

# ANUPGCET – 2018 :: 113-COMMERCE (SYLLABUS)

Max. Marks: 100

## FINANCIAL ACCOUNTING:

### Introduction to Accounting

Need for Accounting – definition, features, objectives, functions, systems and bases and scope of accounting - Book keeping and Accounting - Branches of Accounting - Advantages and limitations- basic terminology used- – Accounting concepts and conventions.

Accounting Process-Accounting cycle-Accounting equation-classification of accounts-rules of double entry book keeping – identification of financial transactions- Journalizing –Posting to Ledgers, Balancing of Ledger Accounts – Computerized Accounting: Meaning and Features - Advantages and disadvantages of computerized Accounting Creating of an Organization - Grouping of accounts – Creation of Accounts – creation of inventory-creation of stock groups-,stock categories, units of measurement-stock items-entering of financial transactions-types of vouchers-voucher entry-editing and deleting of vouchers-voucher numbering-customization of vouchers

### Subsidiary Books and Bank Reconciliation Statement

Sub Division of Journal-Preparation of Subsidiary Books including different types of cashbooks- simple cashbook, cashbook with cash and discount columns, cashbook with cash, discount and bank columns, cashbook with cash and bank columns and petty cash book. Preparation of sales register, purchase register, journal proper, debit note register, credit note register, and different cash books including interest and discount transactions using computers.

Bank Reconciliation Statement- Need - Reasons for difference between cash book and pass book balances - problems on favorable and over draft balances - Ascertainment of correct cash book balance. Preparation of bank reconciliation statement using computers

### Trial Balance, Final Accounts; Errors and Rectification.

Trial Balance: meaning, objectives, methods of preparation - Final Accounts: Meaning, features, uses and preparation of Manufacturing, Trading Account, Profit & Loss Account and Balance Sheet- Adjusting and Closing entries. Preparation of trial balance, trading, profit and loss account, processing of year ending and closing the books, adjusting and closing entries and balance sheet using computers

Errors and their Rectification - Types of Errors - Rectification before and after preparations of final Accounts - Suspense Account- Effect of Errors on Profit. Rectification of errors using computers.

### Consignment and Joint Ventures:

Consignment - Features, Terms used Proforma invoice - Account sale Delcredere commission - Accounting treatment in the books of the consignor and the consignee - Valuation of consignment stock - Normal and abnormal Loss - Invoice of goods at a price higher than the cost price.

Joint ventures -features-difference between joint venture and consignment, Accounting Procedure – Methods of keeping records for Joint venture accounts-method of recording in co ventures books-separate set of books method.

## **Depreciation - Provisions and Reserves:**

Meaning of Depreciation - Causes- objects of providing for depreciation -Factors affecting depreciation - Accounting Treatment- Methods of providing depreciation - Straight line method - Diminishing Balance Method.

Provisions and Reserves - Reserve Fund – Different Types of Provisions and Reserves.

## **BUSINESS ECONOMICS:**

### **Introduction**

Economic and Non-Economic Activities—Business-Meaning—Economics-Definitions—micro and macro economics-method of economics-positive and normative—inductive and deductive approaches—reading of graphs-concept of slope—Utility-cardinal and ordinal utility-Law of diminishing marginal utility-Law of Equi-marginal Utility.

### **Demand, Supply and Market Equilibrium**

Demand-meaning-individual demand—law of demand-properties of demand curve-income effect and substitution effect-exceptions to the law of demand—individual demand and Market Demand—demand function—determinants of demand and market demand—shift of demand vs. movement along a demand curve—Elasticity of demand-price elasticity-meaning and measurement-price elasticity and total revenue of a firm-income elasticity-classification of goods based on income elasticity-cross elasticity-classification of goods into substitutes and complements—Supply-law of supply-determinants of supply—market equilibrium—concept of consumer surplus.

### **Production and Costs**

Production function—Distinction between short-run and long-run - Production with one variable input-relationship between total, marginal and average production functions-law of variable proportion - production with two variable inputs - isoquants – isocosts - techniques of maximization of output, minimization of cost and maximization of profit-scale of production-economies and diseconomies of scale - Cost of production - cost function - short-run total and average costs - long-run total and average cost.

### **Market Structure and Factors of Production**

Market structure—characteristics—perfect competition-characteristics-equilibrium price—profit maximizing output in the short and long-run—Monopoly-characteristics-profit maximizing output in the short and long run-defects of monopoly—monopolistic competition-characteristics—product differentiation-profit maximizing price and output in the short and long-run—Oligopoly-characteristics-price rigidity-the kinked demand curve—Factors of Production

### **National Income, Trade Cycles and International Trade**

National Income—definition-measurement—GDP-meaning—fiscal deficit—economic systems-socialism-mixed economy system - free market economies- Concepts of Economic Liberalisation, privatization, Globalisation—WTO—objectives—agreements—functions—Trade cycles-meaning-phases-consequences-remedies—International Trade-Balance of payments.

## **FINANCIAL SERVICES - BANKING & INSURANCE:**

### **Introduction to Financial Services**

Meaning of Financial Services, Structure of Indian Financial System Importance of Financial system for the economic development. (Financial and Banking system charts)

- a. Definition of Bank, Functions of Commercial Banks and Reserve Bank of India. (Forms of various accounts and deposits)
- b. Definition / Meaning of Insurance and reinsurance, Principles of Insurance, kinds of Insurance, advantages of insurance, globalization of insurance and insurance sector reforms in India.

### **Banking Systems and its Regulation**

- a. Banking Systems – Branch banking, Unit Banking, Correspondent banking, Group banking, Deposit banking, Mixed banking and Investment banking. An overview of banking; Banking Sector Reforms with special reference to Prudential Norms: capital adequacy norms, income recognition norms, classification of assets and NPAs; Innovations in Banking-ATMs, E-Banking, Credit cards, Online & Offshore Banking, etc (working and operations)  
Regional Rural banks, Cooperative banks, Micro Finance, Priority Sector Lending, Indigenous banking, Role of NABARD, Development Financial institutions – SFC, SIDBI.

### **Banker and customer, loans and advances:**

- a. Banker and customer definition and their relationship, types of customers and modes of operations, procedure and precaution for opening an account, pass book & its features, Rights, duties and obligations of the banker. (Application forms for opening accounts, Cheque Books, pass books, requisition slips for withdrawals and deposits, bank statements, etc)
- b. Promissory Note and Bills of Exchange and Cheque, differences between them, types of crossing the cheque, payment of cheque and consequences of wrongful dishonor, collection of local and upcountry cheques, responsibilities and liabilities of collecting banker and statutory protection to the collecting banker. (Promissory notes, B/E, Crossed cheques - various modes)
- c. Types of loans and advances, principles of sound lending policies, credit appraisals of various forms of loans and advances- modes of creating charges- lien, pledge, mortgage and hypothecation (Documents required for sanction of loans and advances)

### **Financial Markets & Services:**

- a. Indian Money Market- Characteristics, Structure, composition (call and notice money, market, treasury bills market, CDs, CPs, short term bill market, MMMFs and DFHI) problems and reforms in Indian money markets (CDs, CPs, Treasury Bills)
- b. Indian capital market-composition and growth of primary and secondary markets, differences between primary and secondary markets, capital market reforms and NBFCs in capital markets; Stock Exchanges, NSE, OTCEI, Online Trading and role of SEBI.

- c. Financial intermediaries and services: Merchant bankers, Mutual funds, Leasing companies, Venture Capital Funds, Forfaiting, Loan Syndication, Factoring, Custodial Services, Depository Services, and Depository Participants.(Documentation)

### **Types of Insurance and its regulation**

- a. Life Insurance – Practical aspects of Life Insurance, procedure for issuing a life insurance policy, issue of duplicate policies, nomination, surrender value, policy loans, assignment, revivals and claim settlement. (Formats of types of Insurance)
- b. Non Life Insurance- Types of products and scope of Fire Insurance, Marine Insurance, Health Insurance, Social Insurance and Rural Insurance. Regulation of Insurance in India- Insurance Act, 1938 and IRDA 1999. (Formats of types of Non Life Insurance)

### **COST AND MANAGEMENT ACCOUNTING:**

#### **Introduction**

Cost Accounting: definitions, features, objectives, functions, scope, advantages and limitations.

Management Accounting: definitions, features, objectives, functions, scope, advantages and limitations. Relationship between cost, management and financial accounting.

Cost concepts-Cost classification -preparation of cost sheet. Relationship of costing department with other departments.

#### **Elements of Costs**

Material Cost: direct and indirect material cost, Inventory control techniques-stock levels, EOQ, ABC analysis. Issue of materials to production- pricing methods-FIFO, LIFO with base stock, average methods.

Labor cost: direct and indirect labor cost- methods of payment of wages including incentive plans – Halsey and Rowan plans, Tailors Piece Rate method.

Overheads: features, classification, methods of allocation and apportionment of overheads.

#### **Methods of Costing**

Single or Output Costing, job and contract costing: Features, costing process- computation of cost

Process Costing: features, treatment of normal and abnormal losses, preparation of process cost accounts (excluding equivalent products and inter process profits)

#### **Costing Techniques for Decision making**

Budgetary Control-Fixed, Flexible Budget

Marginal Costing-Break Even Analysis

Standard Costing-Material and labour Variances

#### **Financial Statement analysis**

Financial statements - features, limitations. Need for, Meaning, objectives, and process of financial statement analysis-Methods and techniques of analysis (Theory Only)

Fundsflow Analysis and Cashflow Analysis (as per AS-3)

Ratio Analysis, Calculation of liquidity, solvency, profitability and turnover ratios- Interpretation of ratios.

## **BUSINESS LAWS:**

### **Contract Act**

1. Agreement and Contract: Definition and meaning - Essentials of a valid contract – types of contracts.
2. Offer and Acceptance: Definition – Essentials of a valid offer and acceptance – communication and revocation of offer and acceptance.
3. Consideration: Definition and importance – Essentials of valid consideration – the Doctrines of 'Stranger to Contract' and 'No Consideration – No Contract' – Capacity to contract – special rules regarding minor's agreements.
4. Consent: Free Consent – Flaw in Consent: Coercion – Undue influence – Fraud – Misrepresentation and Mistake.

### **Discharge of a Contract**

1. Legality of object and consideration: illegal and immoral agreements – agreements opposed to public policy.
2. Agreements expressly declared to be void – wagering agreements and contingent contracts.
3. Discharge of a contract – various modes of discharge of a contract – performance of contracts.
4. Breach of a contract – types – remedies for breach of a contract

### **Sale of Goods Act**

1. Contract of sale: Definition - features – definition of the term goods – types of goods – rules of transfer of property in goods – differences between sale and agreement to sell.
2. Rights of an unpaid seller.
3. Conditions and warranties – meaning and distinction – express and implied conditions and warranties – sale by non-owners – auction sale.

### **Consumer Protection Act and Intellectual Property Rights**

1. Definitions of the terms consumer, unfair trade practices, restrictive trade practices and complainant – rights of consumers – consumer protection councils – consumer redressal agencies – penalties for violation.
2. Intellectual Property Rights: Meaning - Need and objectives-Meaning of the terms industrial property, literary property, copy right, patents, trade marks, trade names, trade secrets, industrial designs, geographical indications. Information Technology Act, 2000: aims and objectives – a brief overview of the Act.

### **Company Law**

1. Doctrine of ultra vires and its effects – doctrine of constructive notice – doctrine of indoor management – exceptions.
2. Management of companies – directors – qualifications – disqualifications – appointment – removal – rights and duties – company meetings and resolutions - appointment of a company secretary.
3. Winding up of companies – various modes – compulsory winding up- powers and duties of official liquidator – members and creditors voluntary winding up – winding up subject to the supervision of the court – dissolution.

