowed under back-order policy. EOQ for price break models. Advantages, limitations and uses of inventory.

4   **Linear Programming Problems**   **20 %**

Meaning of L.P.P. and explanation of basic terminology and its limitations & uses. Mathematical form of L.P.P. methods for solving L.P.P. by using simplex methods (maximum for 3 variables). Definition of artificial variables, Big M method and two phase method for solving L.P.P. meaning of unrestricted variables. Meaning of primal & dual problems and their comparison. Simple problems for converting primal into dual problem. Fundamental theorem of duality (statement only).

5   **20 %**

5.1 <u>**Transportation Problem**</u>

Meaning of transportation problem (T.P.), mathematical form of transportation problem. Methods for obtaining initial Transportation Problem - Least cost method and Vogel's approximation method, For balanced and unbalanced Transportation Problem MODI method and its application for maximization Transportation Problem, minimization Transportation Problem, multiple solution to Transportation Problem, Degeneracy in Transportation Problem.

5.2 <u>**Replacement Problem**</u>

Meaning of Replacement Problem, Methods-items that deteriorates with time and money value changes with time and items that fails completely all of a sudden-individual replacement and group replacement policy.