

# VEER NARMAD SOUTH GUJARAT UNIVERSITY

## M.Com. Part – II

(Syllabus effective from Academic Year 2010-11 and onward)

" Practical training for a period not less than 6 week in each year is essential in financial and management accounting or taxation laws or computerized account as per the choice of the students with a view to get practical knowledge in option of the 10 Internal marks (assignment 5 Marks & Presentation / Group Discussion 5 Marks ) in each subject of financial and management accounting paper 1, 2 & 3 in Part 1 and financial and management accounting paper 4, 5, 6 in part 2 with the condition that he / she has to report day to day to the principal of the college / centre "

### 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.

#### 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.

#### 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.

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### 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.

#### 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.

**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. Inflation Accounting**

Meaning - Importance - Limitations of Historical Accounting - Methods of accounting for changing prices - Current purchasing power method (CPP) - Current Cost Accounting Method (CCA) - Preparation of adjusted financial statements.

**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.

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## M.Com. Part – II

(Syllabus effective from Academic Year 2010-11 and onward)

### Financial & Management Accounting Paper - VI

In option of dissertation

#### 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.

#### 1. **Process Costing**

Inter process 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.

#### 4. **Integrated and Nonintegrated 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 lumpsum, 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)

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## 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.
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- 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.
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