

# **GUJARAT UNIVERSITY**

## **SYLLABUS OF THIRD YEAR BACHELOR OF COMMERCE (T.Y.B.COM)**

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## T. Y. B. Com.

**Commercial Communication : III  
(New Course in force from June : 1995)**

Topic No.	Topic	Marks
1	Press Reports of accidents, natural calamities, speeches and events of commercial importance	20%
2	<p><b><u>Business Reports:</u></b> (By Individuals and committees)</p> <p>(i) Decline in sales (ii) Starting a factory (iii) Opening a branch (iv) Selecting a building for office purposes (v) Inspection of Branch/es (vi) Inquiry into charges leveled against employee (vii) Demand and grievances of employees (viii) Accident in factory (ix) Starting a welfare centre (x) Taking over of an industrial or business unit</p>	15%
3	<p><b><u>Questionnaires:</u></b> Drafting of simple questionnaires, concerning Socio-economic, Commercial and Educational matters</p> <p align="center"><i>OR</i></p> <p><b><u>Essay Writing:</u></b> + Essay writing on any current topic of about 300 words</p>	15%
4	Comprehension of Stock Exchange Report (Daily & Weekly Reports only)	20%
5	Study of Text	30%

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**Advanced Accounting & Auditing Paper : IV**  
**(Effective from June : 1998)**

(I) Cost Accounting [60%]

(1) Process Costing:

- (i) Features of process costing, Accounting for waste or loss in process- Normal loss, Abnormal loss/Gain.
- (ii) Joint-products and by-products:

Methods of costing of joint products (a) Physical Measurement (Units) basis of apportionment (b) Relative sales value method of apportionment (c) Relative sales-value minus further processing cost method of apportionment (d) weighted average method of apportionment.

Methods of costing of by-products : (a) costing of by-products on the basis of market value (b) comparative price at standard cost where by-products are not of significant value.

- (iii) Transfer pricing : At actual or at cost plus profit inter process profit and provision of unreleased profit.
- (iv) Process costing : Where process/process's are not completed. Ascertainment of equivalent production apportionment of costs and evaluation under FIFO and average cost method.

(2) Uniform Costing:

The development – requirements-advantages & limitation (only in theory)

(3) Marginal costing and EEP Analysis :

- (i) Concept of Marginal Cost: Marginal variable and Absorption costing; Advantages of marginal costing technique, Assumptions of marginal costing.
- (ii) Break-even Analysis : Analysis with any one limiting factor only; simple Break-even charts and profit volume chart.

Note: Problems involving differential cost analysis and decision making are not expected.

(4) Standard Costing:

- (i) Definition of Standard, Standard Cost and Standard Costing, Standard Absorption Costing and Standard Marginal Costing, Standard Cost Card, Setting Standards, Advantages and Limitation of Standard Costing.
- (ii) Standard Costing and Budgetary Control; Analysis of Variances; types of variances and their brief explanation; Computation of following variances : (a) material Price (b) Material Usage (c) Material Mix (d) Material Yield (e) Labour Rate (f) Labour Efficiency (g) Idle Time (h) Labour Mix and (i) Revised Labour Efficiency.

Note : Problems for finding out variances directly are expected and problems involving finding of the missing values are not expected.

**(5) Budgetary Control:**

- (i) Introduction, Procedure of setting up Budgeting control; preparation of various Budgets (in Theory only).
- (ii) Problems on preparation of sales budget and Cash Budget only.

**(II) Management Accountancy: [40%]**

- (i) Introduction to Management Accountancy
- (ii) Analysis and Interpretation of Financial Statements.  
Concept and nature of financial statements, Types of financial Statements; Brief idea about the methods used in analysis financial statements; (a) Comparative Financial and operating statements (b) Statement of charges in working capital (c) Trend Percentages (d) Common size Statements (e) Ratio analysis (f) Funds-flow and cash flow Analysis.
- (iii) Ratio Analysis:
  - (a) Computation of the following ratios and their brief interpretation;  
(1) Gross Profit Ratio (2) Net Profit Ratio (based on Profit after tax) (3) Expense Ratio (4) Operating Ratio (5) Current Ratio (6) Liquid Ratio and Acid test or Quick Ratio (7) Turnover Ratios: (i) Stock Turnover (ii) Debtors Turnover (iii) Creditors Turnover (iv) Asset Turnover (8) Debt-equity Ratio (9) Debt service coverage Ratio (10) Return on Capital Employed (11) Return on Shareholders' Funds (based on PAT) (12) Capital Gearing Ratio
  - (b) Limitations of Ratio Analysis
- (iv) (a) Funds Flow Analysis and Cash Flow Analysis - Distinction between Cash flow and Fund flow.  
(b) preparation of Cash Flow Statement.

**Note:**

- (1) Preparation of Projects cash flow Statements is not expected
- (2) Only simple problems are expected on Cash Flow Statement and Analysis, Problems involving points like purchase of business, revaluation of assets, forfeiture and reissue of shares; dividend out of pre-acquisition profits etc. are not expected in these chapters
- (3) Preparation of Balance sheet and P&L A/c from given ratios is not expected.

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**Advanced Accounting & Auditing Paper : V**  
**(Effective from June : 1998)**

**(I) Financial Accounting**

**[50%]**

- (1) **Amalgamation, Absorption and Reconstruction of Companies**  
**(excluding inter company holding of shares)**

Concept of Mergers and Takeovers

- (2) **Valuation of Goodwill and shares**

*Note : Necessary data must be provided by the paper setter in such a way that any assumptions on the part of the students are not required.*

- (3) **Accounts of Banking Companies**

(i) **Some relevant provisions of Banking Act 1949 as under :**

- (a) **Meaning of banking (Sec. 5(b))**
- (b) **Prohibition of Trading (Sec. 8)**
- (c) **Disposal of non-banking assets (sec. 9)**
- (d) **Capital & Reserve (sec 11)**
- (e) **Reserve Funds (sec 17)**
- (f) **Restriction as no payment of dividend**
- (g) **Cash Reserves (sec 18)**
- (h) **Liquidity norms (sec 24)**
- (i) **Restriction on acquisition of shares in other company**
- (j) **Restriction on loans and advances (sec 20)**
- (k) **Unclaimed deposits (sec 26)**
- (l) **Accounts and audit (sec 29 to 34A)**

(ii) **Main characteristics of a bank's bookkeeping slip system and new revised form of Balance sheet and profit and loss account.**

(iii) **Income recognition; Classification of Bank Advances on the basis of asset performance for determining loss provisions; Classification of investments.**

(iv) **Some special transactions of Banks:**

- ♦ **Functions of a Commercial Bank**
- ♦ **Discounting and Collections of Bills (including its accounting treatment)**
- ♦ **Acceptances and endorsements**

(v) **Statutory liquidity ratio and cash reserve ratios for scheduled commercial Bank**

(vi) **Simple Problems on preparation of Banks final accounts (excluding schedules)**

*Note : Problems involving computation are not expected pertaining to any of the topics in (i) to (iii) and (v) above.*

**(I) Auditing**

**[50%]**

- (1) **Company Audit:**

- (a) **Preparation before commencing audit of a limited company.**
- (b) **Importance of different documents such as Memorandum of Association Articles of Association prospectus, Minutes Book, Preliminary contracts.**
- (c) **Audit of share capital:**

(i) **Issue of shares at par, at premium, at discount. Issue and redemption of redeemable preference shares. Issue of right shares.**

- (ii) Issue of shares for consideration other than cash, bonus shares, issue of shares in conversion of debentures; bonds and issue of shares for any other consideration.
- (iii) Shares forfeiture and reissue.
- (iv) Share transfer audit.
- (d) Statutory Audit
- (e) Auditors duties regarding distribution of dividend

**(2) Auditor's Report/Certificate:**

Importance -- legal requirements -- Difference between auditor's report and certificate; clean and qualified report; concept of "True and Fair" in auditor's report; concept of Manufacturing and other companies audit order 1975.

**(3) Divisible Profits:**

Meaning and Importance -- legal provisions under Companies Act.

**(4) Depreciation:**

Legal provisions under Companies Act -- Auditor's duties regarding depreciation.

**(5) Reserve & Provisions:**

General reserve and specific reserve -- Distinction between Reserve and provisions and capital reserve & reserve capital, Secret Reserve -- Legal provisions and Auditor's duties.

**(6) Investigation:**

- (a) Meaning and Needs : differences between Audit & Investigation
- (b) Investigation under Companies Act
- (c) Investigation for purchase of business
- (d) Investigation for granting of a loan
- (e) Investigation in case of declining profits
- (f) Investigation in case of suspected frauds
- (g) Audit programmes of :
  - 1.1 Hospital run by Public Charitable Trust
  - 1.2 Educational Institutions
  - 1.3 Partnership firm
  - 1.4 Manufacturing Unit
- (h) Cost Audit : Meaning-Scope-uses legal provisions
- (i) Tax Audit : Legal provisions

Notes:

- (1) Sections : I and II are independent sections and under any scheme of paper setting, both the sections will have to be treated separately and questions from one section cannot be set in option to questions from other section
- (2) One objective question should be set from section : II which will carry 20% marks of that section
- (3) Answers to objective question must be supported by logical reasoning explanation or relevant legal provision.

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**Elements of Business Statistics**  
**(Effective from June : 1998)**

**(1) (A) Linear Correlation & Regression [20%]**

Meaning and types of correlation, study of correlation between two variables by scatter diagram, definition of coefficient of correlation  $\rho$  and its properties, calculation of  $r$  by Karl Pearson's method for grouped and ungrouped data, Spearman's rank correlation coefficient, probable error and interpretation of  $r$ , idea and computation of coefficient of determination.

Meaning of regression and use of regression analysis, regression line of dependent variable on independent variable and their properties.

**(B) Association of Attributes: [20%]**

Meaning and concept of independence and association of attributes, association in  $2 \times 2$  contingency table, consistency of data, methods of studying Association, calculation of Yule's coefficient of association.

**2. (A) Time Series [20%]**

Meaning and importance of time series in economics business, components of a time series, determination of trend by graphical method and method of moving averages. Seasonal variation and Seasonal indices.

**(B) Business Forecasting [20%]**

Importance of Business forecasting in planning, forecasting for long, medium and short term decisions, methods of forecasting, graphical, least square, exponential smoothing and input-output method (two industries only).

**3. (A) Interpolation & Extrapolation [20%]**

Meaning and importance of interpolation and extrapolation idea of operator A and E and their relationship with examples, methods of interpolation – Newton's forward difference, binomial Expansion and Lagrange's methods, examples pertaining to business and industries.

- ♦ Packaging – function and usefulness (Note : type of packaging not expected)
- ♦ Pricing – objectives – cost oriented, demand oriented and competition – oriented pricing
- ♦ Promotion mix in marketing
- ♦ Advertising – objectives, message Media
- ♦ Publicity – meaning, objectives, importance
- ♦ Sales promotion – Types, tools and objectives of
- ♦ Sales promotion for consumer goods
- ♦ Public relations - tools and decisions
- ♦ Personal selling – meaning, functions, process
- ♦ Physical distribution -- retailing and wholesaling their nature, importance, marketing decisions for the same.
- ♦ Physical distribution – nature, objectives order processing, warehousing, inventory, transportation – organisational responsibility

Note: of the five questions one question may cover to sides from both production management are Marketing Management.

## REFERENCE BOOKS

- |                                    |  |                                 |
|------------------------------------|--|---------------------------------|
| 1. Jucious                         | Personal Management  | Richard lawrn                   |
| 2. Flippo                          | Personnel Management   | McGraw Hill                     |
| 3. Dale Yoder                      | Personnel Management and Industrial Relations                  | Practice Hall                   |
| 4. Arun Monappa and Mirza Siaydain | Personnel Management   | Tata McGraws                    |
| 5. R.S. Dwivedi                    | Management of Human Resources                                  | Oxford & I.B.H.                 |
| 6. Scular, Beutale, Younglood      | Effective Personnel Management                                 | West Publishing Co.             |
| 7. Torrington and Hall             | Personnel Management   | Practice Hall                   |
| 8. Sherleker                       | Modern Business Organisation and Management (Systems Approach) | Himalaya Publishing Co.         |
| 9. P.V. Kulkarni                   | Financial Management   | Himalaya Publishing Co.         |
| 10. Khan & Jain                    | Financial Management   | Tata-McGraw Hill Publishing Co. |
| 11. Van Horne                      | Financial Management and Policy                                | Prantice-Hall of India          |
| 12. Gitman                         | Principles of Managerial Finance                               | Harper Collins Publishers       |



## Group B: (Voluntary Subject)

### COST ACCOUNTING – I

#### SECTION – I

#### 1. Cost classification, control and analysis

##### 1. Brief idea of cost classification:

- (i) According to elements
  - (ii) According to function or operations
  - (iii) According to nature or behavior
  - (iv) According to account ability
  - (v) According to normality
- (C.A. Final Group II material I Module I Conceptual)

##### 2. Cost Control

- (i) Inventory Control
  - > ABC Analysis
  - > VED Analysis
  - > EESD Analysis
  - > Eco-Basic Model
- (ii) Labour cost control : Labour productivity efficiency and
- (iii) Overhead Cost Control : Under and over absorption of overheads (Treatment only)
- (iv) Learning curve

#### 2. Integrated accounts

#### 3. Variance analysis

Computation of material, labour, overheads and sales variance, variance analysis excluding opportunity cost analysis, interpretation, investigation and recording of variances.

#### 4. Absorption and variable costing

Variable costing (Direct costing) and absorption costing development of variable costing-income distinction-advantage of variable costing-dangers of variable costing-evaluation of variable costing. Stock valuation and measuring profits under variable costing and absorption costing.

#### 5. Value analysis

Value analysis, procedure, illustration, advantages, value analysis and engineering, impact of value engineering on profit, distinction between value engineering and value analysis.

Techniques of value analysis and engineering (conceptual idea)

- i) Total quality management
- ii) Just in time
- iii) Product mix optimization
- iv) Cost effectiveness analysis
  - > Measurement of cost effectiveness
  - > Evaluation of cost effectiveness criteria
  - > Steps for evaluation of cost effectiveness



## **Group B: (Voluntary Subject)**

### **COST ACCOUNTING – II**

#### **SECTION – I**

##### **1. Basis of accounting**

- (i) Concepts, Conventions, Principles (GAAP) of Accounting
- (ii) Accounting Standard Need and Process
- (iii) Indian Accounting Standards; AS 1 to 6 & AS 8 and 9
- (iv) Harmonisation of Accounting standards

##### **3. Preparation of Financial Statement**

- (i) Legal requirements under the Companies Act, 1956
- (ii) Some important issues, inventory, depreciation and tax provision
- (iii) Managerial remuneration (including problems)
- (iv) Recent Trends in Presentation of Financial Statements
- (v) Preparation of value added statement
- (vi) Advanced level problems

- 5. (a) Hire purchase trading account
- (b) Packages and containers Accounts

#### **SECTION – II**

##### **2. Emerging dimensions in accounting**

- (i) Inflation accounting CPP and CCA
- (ii) Human resource accounting
- (iii) Social accounting
- (iv) Environmental accounting

##### **4. (a) Holding Company Accounts**

- (i) Sec 212 of the Companies Act 1956
- (ii) Consolidated balance sheet
- (b) Account for merger and amalgamation (including inter company owings & holdings)

##### **6. Accounts of General Insurance Companies**

- (i) Brief idea about the accounting systems of general insurance company
- (ii) Preparation of final accounts