



VEER NARMAD SOUTH GUJARAT UNIVERSITY

M.COM. (PART - II)

ORGANIZED MARKET

**EFFECTIVE FROM
THE ACADEMIC YEAR JUNE - 2000-2001**

OBJECTIVE :-

- (1) To acquaint the students with the concepts & practices of organized market.
- (2) To acquaint the students with the recent trends in the working of commodity exchange, stock exchange, foreign market & public agencies.

COURSE CONTENTS :-

SECTION - I

(1) MARKETING SYSTEM & ENVIRONMENT :-

- (A) Nature of marketing system, the systems approach to marketing environment.
- (B) Meaning, characteristics, types & functions of organized markets.
- (C) Impact of information technology on organized markets.

(2) MANAGEMENT OF COMMODITY EXCHANGE :-

Meaning, objectives, management of commodity exchanges, characteristics of the commodities traded in the organized commodity exchange, methods of trading & settlement function & services of forward markets. Market functionaries Brokers & Jobbers, speculators bulls & bears.

Types of forward contracts & transferable delivery contracts non specific delivery contracts hedge contracts & specification. Merits & limitations of holding, difference between hedging and insurance. Speculation - meaning, characteristics and types of speculations, speculators, speculative transactions - Option trading straddle, maipractice such as cornering arbitrage, rigging short sales and its regulations, advantage and disadvantages of speculation (Also as in stock exchanges)

(3) REGULATED MARKETS :-

Their origin, objectives, merits and limitations, Market committee and its functions, market functionaries, Standardization and grading - their meaning, merits and demerits, Role of co-operative marketing societies in



regulated markets, Recent trends in the Regulated Markets.

SECTION – II

(4) **STOCK EXCHANGES :-**

Meaning, characteristics, objectives, management of listing of securities, methods of transactions cash & forward transactions, future trading, speculative transaction, option trading arbitrage, margin trading, methods of trading and settlement and clearing house. Difference between investors & speculators. Roll of stock exchanges in economic development. Impact of liberalization on Indian stock exchanges.

(5) **WORKING OF DIFFERENT STOCK EXCHANGES :-**

Bombay Stock exchanges & Over. The Counter exchange (OTC) their organization, objectives, management & membership.

(6) (A) **DEPOSITORY SYSTEM IN INDIA :-**

Depository and dematerialization, benefits of the depository, the National Securities Depository Limited. (N.S.D.L.), Central Securities Depository.

(B) Self-regulation of stock exchanges under the provision of the securities Contract Regulation act, 1956 and regulation of S.E.B.T. functions and evaluation of S.E.B.T.

(7) **GUIDE LINES FOR INVESTORS :-**

Factors affecting prices of securities, market indicators, fundamental and analysis and technical analysis-credit rating by different agencies, role of mutual funds.

(8) **MONEY MARKET :-**

Meaning, importance and characteristics of well developed Money Market.

Characteristics of Indian money market - organized sector and unorganized sector, Different types of credit instruments.

(9) **FOREIGN EXCHANGE MARKET:-**

Government policy regarding the exchange, factors affecting rates dealers



in foreign exchange, factors affecting Exchange Rate.

(10) (A) **IMPACT OF INTERNATIONAL TRADE DEVELOPMENT ORGANIZATION :-**

- (i) W.T.O.
- (ii) N.A.S.D.A.Q.
- (iii) European Union
- (iv) New York Stock Exchange

(B) **INTERNATIONAL MARKETING :-**

Meaning, International marketing environment and Decisions.

NOTE : Weightage of each chapter is 10%

ORGANISED MARKETS

REFERENCE BOOKS :-

1. The working of stock exchanges in India
By H. R. Machiraju
New Age International Publishers Ltd.
2. Stock markets in India
By D. R. Veena.
Ashish Publishing House, New Delhi.
3. The stock market handbook.
Edited by Frank G. Zarb and Gabriel T. Kerekes.
4. Stock exchanges and investments
By Reghunathan Tata Mc Graw Hill
5. The Indian Financial System - By Vasant Desai.
6. Regulation of Forward Market - By W. R. Notu.
7. Commodity Exchanges - By P. K. Salvi.
8. Economics of Hedging - By M. G. Pavaskar.
9. Organized Markets - By Krishnakumar Ghia
10. Organized Markets - By Prin. N. D. Gami
11. RBX Bulletin - Currency & Finance Report.
12. RBX Various issues
13. Marketing Skinner, University of Kentucky Hopton Miffin,
All India Publication.
Collon, 920 punamali
K.J.Hotpis - Chennai
14. Marketing Managements, Planning, Implementation and control in Indian
Context - By V. S. Rameswamy, Macmillan, India.
15. Marketing Management in Developing Economic
By P.K. Shrivastav, Starting Publication, New Delhi.
16. Marketing Management in Developing Economy - R. Saxena, Tata McGraw



Hill.



VEER NARMAD SOUTH GUJARAT UNIVERSITY

M.COM. (PART - II)

FINANCIAL MANAGEMENT

EFFECTIVE FROM

THE ACADEMIC YEAR JUNE 2000-2001

OBJECTIVE :-

- (1) To acquaint the students with the principles & practices of management so as to enable them to develop an integrated approach to Financial Management.
- (2) To develop analytical and decision making attitude of the students through case studies.

CONTENTS :-

(1) AN INTRODUCTION TO THE FINANCIAL SYSTEM :-

Functions of financial system, financial instruments, some aspects of financial management environment. (A) Regulatory framework (B) direct taxes (C) Indirect taxes (D) Financing of import & exports (E) International financial Institutions.

(2) (A) THEORIES OF CAPITAL STRUCTURE :-

Assumptions & Definitions. Net Income approach. Traditional Approach. Modigliant - Miller Approach.

(B) INVESTMENT DECISION - MAKING & RISK ANALYSIS :-

Capital - Budgeting : Basics, Capital Rationing, going beyond the numbers, Risk analysis, Zero Based Budgeting (Z.B.B.)

(3) RAISING LONG TERM FINANCE :-

Changing complexion of the regulatory framework public issue, right issue, private placements, Warrants and convertible Debentures, Valuation motives, book building Credit Rating in India.

WORKING OF FINANCIAL INSTITUTIONS :-

Institutional structure, financial assistance, direct & indirect financing policies and norms, promotional activities, term loan procedure project appraisal.



UNDERSTANDING DEBT :-

Risk in debt rating of debt security, innovations in debt securities, Bond convenents, Bond Refunding.

LEASING AND HIRE PURCHASE :-

Types of lease arrangement, mechanics of leasing, evaluation of leasing evaluation of leasing a financing decision.

(4) WORKING CAPITAL MANAGEMENT :-

CASE MANAGEMENT :-

Cash Budgeting long term cash forecasting, monitoring collections & receivables, options and strategies for investing surplus funds.

CREDIT MANAGEMENT :-

Account receivable management, terms of payment, credit variables, credit evaluation, credit - granting decisions, control of account receivables.

INVENTORY MANAGEMENT :-

Need for inventories, monitories and control of inventories.

(5) ANALYZING FINANCIAL PERFORMANCE :-

Financial Ratios, comparative analysis, Dupont analysis, applications of financial analysis, and problems in financial analysis : BEP, CVP.

LEVERAGES :-

Operating leverages, Financial leverages, (total) Combined leverages.

(6) (i) CORPORATE RESTRUCTURING :-

- (a) Acquisitions & Mergers, Reasons for mergers, Costs & benefits of a merger, purchase of a division / plant.
- (b) Sell offs & changes in ownership, Divestitures, spin, offs, split ups, going public, privatization leveraged buyouts, Buyback of shares, joint ventures.
- (c) Defense Mechanism against acquisition, mergers and takeovers with the help of financial instruments.

(ii) FINANCIAL MANAGEMENT IN SICK UNITS :-

Definitions of sickness courses & symptoms, predictions of



sickness, revival of a sick unit, SICA and BIFR.

(7) (A) INFLATION & FINANCIAL MANAGEMENT :-

Following aspects with regard to inflation assets revaluation, firm value, financial market returns, innovations in the financial markets financial analysis, Capital Budgeting.

(B) INTERNATIONAL FINANCIAL MANAGEMENT :-

World monetary system, foreign exchange markets, financing foreign operations, financing exports, impact of foreign capital, investment on financial management.

(C) DIVIDEND POLICY, PRACTICAL ASPECTS :-

Payout ratio & stability dividend as a residual payment, dividend behaviour legal aspects, dividend policies in practice.

- NOTE :
1. Weightage of each topic is 10%
 2. Questions on case study & examples leading to managerial analysis and interpretation should not exceed 30%.

REFERENCES :-

1. Financial Management Theory & Practice
Prasanna Chandra 4th Edition, Tata MCGraw Hill.
2. Principles of Corporate Finance.
By Richard A Brealey & Stewart C Myers 4th Edition, Tata McGraw Hill.
3. Financial Management and policy.
By James Ven Horn, 9th Edition, Prentice Hall.
4. Principles of Managerial Finance.
By Lawrence J. Gitman, Harper & Row Publishers.
5. Principles of Financial Management
By Benton E. Cup, John Wiley & Sons.
6. Principles of Financial Management
By Haim Levy Marshall Sarnat, Prentice Hall.
7. Financial Decision Making
By John J. Hampton, Prentice Hall.
8. Financial Engineering - A complete guide to financial innovation
By John F. Marshall, Vipul K. Bansal, Prentice Hall, New Delhi.



VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT.

Syllabus For M.COM PART - II

(In Force From: 2006 - 2007)

MC 2.4 STRATEGIC MANAGEMENT.

Objective

The objective of this course is to enhance decision making abilities of students in situations of uncertainty in a dynamic business environment.

Section - I

Course Inputs :-

1. **Concept of Strategy:** Defining strategy, levels at which strategy operates, Approaches to strategic decision making; Mission and purpose, objectives and goals; Strategic business unit (SBU); Functional level strategies. **10%**
2. **Environmental Analysis and Diagnosis:** Concept of environment and its components; Environment scanning and appraisal; Organisational appraisal; Strategic advantage analysis and diagnosis; SWOT analysis. **10%**
3. **Strategy Formulation and Choice of Alternatives:** Strategies-modernisation, diversification, integration; Merger, take-over and joint strategies; Turnaround, divestment and liquidation strategies; Process of strategic choice-industry, competitor and SWOT analysis; Factors affecting strategic choice; Generic competitive strategies-cost leadership, differentiation focus, value chain analysis, bench marking, service blue printing. **20%**
4. **Functional Strategies:** Marketing, production/operations and R&D plans and policies. **10%**



Section - II

5. **Functional Strategies:** Personnel and financial plans and policies. **10%**
6. **Strategy Implementation:** Inter-relationship between formulation and implementation; Issues in strategy implementation; Resource allocation. **10%**
7. **Strategy and Structure:** Structural considerations, structures for strategies; Organisational design and change. **10%**
8. **Strategy Evaluation:** Overview of strategic evaluation; Strategic control; Techniques of strategic evaluation and control. **10%**
9. **Global Issues in Strategic Management.** **10%**

References :-

- Bhattachary, S.K. and N. Venkataramin: Managing Business Enterprises: Strategies, Structures and Systems, Vikas Publishing House, New Delhi.
- Budhiraja, S.B. and M.B. Athreya: Cases in Strategic Management, Tata McGraw Hill, New Delhi.
- Christensen, C. Roland, Kenneth R. Andrews, Joseph L. Bower, Richard G. Hamermesh, Michael E. Porter: Business Policy: Text and Cases, Richard D. Irwin, Inc. Homewood, Illinois.
- Coulter, Mary K: Strategic Management in Action, Prentice Hall, New Jersey.
- David, Fred R: Strategic Management, Prentice Hall, New Jersey.
- Glueck, William F. and Lawrence R. Jauch: Business Policy and Strategic Management, McGraw-Hill, International Edition.
- H. Igor, Ansoff: Implanting Strategic Management, Prentice Hall, New Jersey.
- Kazmi, Azhar: Business Policy, Tata McGraw Hill, Delhi.
- Michal, E Porter: the Competitive Advantage of Nations, Macmillan, New Delhi.
- Mintzberg. Henry and James Brian Quinn: The Strategy Process, Prentice Hall, New Jersey.
- Newman, William H. and James P. Logan: Strategy, Policy and Central Management, South Western Publishing Co., Cincinnati, Ohio.
- Sharma, R.A.: Strategic Management in Indian Companies, Deep and Deep Publications, New Delhi.



VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT.

M.Com. Part – II

(To come in force from 2006-2007)

Financial & Management Accounting Paper - IV

Objectives :

To acquaint the students with different methods of costing and tools used generally by the Management Accountant, in decision making in order to develop in them skill to evaluate the problem and arrive at a decisions. Knowledge required: Reasonable working knowledge is expected.

SECTION - I

1. Marginal Costing

Meaning - Features of marginal costing - Marginal costing vs. Absorption costing - Limitations of Absorption costing - Utility, Advantages and limitations of Marginal costing - Applications of Marginal Costing.

2. Cost-Volume - Profit Analysis and break - even Analysis

Objectives, assumptions and limitations of CVP analysis - Types of break - even analysis - Assumptions and limitations of break - even charts - Profit volume charts - Break - even analysis with one key factor.

3. Differential Costing

Meaning - Features and implications of differential costing - Marginal vs. differential costing - Applications of differential costing.



SECTION - II

4. Capital budgeting

Concept - Objectives - Importance of capital budgeting - Kinds of capital investment proposals - Factors affecting capital investment decisions - Appraisal methods - Capital budgeting under risk and uncertainty - Sensitivity analysis.

5. Cost of Capital

Concept - Computations of cost of equity capital (including new equity issue) - Cost of preference capital - Cost of debt - Cost of retained earnings - Weighted average cost of capital.

6. Product Pricing

Pricing policy - Aims and objectives of pricing - decision process - Role of Costs in pricing - pricing methods - Cost based cost plus pricing, marginal cost pricing, added value method of pricing, opportunity cost pricing - Target pricing - Administered prices, Strategies in product pricing - Pricing strategies for new products - Pricing of established products - Pricing during inflation and recession - Non financial factors in pricing - Limiting factors in product pricing - Management Accountant's role in product pricing.

7. Security Analysis & Portfolio Management

Meaning of Investment - Investment & Speculation - Speculation & Gambling - Meaning of Portfolio Management - Factors affecting investment Decisions - Identification of Industries with growth potential - General affects affecting value of industry's shares - Specific factors affecting the value of particular company's shares - Timing of investment decisions.

Note : Problems carrying not less than 80% of the marks shall be asked.



VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT.

M.Com. Part - II

(To come in force from 2006-2007)

Financial & Management Accounting Paper - V

Objectives :

To objective of this course is to expose students to advance accounting such as maintenance of Banking Company Accounts; and help in application of financial management and also provide under standing of basic knowledge of computer operating system.

SECTION - I

1. Banking & Final Accounts of Banking Company

- Non-Performing Assets - Its effect on working of the bank - Remedies to reduce Non - Performing Assets (NPA)
- Final Accounts of Banking Company Including final accounts of Co-operative Bank (As per Gujarat Co-operative Act and RBI Regulations)

2. Accounting for Packages & Container

• Non returnable Packages :

- ⇒ When no separate charge is made i.e. when cost of packages considered for fixing up the sale price.
- ⇒ When the cost of packages consumed is not considered for fixing up sale price i.e. when customers are charged out separately.

• Returnable Packages :

- ⇒ When customer are not charged out i.e. when the cost of packages are considered for fixing up the sale price.
- ⇒ When customers are charged out separately i.e. when cost of packages are not considered for fixing up the sale prices of goods. How to find missing items.

3. Export Procedures & Documentation (Only Theory)

Offer and receipts of confirmed orders - Producing the goods - Shipment - Banking Procedures - Negotiation - Aligned Documentation System (ADS) - Export incentives.

4. Import Procedures & Documentation (Only Theory)

Categories of Importers - Special Schemes for Imports - When & how to obtain import license.



SECTION - II

5. Lease & Lease Financing

Concept of leasing - Advantages of leasing - Disadvantages of leasing, Choice of lessor - Lease Evaluation - Accounting for leases as per Indian Accounting Standard 17 - Leasing in India.

6. Computer Accounting

(Basic knowledge personal of computer accounting)

Features of personal computers - Role of computer accounting - Advantages - Limitations - Why computerization - preparatory work - Master creation, Generation of printouts - preservation of data - Reports.

7. Valuation of Assets as per Accounting Standards 10 & 13.

8. International Financial Management (Only Theory)

Reasons for investing abroad - Basic problem in International Financial Management - Foreign Currency Management - Financing Multinational Organization - Mode of Payment in International Trade.

Note : Problems carrying not less than 80% of the total marks shall be asked.

References :

- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Advance Management Accounting - Ravi M. Kishore; Taxmann Allide Service (P) Ltd., New Delhi.
- Management Accounting Tools & Techniques - N. Vinaykam & I. B. Sinha; Himalaya Publication House, Mumbai.
- Advance Accounting - M. C. Shukla & T. S. Grewal; S. Chand & Company, Mumbai.
- Advance Accounting - R. L. Gupta & M. Radhaswamy; Sultan Chand & Co., New Delhi.
- Export Management - T. A. S. Balagopal; Himalaya Publishing House, Mumbai.
- Export - Do it Yourself - M. I. Mahajan; Snow White Publications Pvt. Ltd., Mumbai.
- How to Import - V. K. Puri; Nabhi Publication; New Delhi.
- Introduction to Database System - Date C. J.; Addison Wesley Massachusetts.
- The Compact Guide to Microsoft Office - Mansfield, Ron; BPB Publication Delhi.
- Principles of Database System - Ullman J. O.; Galgotia Publication, New Delhi.
- Multinational Financial Management - Alan C. Shapiro, Prentice - Hall of India, New Delhi.
- International Financial Management - P. G. Apte; Tata MC Graw, Hill Publishing Company Ltd., New Delhi.



VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT.

M.Com. Part - II

(To come in force from 2006-2007)

Financial & Management Accounting Paper - VI

In option of desertation

Objectives :

To acquaint the students with different methods of costing and tools used generally by the Management Accountant, in decision-making and in controlling cost and maximizing profit. Knowledge Required: Reasonable working knowledge is expected.

SECTION - I

1. Process Costing

Interprocess profit - Equivalent production analysis.

2. Standard Costing

Meaning and definition - Objectives - Types of standards - Setting standards - Advantages and criticism of costing - Revision of standards - Variance analysis (Material, labour, Fixed and variable overheads and sales variance) - Planning and operational variances - Interpretation of variances - Investigation of variances.

3. Cost Control and Cost Reduction

Meaning and techniques of cost control and cost reduction - Prerequisites of cost control - Distribution between cost control and cost reduction - Areas of cost control and cost reduction - Advantages of cost control and cost reduction - Internal Control - Internal control on various account functions cash & bank, purchase & creditors, sales and debtors, investment, stock, fixed assets.

SECTION - II

4. Integrated and disintegrated Accounts

5. Divisional Profit Performance Measurement

Meaning - Arguments in favour of and against decentralized profit centers - Cost benefit analysis for decentralization - Methods of measuring divisional performance.

6. Inter Divisional Transfer Pricing

Concept - Transfer pricing methods - Pricing at cost, standard cost plus lumsum, market price, prorating for overall contribution, Dual pricing, negotiated prices - Guiding principles in fixing transfer prices - Benefits of transfer pricing policy - International transfer pricing.

7. Accounting for Underwriting & Brokerage



(Elementary Problems only)

Note : Problems carrying not less than 80% of the total marks shall be asked.

References :

- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Advanced Accounting - S. N. Maheshwari.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Contemporary Accounting, Issues By Jawarlal, Published by Vision Books, New Delhi.
- Principles of Management Accounting by Manmohan and S. N. Goyal, Sahitya Bhavan, Agra.
- Human Resource Accounting - Gupta; Sultan Chand & Sons.
- Inflation Accounting - Gupta; Sultan Chand & Sons.
- Practical Financial Analysis - Foulke R. A.
- Techniques of Financial Analysis - Erich A. Illefert.
- Environmental Accounting - D. Das Gupta; D. Wheeler, New Delhi.
- Direct Taxes - V. K. Singhania; Taxamann Publication.
- Students guide to Income - Tax - V. K. Singhania.
- Accounting Standards - Indian & International - N. Das Gupta; Sultan Chand & Sons.
- Direct Taxes - Sukumar Bhattacharya; Books Syndicate Pvt. Ltd., Kolkata.
- Advanced Accounting - Tulsian; Tata. McGraw Hill.
- Management Accounting - Dr. S. P. Gupta; Sahitya Bhavan, Agra.
- Accounting Theory - L. S. Porwal; Tata McGraw.
- Wheldon's Acost Accounting - L. W. J. Oowler & J. L. Brown; Pitman Publishing Ltd., London.
- Cost Accounting - N. K. Agrawal; Global Business Press.
- Financial Accounting - S. KR. Paul; New Central Book Agency (P) Ltd., Kolkata.
- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Advance Management Accounting - Ravi M. Kishore; Taxmann Allide Services (P) Ltd., New Delhi.
- Management Accounting Tools & Techniques - N. Vinaykam & I. B. Sinha; Himalaya Publshication House, Mumbai.
- Advance Accounting - M. C. Shukla & T. S. Grewal; S. Chand & Company, Mumbai.
- Advance Accounting - R. L. Gupta & M. Radhaswamy; Sultan Chand & Co., New Delhi.
- Export Management - T. A. S. Balagopal; Himalaya Publishing House, Mumbai.
- Export - Do it Yourself - M. I. Mahajan; Snow White Publications Pvt. Ltd., Mumbai.
- How to Import - V. K. Puri; Nabhi Publication; New Delhi.
- Introduction to Database System - Date C. J.; Addision Wesley Massachuselts.
- The Compact Guide to Microsoft Office - Mansfield, Ron; BPB Publication Delhi.
- Principles of Database System - Ullman J. O.; Galgotia Publication, New Delhi.
- Multinational Financial Management - Alan C. Shapiro, Prentice - Hall of India, New Delhi.



International Financial Management - P. G. Apte; Tata MC Graw, Hill Publishing Company Ltd., New Delhi.