

Ramakrishna Mission Vivekananda College (Autonomous)
Evening College, Chennai – 600 004
B.Com. (General), Syllabus (effective from the Batch 2008-11)

SIXTH SEMESTER

MANAGEMENT ACCOUNTING

Unit I

Management Accounting – Meaning, Scope, Importance and limitations – Management Accounting vs. Cost Accounting. Management Accounting vs. Financial Accounting.

Unit II

Analysis and Interpretation of Financial Statements – Nature, objectives, tools – Methods – Comparative Statements, Common Size statement and Trend analysis.

Unit III

Ratio Analysis – Interpretation, benefits and limitations. Classifications of ratios – Liquidity, profitability, turnover, capital structure and leverage.

Unit IV

Funds flow and Cash flow statements. as per AS 3. Budgets and budgetary control – Meaning, objectives, merits and demands – Types of Budgets – Production, Cash and Flexible Budgets.

Unit V

Marginal costing (excluding decision making) Absorption Costing and Marginal Costing - CVP analysis – Break Even Analysis – Break Even Chart.- Standard costing and Variance analysis.

Reference Books :

1. Dr. Maheswari S.N. – Management Accounting.
2. Chadwick – The Essence of Management Accounting.
3. Charles T. Horngren and Gary N. Sundem – Introduction to Management Accounting.
4. Sharma and Shashi K. Gupta – Management Accounting.
5. Reddy & Murthy – Management Accounting.
6. Hansen/Mowen – Cost management Accounting and Control

Question Paper Pattern

Section A: 10 out of 12 (10 X 2 = 20 Marks) 5 Theory & 7 problems

Section B: 5 out of 7 (5 X 8 = 40 Marks) 1 Theory Question & 6 problems

Section C: 2 out of 4 (2 X 20 = 40 Marks) No Theory Question

FINANCIAL MANAGEMENT

(Elective)

(Problems : Theory = 50 : 50)

Unit I

Financial Management: Definition – Objectives - Functions of a finance manager -Financial Planning - Time value of money - Measuring Return and Risk

Unit II

Capital Structure: Sources of long term finance - Factors influencing capital structure - Importance of Capital Structure – EBIT / EPS analysis - Indifference Point - Financial, Operating and Combined leverage - Capital Structure Theories (except MM theory)

Unit III

Cost of Capital: Measurement and Significance – Cost of Debt – Cost of Preference Capital – Cost of Equity – Cost of retained earnings – Weighted average cost of Capital.

Unit IV

Capital Budgeting Decisions: Nature of Investment Decisions – Investment Evaluation Criteria – Payback Period – Accounting rate of return – Discounted Payback period - Net Present Value – Internal Rate of Return – Profitability Index.

Unit V

Working Capital Management: Sources of short term finance – Concept of Operating / working Capital Cycle – Determinants of Working Capital – Estimation of Working Capital. Cash Management: Liquidity Needs – Cash Management Techniques (Lock Box System, Concentration Banking, Collection centers and Factoring). Receivables Management: Ageing schedule – Credit policy alternatives (credit period, credit limit, discounts, collection efforts and credit standards)

Reference :

1. Financial Management – S.N.Maheswari
2. Financial Management - Prasanna Chandra
3. Financial Management - I.M.Pandey
4. Financial Management - Khan and Jain

Question Paper Pattern

Section A: 10 out of 12 (10 X 2 = 20 Marks) 6 Theory & 6 problems

Section B: 5 out of 7 (5 X 8 = 40 Marks) 4 Theory Question & 3 problems

Section C: 2 out of 4 (2 X 20 = 40 Marks) 2 Theory & 2 Problems

SERVICE TAX & VALUE ADDED TAX (VAT)

Unit I

Service Tax- Definitions - Concepts and general principles of Service Tax – Services – need for service tax – features of service tax – applicability of service tax – nature of service tax – constitutional authority – service tax law – administration of service tax – service tax procedures – role of chartered accountant – challenges before the service tax administration in India – extent, commencement and application Sec 64.

Unit II

Charge Service tax – registration under service tax – taxable services – valuation of taxable services – exemption from whole of service tax – assessment and collection of service tax – interest for delay in payment of service tax – penalty for failure to pay service tax – power to search premises

Unit III

Assessment and filing returns – enclosures to the return – provisional assessment – periodicity and due date of payment of tax – self-adjustment of excess payment of service tax – refund of excess payment of service tax – administration of service tax

Unit IV

VAT – concepts and general principles – introduction – historical background – taxonomy of VAT – variants of VAT – methods for computation of tax – merits and demerits of VAT – VAT in Indian context – present position – audit provisions under VAT – ICAI's role in VAT

Unit V

Case Studies – calculation of service tax and VAT – Filing service tax and VAT return

Reference Books :

1. Income tax Law – Service tax / VAT – Parul Gupta
2. Taxation – PCC – ICAI
3. Income Tax Law and Practice – Dinkar Pagare
4. Business Taxation – Dr.Radha and Dr.Parameswaran
5. V.S DATEY : Students Work book on Service Tax & VAT
6. Kul Bhushan : How to deal with VAT
7. T.R.Rustagi – Service Tax
8. Rohini Aggarwal – Service Tax – Law & Practice
9. Ratan Pande – VAT the new Tax system
10. Pillai G.K. – VAT
11. Ravi Gupta & Girish Ahuja – Income Tax, Service Tax & VAT

Question Paper Pattern

Section A: 10 out of 12 (10 X 2 = 20 Marks)

Section B: 5 out of 7 (5 X 8 = 40 Marks)

Section C: 2 out of 4 (2 X 20 = 40 Marks)

FOREIGN EXCHANGE

Unit I

Elements for Foreign Exchange: Meaning - Importance, evolution of exchange rates system - International monetary systems - Gold standard - Fixed exchange rates - Flexible exchange rates - Managed float system -Fluctuations in foreign exchange rate - its causes and effects - Need for stability in foreign exchange rate.

Unit II

Foreign Exchange Market : Cash and spot exchange markets Eurocurrency Markets, The Role of Commercial Banks, Mechanics of Making foreign payment. SWIFT, Costs Associated with International payments.

Unit III

Determination of Exchange Rates : Factors affecting exchange rates - International trade -Theories of determination of foreign exchange rates - The law of one price, purchasing power parity, Interest parity. Balance of payment theory - Forecasting Forex rates, the forward rate as a short - term forecast, technical forecasts, economic models, forecasting of fixed exchange rates from convertible currencies. (Simple problems)

Unit IV

Forex Trading: Fore trading infrastructure and networks, control's on order placing, direct and indirect quotas, cross rates, speculation, exchange arithmetics psychology of the forex trader, computerized trading programme, information analysis of trading.

Unit V

Indian Forex Market : Foreign exchange administration in India Setting up and operating a forex dealership -Convertibility of Rupees on current account. Convertibility of rupee on capital account, Pros and Cons, Foreign Exchange control objectives. Methods - Exchange control in India - Role of FEDAI- FEMA 1999 ACT – AS11 norms for companies.

Preference Readings :

1. A.V. Rajawade : Foreign exchange, International.
- 2, C. Jeevanandam Foreign exchange
3. A.K. Chatterjee : Principles of foreign exchange
4. C. Jeevanadam : Foreign exchange arithmetics.

Question Paper Pattern

Section A: 10 out of 12 (10 X 2 = 20 Marks)

Section B: 5 out of 7 (5 X 8 = 40 Marks)

Section C: 2 out of 4 (2 X 20 = 40 Marks)

INCOME TAX LAW & PRACTICE –II

[Elective Subject (application oriented)]

Unit I

Income from business or profession – Allowable and not allowable expenses – General deductions – principles – provisions relating to depreciation – deemed business profits chargeable to profits to tax – compulsory maintenance of books of account – audit of accounts of certain persons – special provision for computing incomes on estimated basis under sections 44AD and 45AE – Computation of income from business or profession.

Unit II

Income under capital gains – short term, long – term capital gains – transfer of capital assets – Certain transactions not included as transfer – Cost of acquisition – Cost of improvement – Indexation of cost – Capital gains under different circumstances – Exempted capital gains – Computation of capital gains.

Unit III

Income from other sources – as a residuary head of income – their computation – grossing up – deductions in computing income under this head and other related provisions.

Unit IV

Filing of return of income – Assessment procedure in brief – Due date of filing the return – defective return – Belated return – Revised return – Self assessment – Best judgment assessment – Various Income Tax Authorities.

Unit V

Assessment of individuals –Income Tax on FBT .

Reference Books :

1. Income Tax Law and accounts – H.C. Mehrotra
2. Income Tax Law and Practice – Bhagavathi Prasad
3. Outline of Income Tax – Rupram Gupta
4. Income Tax Law and Accounts – Vinod K. Singhanian
5. Income Tax Law and Practice – Gaur and Narang

Question Paper Pattern

Section A: 10 out of 12 (10 X 2 = 20 Marks) 5 Theory & 7 problems

Section B: 5 out of 7 (5 X 8 = 40 Marks) 1 Theory Question & 6 problems

Section C: 2 out of 4 (2 X 20 = 40 Marks) No Theory Question

VIVEKA STUDIES

Reference Book :

1. India By Swami Vivekananda (English & Tamil Versions)

Question Paper Pattern: (Max Mark :50)

Section A: 10 * 2 = 20 Marks (Comprehension type)

Section B: 4 * 5 = 20 Marks (Comprehension type)

Section C: 1 * 10 = 10 Marks (Essay question)