

GUJARAT UNIVERSITY



FACULTY OF COMMERCE

**COURSES OF STUDIES PRESCRIBED FOR THE
DEGREE OF MASTER OF COMMERCE**

(M.Com. Part I and II Examinations)

(As modified up to December, 1967)

Price : 0.37 Paise

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GUJARAT UNIVERSITY

DEGREE OF THE MASTER OF COMMERCE (M.Com. Parts I & II Examinations)

O. M.Com. 1 :

Candidates for the Degree of Commerce Examination must have—

- (i) obtained the Degree of Bachelor of Commerce Examination of this University or degree recognised as equivalent thereto, and
- (ii) must have passed the M.Com. Degree Examination in two compartments, first called the M.Com. Part I Examination and the second called the M.Com. Part II Examination for the Degree of Master of Commerce, after keeping as per requirements laid down in this behalf, terms, which shall be two for the Part I Examination and two for the Part II Examination.

O. M.Com. 2 :

A student who has passed Examination for the Degree of Bachelor of Commerce of this University or of any other University recognised by this University as equivalent thereto with at least Second Class, may after he has kept necessary two terms, subsequent to his passing the Bachelor of Commerce Examination, will be eligible for admission to the M.Com. Part I Examination in any subject available at the Examination.

Provided that—

- (1) a candidate who has passed the B.Com. Examination in the pass class with Actuarial Science or Statistics or Advanced Accounting and Auditing as a special subject cannot select subject other than Actuarial Science or Statistics or Advanced Accounting, Costing & Industrial Administration.
- (2) a candidate who has passed the B.Com. Degree Examination in the pass class with Banking or Economics of Cotton or Public Finance and Administration or Economics of Transport or Theory and Practice of Co-operation or Theory and Practice of Economic Development shall not be permitted to select a subject other than the subjects mentioned in (ii) under Group "B" (voluntary subjects).

R. M.Com. 1 :

Following are the subjects prescribed for study for the M.Com., Part I Examination :

GROUP "A" (Compulsory)

1. Economic Policy and Planning : One paper, 100 marks, 3 hours.
2. Corporation Finance : One paper, 100 marks, 3 hours.

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GROUP " B " (voluntary subjects)

(i) (a) Cost Accounting, Papers I & II : Two papers, 100 marks each, 3 hours each
or

(b) Advanced Statistics :
Two papers, 100 marks each, 3 hours each :
Paper I : Statistical Techniques
Paper II : Economic Statistics.

or

(c) Actuarial Science :
Paper I : Theory and Practice of Life Insurance :
One paper, 100 marks, 3 hours,
Paper II : Theory and Practice of Life Insurance :
One paper, 100 marks, 3 hours.

or

(ii) A student will take any two of the following groups (d), (e), (f) and (g);
each group containing one paper, 100 marks, 3 hours each :

- (d) Modern Business : Paper I—Advanced Business Economics
- (e) Industry : Paper I—Industry and Labour
- (f) Agriculture : Paper I—Economics of Agriculture
- (g) Modern Finance : Paper I—Banking.

R. M.Com. 2 :

GROUP " A " (Compulsory subjects)

Paper I : Economic Policy and Planning :

Evolution of economic policy—The views of the classical economists—Harmony between private and public good—The necessity of state interference—Socialism—Communism.

Objectives of economic policy—Wealth and Welfare—National dividend—Consumer's surplus and producer's surplus—Individual and social welfare—Problem of distribution—The Compensation principle—Social welfare function—Stability and growth—planning in war and peace.

Problems of planning—Rational allocation of resources—Physical and financial planning—Freedom and control—Direct and indirect controls—social justice—Monetary and fiscal policy—Price policy and wage policy—Voluntary and forced savings—Foreign aid—Public utilities and state trading—Control of population—Regulation of foreign trade.

Planning in under-developed countries—Problem of capital formation Investment criteria—Choice of techniques—Inflation and growth—International aspects of planning.

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Books recommended

1. 'Studies in Theories of Social Welfare : P. R. Brahmanand
Maximisation'
2. 'Theory of Economic Policy' : L. Robbins
3. 'Economic Planning in : L. Robbins
Peace & War'
4. 'Economics of Welfare' : A. C. Pigon
5. 'Principles of Economic Policy' : K. E. Boulding
6. 'Essays in Economic Stability and : N. Kaldor
Growth'
7. 'Planning and Price, Mechanism' : Meade
8. 'Report of Commission on Money : C. E. D. (U.S.A.) 1961,
and Credit' : Prentice Hall
9. 'Inflation, Growth and Employment' : Commission on Money and Credit
C. E. D. (U.S.A.), 1961,
Prentice Hall
10. 'Problems of Economic Planning' : E. M. F. Durbin
11. 'Studies in the Theory of Planning' : Charles Bethlehem
12. 'Economic Development' : Kindleberger
13. 'Economic Under-development' : A. N. Agrwal and S. P. Singh
14. 'Capitalism, Socialism and Democracy' : Schumpeter
15. 'Theory of Economic Growth' : W. A. Lewis
16. 'Problems of Capital Formation : Regnar Nurske
in under-development countries'
17. 'The Strategy of Economic : A. O. Hirschman
Development'
18. 'Choice of Technique,' 1961 : A. K. Sen
19. 'Indian Planning and Economic : B. R. Shenoy
Development'
20. 'Five-year Plans' : Government of India
21. 'A Critique of Welfare Economics' : E. M. D. Little
22. 'Survey of Contemporary : A. E. A. (Chapters on Socialist
Economics', Vols. I & II : Economics and Welfare Economics
respectively)
23. 'Economics of Control' : A. P. Learner
24. 'Theories of Welfare Economics' : Hla Myint
25. 'Technological Choice under- : Kedarnath Prasad
development Planning'
26. 'Leading Issues in Development : Gerald M. Meir.
Economics'

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Paper II : Corporation Finance :

The finance function in business-promotion

Financial plan—Factors affecting financial decisions—cost consideration, risk—element, time dimension, capitalisation—Capital structures—Capital gearing—fixed and working capital planning—Control of capital issues.

Types of finance—Ownership and creditorship securities—their sources—Corporate units—Private & Public Ltd. Companies—Public enterprises and their financing.

Specialised agencies and their services—Investment Bank—Investment Trust—Issue houses—Stock Exchanges.

Supply of Business finance by Financial Institutions—I.F.C., S.F.C'S., I.C. & I.C.I., I.D.B.

Procedure for securing finance from I.F.C. or I.C. & I.C.I. Internal Financial Administration—Tools of financial analysis—ratios—Budgeting: capital budgeting & cash budgeting—projected financial statement—cash flow analysis.

Managing the income: Management of profit—Developing dividend policy—creation of Reserves & ploughing back of profits—Depreciation & maintenance policies—corporate Taxation.

Financial difficulties: Methods of meeting financial difficulties—Adjustment of capital structure—reconstruction.

Financing expansion—Goals—financial considerations—amalgamation and absorption.

Books recommended

1. 'Basic Business Finance' : Hunt, Williams, Donaldson
2. 'Financial Organisation and Management' : C. W. Gerstenberg
3. 'Business Finance' : Paish, F. W.
4. 'Financial Policy of Corporations' : A. S. Dewing
5. 'Some Aspects of Industrial Finance in India' : Rosen, G.
6. 'Central Financing Institutions for Industry in India' : Indian Chambers of Commerce
7. 'Corporation Finance' : S. C. Kuchhal
8. 'Corporation Finance' : Hoagland
9. 'Cartels, Concerns and Trust' : Liefman
10. 'Corporation Finance' : Meade
11. 'Trust Finance' : Meade

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GROUP " B " (Voluntary Subjects)
(a) COST ACCOUNTING

Paper I: Industrial Management :

Site for Factory :

Layout of factory and equipment of works power plant.
Location of plant, building, machinery and equipment.

Personnel Policies :

Selection and methods of training; Rating and Promotions; complaints and Grievances; Time and Motion Studies; Job evaluations; Incentives; Working Conditions and General Welfare arrangements.

Types of Organisations :

Lines; Line and Staff; Functional.

Public Relations :

Interpretation of Labour Policies and Programmes to employees and to outside public; Maintenance of good relations with Public organisations like Newspapers, Radio, Government Agencies, Consumer Organisations, Technical and Professional Bodies, Chambers of Commerce and Trade Associations.

Marketing :

Sales Organisation and procedures; Product development and designs; Marketing at home and overseas; Market Research; Sales forecasting; Sales methods, Channels of distribution; Sales promotion, Service after sale.

Paper II: Costing :

Labour :

Allocation of Labour costs to jobs and department including effects of grading, lateness, absent, overtime, idle time, night work, transfer & dismissal on labour costs.

Materials :

1. Stock & stores : Control and storage of all materials; their purchase and manufacturing specifications; Component lists.

2. Routine of issue of purchase orders; Recording of receipts of goods; Checking specifications and qualities; Maximum and minimum stock levels; Ordering level; Danger point.

3. Store-keeping systems of stores, work in progress, finished goods, tools, patterns and plant centralised, de-centralised & sub-stores.

4. Treatment, prevention and elimination of defective materials. spoilage and waste.

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Overheads :

Nature and types of overheads—Production, distribution, administration and Research & Development overheads; Fixed, semi-variable and variable overheads; Overhead accounts and summaries; Methods of allocation and apportionment to cost centres and cost units.

Absorption :

Methods of absorbing overheads in the cost unit; Effects of level of output on absorption of overhead expenses; Under and over absorption; Recovering of costs and charging to cost units.

Various methods of costing.

Concept and principles of cost unit with reference to Materials Inventories, Payroll costing and Project costs.

GROUP " B "

(b) ADVANCED STATISTICS

Paper I : Statistical Quantity Control :

- (i) Shewart Control Charts for variable for fraction defective and for defects
- (ii) Theory of runs
- (iii) Sampling Inspection
- (iv) Acceptance Procedures, Sequential Sampling, Simon Charts and Dodge Roming Tables
- (v) Organisation of Statistical Quantity Control.

Paper I : Economic Statistics :

- (i) Analysis of variance and covariance
- (ii) Economic and Business Statistics of special interest to India
- (iii) Family Budgets
- (iv) Distribution of Income
- (v) National Income and Social Accounting
- (vi) Analysis of Time Services and Statistical Measurement of Business Cycles
- (vii) Statistical Laws of Supply and Demand.

or

GROUP " B "

(c) ACTUARIAL SCIENCE

Paper I : Theory and Practice of Life Insurance :

Calculation of office rates of premiums for assurances and annuities depending on

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life contingences; choice of basis thereof, Threatment of Extra Risk as General Provision of Indian Insurance Act of 1938 and the Insurance Rules 1939 with subsequent amendments and modifications.

Paper II : Theory and Practice of Life Insurance :

General Principles of valuation of liabilities and assets of Life Assurance Companies.

Analysis and distribution of surplus and analysis of other Practical problems arising on the valuation of life assurance companies.

Surrender value of policies

Investment of life assurance and annuity funds; Income tax as affecting such funds.

or

GROUP " B "

Any two of the following groups (d), (e), (f) and (g) :

(d) MODERN BUSINESS

Paper I : Advanced Business Economics :

Economic theory and business—Macro-economic theory and Micro-economic theory.

Demand—quantitative expression of demand—The elasticity of demand—Income elasticity and cross elasticity of demand—Demand in different markets—Demand in oligopoly—The kinked demand curve—Price leadership and collusion.

Pricing—The theory of price from the view point of the individual firm—The weaknesses of traditional theory—Loss leaders—Turn over and pricing—pioneer pricing—skimming price versus penetration price—imitative pricing—pricing objectives—Full cost pricing—Pricing based on incremental cost analysis.

Consideration of profit—Theories of profit—Problems of measuring profit.

The concept of Margin—The Incremental concept—comparison of incremental and marginal principles—The principle of discounting—The opportunity cost concept—The Equi. marginal principle—Application of these principles of business decisions.

Risk and uncertainty—Alternative methods of dealing with uncertainty—Insurance principle—Hedging principles—diversification principle—application of probability analysis.

Books recommended

1. 'Managerial Economics' : W. W. Haynes
2. 'Managerial Economics' : Joel Dean
3. 'Probability and Statistics for Business Decisions' : Schlaifer Robert

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| 4. 'Managerial Economics' | : | Spencer and Siegelman |
| 5. 'Economic Analysis' | : | K. E. Boulding |
| 6. 'The Skill of the Economist' | : | K. E. Boulding |
| 7. 'Economics an Introductory Analysis' | : | P. A. Samuelson |
| 8. 'Economics of Business Firm' | : | J. D. Coppock |

GROUP "B"

(e) INDUSTRY

Paper I : Industry and Labour :

Industrial change in India—Growth and the present problems of major industries in India; Cotton, Jute, Iron and Steel, Coal, Cement, Sugar, Tea—Localisation of industries in India.

Capital needs of modern industries—Sources of supply of long term and short term capital for large scale industries in India—Managing Agency System.

Industrial Production.

Problems of industries in public and co-operative sector—Cottage and small scale industries—Location and localization of industries—Problems of regional dispersal of industries—Industrial Estates.

Labour problems of modern industries : Recruitment, Supervision, settlement of industrial disputes, Joint Consultation, Joint Management, etc.—Trade unionism and collective bargaining—Wage systems and Wage levels—Law and labour—Labour Welfare, Job analysis : Training. Vocational testing and guidances study.

Planning and industrial development in India—State regulation of industries.

Industrial policy of the State.

(The subject should be studied with special reference to conditions in India).

Books recommended

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| 1. J. A. Hobson | : | 'Modern Capitalism' |
| 2. W. G. Hoffman | : | 'Growth of Industrial Economy' |
| 3. Buchenan D. H. | : | 'Development of Capitalistic Enterprize in India' |
| 4. Rao B. S. | : | 'Survey of Indian Industries' |
| 5. P. Sargent Florence | : | 'Industry and the State' |
| 6. Jain P. C. | : | 'Industrial Finance in India' |

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| 7. Saxena S. C. | : | 'Labour Problems and Social Welfare' |
| 8. Giri V. V. | : | 'Labour Problem in Indian Industry' |
| 9. R. A. Lester | : | 'Economics of Labour' |
| 10. Mathur and Mathur | : | 'Trade Unionism in India' |
| 11. Punekar S. D. | : | 'Trade Unionism in India' |
| 12. Thakker G. K. | : | 'Labour Problem of Textile Industry' |
| 13. Hobson J. A. | : | 'Conditions of Industrial Peace' |
| 14. Mehta M. M. | : | 'Structure of Indian Industries' |
| 15. National Council of
Applied Economic
Research | : | 'Managing Agency System' |
| 16. N. B. Das | : | 'Financing of Large Scale and Small Scale Industries' |
| 17. Report of the A. D.
Shroff Committee | : | 'Report of the Committee on Financing of Small
Scale Industries'. |

GROUP " B "

(f) AGRICULTURE*Paper I : Economics of Agriculture*

Demand for Farm Products—Production and Supply—Scale of farming—Land Utilization, Crop Pattern and Production—Animal Husbandry and Irrigation—Farm Management, Principles and practice—Land reforms and farm economy; soil conservation problems and solution—Location of production and regional Specialisation.

Finance—Long term and short term—Needs of the farmer—Agencies of supply—Regulation of rural credit—Debt redemption—Cooperative credit—Role of the State.

Marketing—Marketing institutions—Regulated markets—Forward trading and hedging—Warehousing—State trading.

Agricultural prices and incomes—Causes of instability—Terms of trade between agriculture and the rest of the economy—Parity prices and stabilisation measures—Taxation of Agricultural land incomes.

Agricultural labour—Employment—Wages—Conditions of work—Non-farm collectivised Agriculture—Estate Farming—Plantations—International Agencies—International Commodity Agreements.

Books recommended

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| 1. 'Report of the Royal Commission of Indian
Agriculture' | Government of India |
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2. 'The Indian Rural Problem' : Nanavati and Anjaria
3. 'Reports of the Agricultural Marketing of different crops' (Department of the Govt. of India on Marketing) : Government of India
4. 'Farms Management Economics' [P. H. I. (India) Ltd., 1960 Edn.] : E. O. Heady and H. R. Jansen
5. 'Economics of Agriculture' : Cohen
6. 'Rural Credit Survey—Report, 1961' : R. B. I.
7. 'Rural Credit Survey—Follow-up; 1957–58 onwards to date' : Reserve Bank of India
8. 'Report of the First Agriculture Labour Enquiry Committee, 1951' : Government of India
9. 'Report of the Second Agriculture Labour Enquiry Committee, 1961' : Government of India
10. 'Agricultural Legislation in India, Vols. I to IX' : Government of India
11. 'Economics of Peasant Farming' : Variner
12. 'Farm Management Surveys' : Government of India
13. 'Reviews of Co-operative Movement in India' : Reserve Bank of India
14. 'Agricultural Price Analysis' : G. Sheppard
15. 'Agricultural Marketing' : Trelogan and Waite
16. 'Economic Development with no population Transfer' : A. M. Khusro
17. 'Economic Organisation of Agriculture' : Schultz
18. 'Seminar on co-operative Farming Seminar Series No. III, 1959' : Indian Society of Agricultural Economics
19. 'Seminar-cum-workshop on Problems of Farm Production Planning and Programming Series No. IV' : Indian Society of Agricultural Economics
20. 'Seminar on Cost Studies in Agriculture Seminar Series No. III' : " "
21. 'Annual Numbers of Indian Journal of Agricultural Economics Science, 1951 to date (including Silver Jubilee Number, Vol. XIX, Nos. 3–4, July, Dec. 1964)' : " "

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22. 'Report on the Price Policy for Kharif Cereals 1965-66 (Agricultural Prices Commission July, 1965)' : Government of India
23. 'Studies in Indian Agricultural Economics' : Dr. J. P. Bhattacharjee
24. 'Five-year Plans' : Government of India
25. 'Farmers of India', Vols. I, III : I.C.A.R.

GROUP " B "

(g) MODERN FINANCE

Paper I : Banking :

Joint Stock Banking—Principles of joint stock banking—Types of business—Form of lending—Credit instruments—Credit facilities for hire purchase and instalment buying—Bill markets—Commercial bills and treasury bills—Trade and industrial finance—Forms of joint stock banking—Branch banking and expansion—Nationalisation of joint stock Banks.

General Banking—rise and growth of Central Banks—Organisational Structure—Nationalisation of Central banks—control of money and credit—Treasury control.

Banking policy—Control over money supply—Compensatory and getting and credit policy—Multiple credit creation—Price fluctuations and full employment—Money supply and income level—Banking policy and rate of interest—International movements of capital—Monetary and Banking policy.

Books recommended

1. Sayers : 'Modern Banking'
2. De'Kock : 'Central Banking'
3. Beckhart : 'Banking Systems'
4. Redcliffe : 'Report'
5. Basu : 'Review Banking Developments'
6. Robinson : 'Banking Policy of the Price Level'
7. G. Walter Woods Worth : 'The money market and Monetary Management'
8. Manning Dicay : 'British Banking System'
9. R. S. Sayers : 'Banking in Western Europe'

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Standard of Passing

M.Com., Part I Examination

Regu. M.Com. 3 :

1. A candidate who obtains—

- (i) at least 36% of the marks separately each in (a) each paper, and (b) practicals, if any, and (c) Viva-voce examination if any, and
- (ii) at least 48% of the total marks in papers and practicals, if any and Viva-voce examination, if any, all taken together shall be declared to have passed Part I Examination.

Provided that a candidate who has obtained 36% in each paper or practical and 42% in the aggregate shall, at his option be allowed to keep terms for Part II on a clear understanding that a candidate who has exercised his option to keep terms shall not be permitted to appear again in the Part I Examination and that the marks so obtained by him shall be carried forward.

2. No candidate shall be admitted to Part II Course unless he fulfils the requirements as mentioned in (1) above.

M.Com., PART II EXAMINATION

Regu. M.Com. 4 :

Following are the subjects prescribed for the study of M.Com., Part II Examination :

Group "A" (Compulsory)

Paper III : Organised Markets

Paper IV : Business Management

Group "B" (Voluntary)

(a) Advanced Accountancy—two papers, 100 marks each and 3 hours each

Paper III : Management (including Advanced Accountancy)

Paper IV : Management Accountancy (including Advanced Accountancy)

or

(b) Advanced Statistics—two papers, 100 marks each and 3 hours each

Paper III : Modern Sample Surveys

Paper IV : Statistical Techniques

or

(c) Actuarial Science—two papers, 100 marks each and 3 hours each

Paper III : Demography

Paper IV : Mortality Investigation

or