

# **B.COM ACCOUNTING AND FINANCE (BAF)**

## **I – YEAR:**

- BAF 11 - Financial Accounting
- BAF 12 - Business Organisation
- BAF 13 - Business Economics

## **II – YEAR:**

- BAF 21 - Corporate Accounting
- BAF 22 - Business Statistics
- BAF 23 - Commercial Law & Industrial Law
- BAF 24 - Banking Theory, Law and Practice
- BAF 25 - Business Environment
- CCE - Environmental Studies

## **III – YEAR:**

- BAF 31 - Business Finance
- BAF 32 - Auditing
- BAF 33 - Income Tax
- BAF 34 - Cost Accounting
- BAF 35 - Accounting for Managerial Decisions

**B.COM ACCOUNTING AND FINANCE  
I YEAR**

**FINANCIAL ACCOUNTING**

**Block I**

Basic Accounting concepts – Accounting process – Trial balance – Final Accounts of sole traders – Common adjustments in the preparation of final accounts – Adjusting and closing entries – Manufacturing account.

**Block II**

Bills of Exchange – Trade bills and accommodation bills – Accounts of non-trading concerns, Receipts and payments account and Income and Expenditure accounts - Capital and Revenue Expenditure.

**Block III**

Accounts from incomplete records – Net worth method and Conversion method – Self-balancing ledgers – Insurance claims, claims of stock destroyed, asset destroyed, loss of profit (Simple problems only).

**Block IV**

Consignment and Joint venture – Account current – Average due date – Depreciation, various method of providing depreciation.

**Block V**

Departmental accounts – Branch accounts - Kept at the Head Office – Independent branches (excluding foreign branches).

**BOOKS RECOMMENDED**

1. R.L. Gupta and M. Radhaswamy – Advanced Accountancy Sultan Chand & Sons., New Delhi.
2. S.N.Maheswari Introduction to Accounting, Vikas Publishing House, New Delhi.
3. M.C.Shukla, T.S.Grewal and S.C. Gupta – Advanced Accounts, S.Chand and Company Ltd., New Delhi.

**B.COM ACCOUNTING AND FINANCE  
I YEAR**

**BUSINESS ORGANISATION**

**Block I**

Nature and scope of business – Business versus Profession and Employment, characteristics of business - Interrelationship between industry, commerce and trade – Objectives and essentials of business – Forms of business organization – Sole Proprietary concerns – Partnership Firms – Co-Operative Societies.

**Block II**

Joint stock company – Features – Company versus Partnership Firms – Kinds of Companies – Private versus Public Companies – Privileges of a Private Company – Formation of a company – Promotion and its stages – Incorporation - Commencement of business – Memorandum and Articles of Association – Alteration of Memorandum and Articles.

**Block III**

Financing of companies – Shares – Debentures and others – Methods of raising capital – Prospectus – Contents - Legal importance - Implications of misstatements in prospectus – Underwriting – Public deposits.

**Block IV**

Structure of company management – Powers - Duties and Responsibilities of directors – Company Meetings – Meetings of Board of Directors and Share holders – Resolutions in shareholders meetings – Dividends and bonus shares.

**Block V**

Scale of operation and size of the firm – Business combinations – Government and business – Public utilities – Social responsibilities of business.

**BOOKS RECOMMENDED:**

1. Y.K. Bhushan - Fundamentals of Business organization and Management, Sultan Chand & Sons, New Delhi.
2. C.B. Gupta - Business organization and Management, Sultan Chand & Sons., New Delhi.

**B.COM ACCOUNTING AND FINANCE  
I YEAR**

**BUSINESS ECONOMICS**

**Block I**

Introduction to Economics – Nature, scope and limitations of Economics – Definition – Adam Smith, Marshall and Lionel Robins – Fundamental concepts.

Consumer analysis – Characteristics and classification of human wants - Law of Diminishing marginal utility – Law of Equimarginal utility.

**Block II**

Demand Analysis – Law of Demand – Types – Determination of Demand – Demand schedule – Changes in Demand – Elasticity of Demand – Measurement – Types of elasticity – Factors determining elasticity of demand – Importance.

Consumer Equilibrium - Cardinal and Ordinal utility – Indifference curve analysis – Criticism of indifference curve analysis – Marshallian utility compared to Hicksian analysis.

**Block III**

Factors of production – Theories of production – Laws of Return – Economics of Scale – Optimum combination of inputs.

Cost curves – Fixed and variable costs – Average and marginal costs – Short run cost curves and long run cost curves – Break-even analysis.

**Block IV**

Pricing under perfect competition – Monopoly – Price discrimination – Pricing under monopolistic competition – Oligopoly and Duopoly – Pricing in public utilities.

**Block V**

Government and business: Industrial policy – Public Enterprises – National Income – Computation of National Income – Types of National Income – National income in India.

**Books for references:**

1. Eswar C. Dhingra, The Indian Economy Environment and Policy S. Chand and Sons, New Delhi, 18<sup>th</sup> Edition, 2004.
2. Ruddar Dutt and K.P.M. Sundaram, The Indian Economy, 50<sup>th</sup> Edition, Sultan and Chand, New Delhi, 2004.
3. S.K. Mishra and Puri, The Indian Economy, 22<sup>nd</sup> Edition Himalaya Publishing House, New Delhi, 2004.

**B.COM ACCOUNTING AND FINANCE  
II YEAR**

**CORPORATE ACCOUNTING**

**Block I**

Issue of shares and debentures – Various kinds – forfeiture Reissue – underwriting of shares and Debentures.

**Block II**

Redemption of preference shares and debenture – Purchase of business – Profits Prior to incorporation

**Block III**

Preparation of company final Accounts – company balance sheet preparation – Computation of Managerial Remuneration.

**Block IV**

Amalgamation – Absorption and external reconstruction of a company (Inter company investments Excluded).

**Block V**

Liquidation – Statement of affairs and deficiency accounts – Liquidators final statement of receipts and payments.

**Reference Books:**

1. Shukla and Grewal – Advanced Accounting
2. Jain and Narang – Company Account
3. R.L.Gupta – Corporate Accounts
4. Chakraborti – Advanced Account
5. Mukherji and Hanif – Modern Accounts.

**B.COM ACCOUNTING AND FINANCE  
II YEAR  
BUSINESS STATISTICS**

**Block I**

Introduction: Meaning – Definition – Functions – Scope and uses – limitations – Collection of data i) Primary and ii) secondary data – Classification and tabulation – Diagrammatic and graphic representation - Definition – Objectives of averaging – Characteristics of a good average – Types of average i) Mean ii) Median iii) Mode iv) geometric mean and v) Harmonic mean – Merits and demerits of averages – Choice of suitable averages.

**Block II**

Measures of Dispersion: Definition – Concept of variation – Absolute and relative measure of dispersion – Methods of measuring dispersion i) Range ii) Quartile deviation iii) Mean deviation iv) Standard deviation and v) Co-efficient of variation – Choice of suitable measure of dispersion.

**Block III**

Correlation and Regression: Meaning and definition of correlation – Types of correlation – Methods of studying correlation i) Graphic method ii) Scatter diagram iii) Karl Pearson's method iv) Rank correlation and v) concurrent deviation method – correlation and regression – Methods of studying regression: i) Graphic method ii) Regression equations and iii) Regression coefficients.

**Block IV**

Index Numbers: Meaning – Definition – Characteristics – Types – Methods of constructing Index number i) Simple aggregative method ii) Weighted aggregative method – Price index number – Quantity index numbers – Tests of adequacy of index numbers.

**Block V**

Time Series: Meaning – Utility – Components of time series i) Trend ii) Seasonal iii) Cyclical and iv) Irregular – Methods of finding trend i) Graphic ii) Semi-average iii) Moving average and iv) Least square – Methods of finding seasonal variations i) Simple average ii) Ratio to trend iii) Moving average and iv) Link relatives.

**BOOKS RECOMMENDED**

1. Statistics (Theory, Methods and applications) – Dr.D.C.Sancheti and V.K.Kapoor Sultan Chand & Sons., New Delhi.
2. Business Statistics – S.P.Gupta, Sultan Chand & Sons., New Delhi.
3. Fundamentals of Statistics – D.H. Elhance
4. Statistics (Theory and Practice) – R.S.N.Pillai and Bagavathi, S. Chand & Company Ltd., New Delhi.
5. Fundamentals of Statistics – S.C.Gupta, Himalaya Publishing House.

**B.COM ACCOUNTING AND FINANCE  
II YEAR**

**COMMERCIAL LAW AND INDUSTRIAL LAW**

**Block I**

Introduction and nature of contract – Essentials of valid contract – Voidable contracts – Void agreements – Contingent contract – Performance of contracts – Reciprocal promises – Appropriation of Payments.

**Block II**

Quasi contracts – Breach of contract and its consequences – Contract of indemnity and contract of guarantee – Bailment and Pledges – Contract of agency – Rights and duties of parties – Liabilities to third parties – Termination.

**Block III**

Sale of goods – Sale and agreement to sell – Formation of contract of sale – Implied conditions and warranties – Performance of contract of sale – Duties and right of seller and buyer.

**Block IV**

Factories Act 1948.

**Block V**

Workmen's Compensation Act 1823 – Industrial Disputes Act 1947 – Employees State Insurance Act 1948.

**Book Recommended:**

1. N.D.Kapoor, Business Laws, Sultan Chand & Sons., New Delhi.
2. G.K.Varshay, Elements of Business Law S.Chand & Co., New Delhi.
3. M.C.Shukla, A manual of Mercantile Law, S.Chand & Co., New Delhi.



# **B.COM ACCOUNTING AND FINANCE II YEAR**

## **BANKING THEORY, LAW AND PRACTICE**

### **Block I**

Banking systems – Branch banking versus Unit Banking and other banking systems – Deposit Banking versus Commercial banking – Industrial banking versus Development Banking – Commercial bank functions – Creation of credit by Commercial banks – Stature and functions of a Central Bank – Methods of Credit control – Quantitative and qualitative methods.

### **Block II**

Structure and characteristics of the banking system in India – Banking sector reforms – Reserve Bank of India – Organisation, functions – Salient features of the Banking Regulation Act 1949.

### **Block III**

Definition of banker and customer – Relationship between banker and customer – Obligation to honour cheques – Banker's lien – Opening of Accounts – Special types of customers – Precautions to be taken – Types of Deposits – Bank Pass Book.

### **Block IV**

Cheques – Essentials of a valid cheques – Crossing, Marking and Endorsement of cheques – Holder & Holder in due course – Payment of cheques – Statutory protection to paying banker – Refusal of payment cheques – Collection of cheques – Statutory protection to the collecting banker.

### **Block V**

Loans and advances by commercial banks – Cash credit, Over Draft and Loans secured and unsecured – Modes of creating charges – Lien, pledge, Hypothecation and Advance against documents of title to goods, stock exchange securities, Mutual funds, Life insurance policies, Real estate, fixed deposit receipts, Book debts and supply bills – Precautions to be taken – Purchase and Discounting of bills.

### **BOOKS RECOMMENDED:**

1. Sundharam and Varshney, Banking theory Law & Practice, Sultan Chand & Sons., New Delhi.
2. Banking Regulation Act, 1949.
3. Report of the Narasihmam committee on Banking Sector Reforms 1998.
4. Reserve Bank of India, Report on currency and Finance 2003-2004.

**B.COM ACCOUNTING AND FINANCE  
II YEAR**

**BUSINESS ENVIRONMENT**

**Block I**

Business Environment – concept – Significance – Environmental Influence on Business - Social and cultural Environment – Demographic Trend – Indian Social Structure – Caste and Communal Systems – Interplay of various Systems – Impact on Business.

**Block II**

Political Environment – Directive Principles of State Policy – Centre – State Relations – Impact of Political Environment on Business.

**Block III**

Economic Environment – Sectors of Economy & Their Significance – Agriculture Industry, Service – Multinational Corporations – Meaning, Importance, Advantages and Weaknesses.

**Block IV**

Social environment – Cultural heritage – social attitudes – impact of foreign culture – castes and communities – joint family systems – linguistic and religious groups – Types of social organization – social responsibilities of business.

**Block V**

Financial Environment – Financial system – Commercial banks – Financial Institutions – RBI Stock Exchange – IDBI – Non Banking Financial Companies NBFCs.

**References**

1. Francis Cherunilam – Business Environment, Himalaya Publishing House, Mumbai.
2. Amarchand – Government and Business, Emeralds Publishers, Chennai.
3. V.P. Michael – Business Policy and Environment (Himalaya Pub. House).

**B.COM ACCOUNTING AND FINANCE  
III YEAR**

**BUSINESS FINANCE**

**Block I**

Business Finance: Conceptual foundations – finance function in business – scope and objectives – Relation of finance with other business functions.

**Block II**

Source of finance: Equity and preference shares. Debentures convertible debentures – Relative merits and limitations

Cost of capital: Cost of debt – Cost of preference share capital – cost of equity – Aggregate weighted average cost of capital.

**Block III**

Capital Structure: Optimum Capital Structure – Determinants – Financial leverage – concept, measurement and significance.

**Block IV**

Working Capital Management: Cash securities, receivables and inventory management – management of working capital – kinds of working capital - Determinants of Working Capital.

**Block V**

Dividend policy and decisions: Influencing factors – forms of dividend.

**Reference Books:**

1. I.m. Pandey, Financial Management.
2. Prasanna Chandra, Financial Management Theory and practice,
3. S.C. Kuchhal, Corporate finance.

**B.COM ACCOUNTING AND FINANCE  
III YEAR**

**AUDITING**

**Block I**

Introduction – Definition, Scope, Objectives, techniques and standards of auditing – Generally accepted auditing practices – Internal check – Internal Audit – Internal control – Interface between Internal Auditor and Statutory Auditor – Audit Planning and control.

**Block II**

Vouching – Cost transactions and trading transactions – Audit of ledger – Verification and valuation of Assets and liabilities.

**Block III**

Depreciation and Reserves – Auditing under EDP environment.

**Block IV**

Audit of limited companies – Qualification, Appointment, Removal, Remuneration, Powers and Duties – Special considerations in company audit – Audit of Financial statements, share capital and debentures – Divisible profits and dividends.

**Block V**

Investigation – Objects and classes of investigation – Legal position and liability of an Auditor – Professional conduct and Ethics.

**BOOKS RECOMMENDED:**

1. B.N. Tandon, S. Sudharsanam and S. Sundharababu, A Handbook of Practical Auditing, S.Chand & Co., Ltd., New Delhi.
2. S.D.Sharma, Taxmann's Auditing Principles and Practice, Taxman Allied Services (P) Ltd., New Delhi.
3. Ravindar Kuamr & Virender Sharma, Fundamentals of Practical Auditing, Prentice Hall of India (P) Ltd., New Delhi.

**B.COM ACCOUNTING AND FINANCE  
III YEAR**

**INCOME TAX**

**Block I**

Basic Concepts – Residential status and incidence of Tax – Income exempt from Tax – Agricultural income.

**Block II**

Heads of Income – Salaries – Income from House Property.

**Block III**

Profits and Gains of Business or Profession.

**Block IV**

Capital Gains – Income from other sources.

**Block V**

Gross Total Income – Deduction from Gross Total Income – Computation of Taxable income of Individuals.

**References**

1. Gaur and Narang: Income Tax, Law and Practice.
2. Dingar Pagare : Income Tax.
3. Mehrothra : Income Tax Law and practice; Himalayan Publishers, Agra.
4. Vinod Singhania : Direct Tax, Taxman Publication Pvt., New Delhi.

**B.COM ACCOUNTING AND FINANCE  
III YEAR****COST ACCOUNTING****Block I**

Meaning, Scope, Objectives, Functions, Importance, advantages and limitations of cost accounting. Financial Accounting versus Cost Accounting – Elements of Cost – Cost centre and Profit centre – Preparation of Cost Sheet – Direct materials – Purchase routine – Stores control – Stock levels and EOQ.

**Block II**

Bin card – Stores ledger – Perpetual inventory system – ABC method – Material handling – Control of wastage, scrap, spoilage and defectives – Methods of pricing the issues – Labour cost – time keeping and Time booking – Overtime, Idle time and labour turnover.

**Block III**

Methods of wage payment – Overheads – Classification allocation, apportionment and absorption of overheads – Methods of absorption – Reasons for variation in profits shown by cost accounts and financial accounts – Reconciliation.

**Block IV**

Methods of Costing – Job costing, process costing, operating costing and contract costing.

**Block V**

Marginal costing – Break even analysis, P/V ratio, Margin of safety – Application of marginal costing in decision making: Fixation of selling price, make or buy decisions, selection of suitable sales mix and deciding desirable volume of output – Standard costing – Fixation of standard costs – Variance analysis (Simple problems only).

**BOOKS RECOMMENDED:**

1. M.C. Shukla, T.S.Grewal and M.P.Gupta, Cost Accounting – Text and Problems, S.Chand & Co., New Delhi.
2. Ravi M. Kishore, Cost Accounting and Financial Management, Taxman Allied Services (P) Ltd., New Delhi.
3. Charles t. Horngren, Srikant M. Datar and George Foster, Prentice Hall of India (P) Ltd., New Delhi.

**B.COM ACCOUNTING AND FINANCE  
III YEAR**

**ACCOUNTING FOR MANAGERIAL DECISION**

**Block I**

Management accounting – Meaning, nature, scope and functions, need, importance and limitations – Management Accounting Vs. Cost Accounting. Management Accounting Vs. Financial Accounting.

**Block II**

Analysis and interpretation of Financial Statements – Nature, objectives, essentials and tools. Methods – Comparative Statements, Common size statement and Trend analysis.

**Block III**

Ratio Analysis – Interpretation, benefits and limitations. Classification of ratios – liquidity, profitability, turnover, capital structure and coverage.

**Block IV**

Funds flow and cash flow analysis. Budgets and budgetary control – Meaning, objectives, merits and demerits.

**Block V**

Capital budgeting - Steps in capital budgeting – Pay-back – IRR – NPV – Profitability Index.

**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. Hanen/mowen – Cost management accounting and control.