

**KARNATAK UNIVERSITY, DHARWAD**  
**Regulation Governing The Semesterised**  
**Post-Graduate Degree in Commerce**  
**( Master of Commerce )**

In exercise of the powers conferred under Sec. 44 of Karnatak State Universities Act, 2000, the Academic Council of Karnatak University frames the following Regulations.

**TITLE**

The Regulations shall be cited as Karnatak University's Regulations 2002 governing the Semesterised Post-graduate Programme in Commerce ( M.Com.)

**EXTENT OF APPLICATION**

These Regulations shall also extend or apply to the Post-graduate Programmes being conducted in the Colleges/Institutes/Institutions with prior permission and approval of the University.

**COMMENCEMENT**

These Regulations shall come into force on the date on which they are approved by the Chancellor or on such other date as directed by the Chancellor.

**DEFINITIONS**

In these Regulations, the expressions, " University, " University Area", " Department", " College ", " Teachers" and " Principal" shall bear the same meaning as assigned to them under Sec. 2 of Karnataka State Universities Act, 2000.

**POST-GRADUATE SEMESTER COURSE ( M.COM.)**  
**REGULATIONS-2000**

**1.0 Course offered and the duration of the courses :**

Master of Commerce ( M.Com.) - 2 years/4 Semesters

1.1 Duration of the semester : Duration of each semester shall be 16 to 18 weeks from the date of the commencement of respective semester.

**2.0 Eligibility criteria for admission**

2.1 The eligibility criteria for admission shall be as outlined below :

Course	Eligibility criteria
M.Com.	B.Com. degree of Karnatak University or any other University considered as equivalent thereto.

2.2 The minimum aggregate percentage of marks to be obtained by the candidate for seeking admission to semester course under this faculty shall be as stipulated by the Karnatak University in the light of directives from the Government, Reservation Policy, etc., from time to time.

### 3.0 Admission Procedure

The admission procedure for the M.Com. course in the Faculty of Commerce shall be as outlined below :

Course	Admission procedure
M.Com.	Aggregate percentage of marks at B.Com. level subject to the minimum aggregate percentage as stipulated by the University.

### 4.0 Course structure

The course structure shall be as outlined below :

M.Com. : 5 papers in each semester including project report/dissertation in Lieu of one paper in the IV semester.

### 5.0 Scheme and medium of instruction

5.1 The minimum instructional ( teaching) hours per paper per week shall be 5 including one hour for seminar/case study/tutorial/presentation/audio-visual/program/assignment.

5.2 In case of computer based papers there shall be three hours of teaching and two hours of computer laboratory work per paper per week.

5.3 The medium of instruction shall be English. However, the candidates will be permitted to write the examination either in English or in Kannada.

### 6.0 Attendance

6.1 Each semester shall be taken as a unit for the purpose of calculating the attendance.

6.2 A student enrolled at the post-graduate programme shall be deemed to have satisfied the requirement of attendance if he/she has attended not less than 75% of the total number of working hours in a semester which include Lectures, Seminars/Practicals, Tutorials, etc., taken together.

6.3 Shortage of attendance to the extent of 10% may be condoned by the Vice-Chancellor on the recommendation of the Chairperson of the Department provided the Chairperson certifies that the reasons furnished by the student for not complying with the attendance requirement are genuine.

6.4 There shall not be, however, any condonation where the attendance is less than 65%.

6.5 Students who do not satisfy the prescribed attendance requirements shall not be eligible to appear for the ensuing examination.

6.6 Any student, who fails to comply with the minimum requirement of attendance in a particular semester, shall seek re-admission to the respective semester only during the next operational period of such semester.

### 7.0 Scheme of examination

7.1 There shall be an University examination at the end of each semester.

7.2 The details of the scheme of examination shall be as outlined in Annexure No.I.

**Details of the Scheme of the Examinations for the P.G.Courses  
( Semester System ) in the Faculty of Commerce**

Name of the Course	Semester	Title of the Paper	Duration of the Examination	Maximum Marks Theory /Internal dissert- assess ation ment/ Vivavoce			
1	2	3	4	5	6	7	
M.Com.	<b>I</b>	1.1 Marketing Management	03 hrs.	80	20	100	
		1.2 Financial Management	03 hrs.	80	20	100	
		1.3 Accounting Theory	03 hrs.	80	20	100	
		1.4 Stretegic Management	03 hrs.	80	20	100	
		1.5 Organisational Behaviour	03 hrs.	80	20	100	
	<b>II</b>	2.1 Global Marketing	03 hrs.	80	20	100	
		2.2 Corporate Restructuring	03 hrs.	80	20	100	
		2.3 Business Research Methods	03 hrs.	80	20	100	
		2.4 Business Ethos	03 hrs.	80	20	100	
		2.5 International Business	03 hrs.	80	20	100	
	<b>III Compulsory Papers</b>	3.1 Accounting Information System	03 hrs.	80	20	100	
		3.2 Multi-national Business Finance	03 hrs.	80	20	100	
	<b>Elective Groups : ( Any one Elective Group as chosen by the student )</b>						
		<b>A Cost Management and Control Group</b>	3.3 Production and Operations Management	03 hrs.	80	20	100
			3.4 Cost Management	03 hrs.	80	20	100
3.5 Managerial Accounting			03 hrs.	80	20	100	
<b>B. Business Finance and Accounting Group</b>			3.3 Security Analysis and Portfolio Management	03 hrs.	80	20	100
			3.4 Corporate Accounting	03 hrs.	80	20	100
		3.5 Accounting for Specialised Institutions	03 hrs.	80	20	100	
<b>C Accounting and Taxation Group</b>		3.3 Corporate Accounting	03 hrs.	80	20	100	
		3.4 Accounting for Specialised Institutions.	03 hrs.	80	20	100	
		3.5 Corporate Tax Planning –I	03 hrs.	80	20	100	
<b>D Banking Group</b>		3.3 Bank Marketing	03 hrs.	80	20	100	
		3.4 Banking in India	03 hrs.	80	20	100	
		3.5 Management Accounting for Bankers.	03 hrs.	80	20	100	

#### IV Compulsory Papers

4.1 Corporate Governance	03 hrs.	80	20	100
4.2 Computer Applications for Accountants.	03 hrs.	80	20	100

#### Elective Groups : ( Any one Elective Groups as chosen by the student)

##### A. Cost Management and Control Group

4.3 Strategic Cost Management	03 hrs	80	20	100
4.4 Quantitative Methods for Cost Accountants	03 hrs.	80	20	100
4.5 Project Report and Viva-Voce	--	50	50	100

##### B. Business Finance and Accounting Group

4.3 Financial Services	03 hrs.	80	20	100
4.4 Innovations in Accounting	03 hrs.	80	20	100
4.5 Project Report and Viva-Voce	--	50	50	100

##### C. Accounting and Taxation Group

4.3 Innovation in Accounting	03 hrs.	80	20	100
4.4 Corporate Tax Planning-II	03 hrs.	80	20	100
4.5 Project Report and Viva-Voce	--	50	50	100

##### D. Banking Group

4.3 Foreign Exchange and Risk Management	03 hrs.	80	20	100
4.4 Financial Management in Commercial Banks	03 hrs.	80	20	100
4.5 Project Report and Viva-Voce	--	50	50	100

#### 8.0 Internal Assessment

8.1 There shall be an internal assessment carrying 20 marks for each theory paper in every semester.

8.2 The components of internal assessment and the distribution of marks among the components of internal assessment shall be as follows :

Components of internal assessment	Maximum marks
a) Test I	05
b) Mid-semester Test	10
c) Test II	05
Total	20

8.3 The Department shall notify the tentative calendar of events relating to internal assessment in the first week of each semester.

- 8.4 The Chairman/Chairperson of the Department may allow the candidates, who remain absent for the Tests, only if such cases are recommended by the course teacher and are found to be genuine.
- 8.5 The statement of internal assessment marks shall be submitted by the respective course teacher through the Chairman/Chairperson to the Registrar ( Evaluation ) at least a week before the commencement of the semester end examination of the respective semester.
- 9.0 Project work and dissertation**
- 9.1 Every student shall take up a project work in the Elective Group ( if any ) selected by him/her during the IV semester.
- 9.2 The student shall decide the topic in consultation with the teacher-guide concerned.
- 9.3 The student shall establish report with one of the organizations to help him/her to understand the operations pertaining to the topic.
- 9.4 The student shall make as many visits as possible to gain a thorough understanding of the organization without affecting his/her attendance for other theory papers.
- 9.5 Submission of the project/dissertation : The information collected through project work has to be presented in a project report form/dissertation.
- 9.6 Submission of the project report/dissertation : Two copies of the project report /dissertation shall be submitted to the Chairman/Chairperson/Local Head/ Principal of the College/ Co-ordinator of the course at least ten days before the commencement of the IV semester end examination.
- 9.7 Valuation of project report/dissertation : The project work shall carry 100 marks, containing 50 marks for project report/dissertation and 50 marks for viva-voce. There shall be double valuation of project report by the teacher-guide concerned and an external examiner appointed by the University for the conduct of viva-voce examination.
- 9.8 Vive-Voce relating to project report/dissertation : The teacher-guide along with the external examiner appointed by the University for the valuation of project report/dissertation shall conduct viva voce examination soon after the valuation of project reports/dissertations by an external examiner. The date of viva voce shall be intimated to the students by the Department well in advance.
- 9.9 Absence of student for viva voce : If any student fails to appear for the viva voce on the date and time fixed by the department such student shall appear for the viva voce on the date and time fixed by the Department, such student shall appear for the viva voce only along with students of the next batch.
- 10.0 Board of Examiners and Valuation**
- 10.1 There shall be a Board of Examiners to scrutinize and approve the question papers.
- 10.2 Each Faculty shall, as far as practicable, ensure that 50% of the paper setters and valuers are from other Universities.
- 10.3 There shall be double valuation for all theory papers/ dissertation/ project report. The average of marks awarded by the internal and external examiners shall be taken as the final award.  
Provided that in case the difference between the marks awarded by the internal and the external examiners in respect of any theory paper/dissertation/project report, is more than 20%, then such theory answer scripts/dissertation shall be

referred to a third valuer and the nearest scores shall be averaged and such average score be declared as the final award.

Provided further, that in case the number of a answer scripts to be referred to the third examiners is more than 10 in respect of nay semester end examination, such answer scripts shall be valued by the Board of Examiners on the date to be notified by the Chairperson of the Board of Examiners and the marks awarded by the Board shall be the final award.

**11.0 Classification of successful candidates**

- 11.1 Minimum for a pass in each of the theory/dissertation/project report and viva voce shall be 35% and minimum for a pass in each paper including internal assessment shall be 4% and 50% in aggregate for all the papers in each semester.
- 11.2 For the purpose of declaring Ranks and Classes, the aggregate of the marks in all the semesters shall be taken into account. However, Ranks shall not be declared if the candidates has not successfully completed each of his semester in his first attempt.
- 11.3 No Rank shall be awarded to any candidate who has applied for improvement or repeated any of the examinations conducted by the University.
- 11.4 For the purpose of announcing the results, the aggregate of the marks secured by a candidate in all the semester examinations shall be taken into account.

The award of classes, etc., shall be as under :

70% and above	First Class with Distinction
Between 60% and less than 70%	First Class
Between 50 % and less than 60%'	Second Class
Less than 50%	Fails

Provided that the fractions shall not be rounded off for declaring classes.

**12.0 Provision for repeaters**

- 12.1 A candidate is allowed to carry all the previous unleared papers to the subsequent semester/semesters provided he has satisfactory fulfilled the attendance requirements prescribed.
- 12.2 Candidates who have failed, remained absent or are opting for improvement in any paper/s shall appear for such paper/papers in the two immediate successive examinations that are conducted. However, the marks secured in the previous attempt shall be retained, if the same is higher, even after appearing for improvement.
- 12.3 There shall be no provision for seeking improvement in respect of internal assessment marks.
- 12.4 A student who wishes to apply for improvement shall submit an application to the University authorities within 30 days from the date of the announcement of the results.
- 12.5 The candidate shall take the examinations as per the syllabus and scheme of examination currently in force during the subsequent appearances.
- 12.6 A candidate who seeks improvement shall surrender the Degree Certificates/ Provisional Passing Certificate/Original marks card issued to him.

### **13.0 Miscellaneous**

The directions, orders, notifications issued by the University Authorities in respect of matters not covered by these Regulations shall be final provided they are conformity with the provisions of Karnataka State Universities Act, 2000 and the Ordinances, Statutes, Regulations and Rules made thereunder.

#### **DETAILS OF SYLLABI OF THE M.COM. COURSE M.COM. III - SEMESTER Compulsory Papers**

##### **Paper 3.1 : Accounting Information System**

- I Introduction : Meaning and objectives of accounting information system-model for processing accounting information, managerial accounting system.
- II Analysis and development of accounting system : Systems concepts and accounting, system tools, system development processes, systems analysis, system design, system implementation and operation.
- III Computer software and configuration : Data storage and processing methods, file processing methods.
- IV Data base management systems : Data management, major issues in data management, data access and organization methods, data base access tools, advantages and disadvantages of data base management.
- V Information system controls : Internal control, data security and integrity, Accounting transaction cycles, revenue cycle and applications, expenditure cycle applications, conversion cycle application, financial cycle applications.

##### **Suggested Readings :**

- 1. James A.O.'Brien, Management Information Systems, Galgotia Publications, New Delhi.
- 2. James Bockholdt, Accounting Information System, TMH, International Edition, New York.
- 3. Anita Hollander, Accounting Information Technology and Business Solutions, TMH, New Delhi.
- 4. Stephen Haag, MIS for the Information Age, TMH, New Delhi.
- 5. David Kroenke, Business Information Systems, TMH, New Delhi.
- 6. Kanter, Managing with Information, PHI, New Delhi.
- 7. Sadagopan, Management Information Systems, PHI, New Delhi.
- 8. Gordon B.Davis, Management Information Systems, TMH, New Delhi.
- 9. Henry C.Lucas, Information Technology for Management, TMH, New Delhi.
- 10. Charler Parker, Management Information Systems, TMH, New Delhi.

##### **Paper 2.3 : Multinational Business Finance**

- I Multinational financial management : Meaning and objectives, global financial manager – functions of financial management – scope – relationship to domestic financial management.

- II Environment of international financial management : Multinational/transnational corporations – foreign exchange market – dealers in foreign exchange market, foreign exchange transactions, sale and purchase transactions – spot and forward transactions, hedging, speculation and arbitrage operations. Equilibrium in foreign exchange market.
- III Financing foreign operations : Corporate sources and uses of funds, national capital markets, Euro markets, special financial vehicles, interest rate and currency swaps, debt, equity swaps, internal leasing, designing global financing strategy.
- IV International capital budgeting : Basics of capital budgeting, issues, foreign project appraisal – political risk analysis, growth options and project evaluation. Multinational working capital management, short-term financing, objectives and options, borrowing strategy and exchange risk management, current assets management strategy.
- V Foreign exchange risk management : Foreign exchange risk and exposure, types of foreign exchange risks, transaction, transaction and economic exposure – internal and external techniques of foreign exchange risk management.

**Suggested Readings :**

1. Buckley Adrian, Multinational Finance, PHI, New Delhi.
2. Alan. C. Shapiro, Multinational Financial Management, PHI, New Delhi.
3. C.Jeevanandan, Foreign Exchange and Risk Management, Sultan Chand and Sons, New Delhi.
4. Chatterjee B.K., Principles of Foreign Exchange, Himalaya, Bombay.
5. Rajwade A.V., International Finance and Risk Management, Academy of Business Studies, New Delhi.
6. Apte P.G., International Financial Management, TMH, New Delhi.
7. Readhead, Financial Derivatives, PHI, New Delhi.
8. V.K.Bhalla, International Financial Management, Galgotial Publishing, Co., New Delhi.
9. Levy, International Finance, TMH, New Delhi.
10. IAN Giddy, Global Financial Market, AITBS, New Delhi.

**Elective Group A : Cost Management and Control**

**Paper 3.3. : Production and Operations Management**

- I Production/operations management : Introduction, meaning and definition, objectives, nature and context of operations management, relationship between strategic management and operations management, operations strategy and competitiveness.
- II Plant locational planning : Stages in the selection of planning, selection of locality and selection of site, determinants of plant location, plant location theories, qualitative and quantitative models for plant location, locational break-even analysis.
- III Product design and process selection : Product design and process selection for manufacturing operations and service operations, waiting line management, quality management, statistical quality control methods.



- IV Design of facilities and jobs : Strategic capacity planning linear programming, just in time production systems, facility location, facility layout, job design and work measurement, learning curves, wage incentives, production control techniques, measurement of productivity.
- V Supply chain management : Forecasting, aggregate planning, inventory systems for dependent and independent demand, material revising the system, business process re-engineering, syndronous manufacturing and theory of constraints.

**Suggested Readings :**

1. Dalela and Mansoor Ali, Industrial Engineering Management Systems, Standard Publishers, Distributors, Delhi.
2. Chary, Production and Operations Management, TMH, New Delhi.
3. Richard B.Chase, Production and Operations Management, TMH, New Delhi.
4. Mahadevan, The New Manufacturing Architecture, TMH, New Delhi.
5. Nair, Production and Operations Management, TMH, New Delhi.
6. Adam and others, Production and Operations Management, PHI, New Delhi.
7. Aswathappa and S.Bhatt, Production and Operations Management, Himalaya Bombay.
8. Chunawalla and Patel, Production and Operations Management, Himalaya, Bombay.
9. Kanji and Mike, 100 Methods for Total Quality Management, Response Books, New Delhi.
10. Prasanna Chandra, Project Analysis, Planning and Control, TMH, New Delhi.

**Paper 3.4 : Cost Management**

- I Introduction- Concept of cost management, importance and areas of cost management ; cost management v/s cost accounting ; cost management tools and techniques.
- II Strategic cost management issues in different elements of cost-material, labour and overheads – product design, value analysis and value engineering, time and motion study, work study analysis, strategic analysis of cost, cost drivers in overhead allocation.
- III Budgetary control : Concept of budget, budgeting and budgetary control, essentials, features, importance and limitations of budgetary control, classification of budgets and preparation, key factor analysis, flexible budget, performance budgeting and zero base budgeting.
- IV Standard cost and cost management : Concept, essentials, importance, fixation of standards and advantages and limitations of standard costing techniques, types of standards and classification of standard costs, variance analysis – cost variances and profit variances.
- V Cost control and cost reduction methods : Value analysis and engineering, business process re-engineering – MRP.

### **Suggested Readings :**

1. Edward Blocher, Cost Management : A Strategic Emphasis, TMH, New Delhi.  
Hilton, Cost Management, TMH, New Delhi.
2. Hilton, Cost Management, TMH, New Delhi.
3. Govindaraju, et al., Strategic Cost Management, Free Press, Calcutta.
4. Horngren, et al., Cost Accounting : A Managerial Emphasis, PHI, New Delhi.
5. Robert Kaplan and Atkinson, Advanced Management Accounting, PHI, New Delhi.
6. Jain and Narang, Advanced Cost Accounting, Kalyani, New Delhi.
7. N.K.Prasad, Advanced Accounting, Book Syndicate, Calcutta.
8. Ravi M. Kishore, Advanced Cost Accounting and Cost Systems, Taxman Publications, New Delhi.
9. Babhatosh Banerjee, Cost Accounting, World Press Pvt. Ltd., Calcutta.
10. Jawahar Lal, Cost Accounting, TMH, New Delhi.

### **Journals :**

1. Management Accountant
2. Chartered Accountant
3. Chartered Secretary
4. Indian Journal of Accounting

### **Paper 3.5 : Managerial Accounting**

- I Introduction – Concept, nature, scope and evolution of management accounting, financial accounting vs. managerial accounting, utility and limitations of managerial accounts, tools and techniques employed.
- II Marginal costing and break even analysis : Concept, nature and scope of marginal costing, marginal costing v/s absorption costing, marginal costing equation, contribution margin ratio and application of marginal costing in decision making, cost volume profit relationship, break even analysis, preparation of break even charts, profit graph.
- III Analysis and interpretation of financial statements : Nature, objectives, latest trends in presenting financial data, types and tools of financial analysis, accounting ratios – classification, advantages and limitations.
- IV Funds flow and cash flow statements : Concepts of funds and objectives of preparing statement of changes in financial position funds, flow v/s income statement, procedure involved in funds flow statement, advantages and limitations of funds flow statement, cash flow statement – classification of cash flow, preparation and usefulness, accounting standard – and cash flow preparation in India.
- V Uniform and inter-firm costing methods : Meaning, features, significance, steps involved and techniques of uniform costing and inter-firm.

### **Suggested Readings :**

1. Charler Brandon, Managerial Accounting, TMH, New Delhi.
2. Ray H.Garrison, Managerial Accounting, TMH, New Delhi.
3. Sharma and Gupta, Management Accounting, Kalyani, New Delhi.
4. Jawaharlal, Managerial Accounting, Himalaya, Bombay.

5. Ravi M.Kishore, Advanced Management Accounting, Taxman, Publications, New Delhi.
6. Robert N.Anthony and James Reece, Accounting Principles, AITBS, New Delhi.
7. Horngren, et al., Introduction to Management Accounting, PHI, New Delhi.
8. Maheswari S.N., Management Accounting and Financial Control, Sultan Chand and Sons, New Delhi.
9. Babhatosh Banerjee, Financial Policy and Management Accounting, World Press, Calcutta.
10. Manmohan and Goyal, Management Accounting, Sahitya Bhavan, Agra.

### **Elective Group B : Business Finance and Accounting**

#### **Paper 3.3 : Security Analysis and Portfolio Management**

- I Nature and scope of investment management, investment management and security analysis, portfolio management, managed portfolios and portfolio management practices in India.
- II Fundamentals of security analysis, economic analysis, industry analysis and company analysis, technical analysis, efficient market theory, analysis of risk and return of securities, valuation of equities, bonds and options and futures.
- III Portfolio analysis : Analysis of portfolio risk and return, diversification of risk, combining risks and riskless securities, Markowitz diversification, mean, variance analysis, leveraged portfolio, Sharpe model.
- IV Capital asset pricing model, assumptions, the capital market line, security market line, CAPM with relaxed assumptions.
- V Portfolio evaluation : Portfolio formula plans, risk adjusted measures, Sharpe's reward to variability, Treynor's volatility ratio, Jensen's differential return.

#### **Suggested Readings :**

1. Fisher De and R.Jordon, Security Analysis and Portfolio Management, PHI, New Delhi.
2. Bhalla, V.K. and S.K.Tuteja, Investment Management, S. Chand and Co., New Delhi.
3. Avadhani, V.A., Investment and securities Market in India, Himalaya, Bombay.
4. Strong Robert, A., Portfolio Management Handbook, Jaico Publishing House, Bombay.
5. James, L. Farrell, Portfolio Management, TMH, New Delhi.
6. Zvi Bodie, Essentials of Investments, TMH, New Delhi.
7. Jerome Cohen, Investment Analysis and Portfolio Management, TMH, New Delhi.
8. Jack Clark Francis, Investment, TMH, New Delhi.
9. Sharpe, Alexander and Bailey, Investments, PHI, New Delhi.
10. Pike and Neale, Corporate Finance and Investment, PHI, New Delhi.

### **Paper 3.4 : Corporate Accounting**

- I Company final accounts : Provisions relating to maintenance of accounts, divisible profits, managerial remuneration, transfer of profits to reserves, vertical and horizontal forms of financial statements.
- II Valuation of goodwill and shares : Concept and need for valuation of goodwill, methods of valuation, share valuation – need and methods of valuation.
- III Accounting treatment for amalgamation, absorption and reconstruction of companies, internal reconstruction.
- IV Liquidation accounts : Winding up vs. liquidation, types of liquidation, statement of affairs, deficiency accounts, liquidators final statement of accounts, preparation of List-B contributories.
- V Holding and subsidiary companies : Accounting treatment and disclosures, consolidation of accounts – balance sheet and profit and loss account, single subsidiary, chain – holdings and cross holdings.

### **Suggested Readings :**

- 1. S.N.Maheshwari, Advanced Accountancy, Vol. II, Vikas, New Delhi.
- 2. Jain and Narang, Advanced Accountancy, Vol.II, Kalyani, New Delhi.
- 3. Gupta and Radhaswami, Advanced Accountancy, Vol.II, Sultan Chand, New Delhi.
- 4. Shukls and Grewal, Advanced Accounts, Vol.II,S. Chand and Co., New Delhi
- 5. P.V.Ratnam, Advanced Accountancy, Konark, New Delhi.
- 6. Rishikesh Chakraborty, Advanced Accounts, Oxford, New Delhi.
- 7. S.K.Paul, Advanced Accounts, World Press, Calcutta.
- 8. Needles, Financial Accounting, All India Publishers and Distributors, Chennai
- 9. John Laren, Modern Advanced Accounting, TMH, New Delhi.
- 10. Daniel, L.Jenson, Advanced Accounting, TMH, New Delhi.

### **Paper 3.5 : Accounting for Specialised Institutions**

- I Accounting of banking companies : Legal provisions as per Banking Regulation Act, Narasimhan Committee recommendations and NPA treatment, classification of banking companies assets, capital adequacy ration and preparation of financial statements.
- II Accounting of insurance companies : Legal provisions as per Insurance Act, 1930, LIC Act 1956 and GIC Act, revenue accounts and final accounts of life and non-life insurance companies, IRDA Act and provisions relating to final accounts.
- III Double account system : Meaning of double account system, differences between single and double account system, advantages and disadvantages of double account system, account of electricity companies.
- IV Analysis of financial statements : Uses and information needs, horizontal and vertical analysis, accounting ratios and their uses.
- V International accounting : International accounting standards, US accounting standards, conversion of accounts as per US GAAPS.

**Suggested Readings :**

1. S.N.Maheshwari, Advanced Accounting, Vol.II, Vikas Delhi.
2. Shukla and Grewal, Advanced Accounting, Vol.II, S. Chand and Sons, New Delhi.
3. R.L.Gupta and Radhaswamy, Advanced Accounting, Vol.II, Sultan Chand and Sons, New Delhi.
4. Hrishikesh Chakraborty, Advanced Accounting, Oxford Publishing House, New Delhi.
5. Jain and Narang, Advanced Accounting, Vol.II, Kalyani, New Delhi.
6. C.T.Horngren, Introduction to Financial Accounting, PHI, New Delhi.
7. Mark, E., Harkins, International Financial Reporting and Analysis, TMH, New Delhi.
8. Thomas, P. Edmonds, Fundamentals of Financial Accounting Concepts, TMH, New Delhi.
9. Robert Libby, Financial Accounting, TMH, New Delhi.
10. P.V.Ratnam, Advanced Accounting, Konark, New Delhi.

**Elective Group C : Accounting and Taxation****Paper 3.3 : Corporate Accounting**

Syllabus as outlined in 3.4 of Group B.

**Paper 3.4 : Accounting for Specialised Institutions**

Syllabus as outlined in 3.5 of Group B.

**Paper 3.5 : Corporate Tax Planning-I**

- I Corporate tax planning : Meaning and objectives, scope of corporate tax planning, tax planning, tax avoidance and tax evasion, types of companies, residential status of a company and tax incidence, areas for corporate tax planning, tax management, assessment of income, filing of returns.
- II Taxation of companies : Computation of income under the heads, of income applicable to corporate assesses, set off and carry forward of losses, deductions available in respect of gross total income, computation of taxable income, tax liability of a company.
- III Tax planning and promotion of a company : Tax planning with reference to setting up of a new business, location of new business, nature of business, forms of organization, tax planning in respect of newly established industrial undertakings in free trade zones, newly established 100% export oriented undertakings, tax planning in respect of industrial undertakings, engaged in infrastructural development or other activities.
- IV Tax planning and corporate financial decisions : Tax planning vis-a-vis corporate capital structure, investment decision, dividend decision, issue of bonus share, tax planning and merger or demerger decisions, tax planning with reference to other managerial decisions, purchase of assets out of owned funds or out of borrowed funds, own or lease, purchase by installments or hire, sale of assets used for scientific research work, make or buy, shutdown or continue.
- V Tax planning and employees' remuneration : Formulation of an ideal wage policy or salary package for employees, provision for various perquisites and facilities, tax incidence of a wage policy in the hands of employees, deduction of tax at source.

### **Suggested Readings :**

1. Singhania V.K., Direct Taxes – Laws and Practices, Taxman Publications, New Delhi.
2. Singhania, et al., Direct Taxes – Planning and Management, Taxman Publications, New Delhi.
3. Bhagwati Prasad, Direct Taxes, New Age, New Delhi.
4. Lall, B.B., Direct Taxes, Konark, New Delhi.
5. Mehrotra and Goyakm Direct Taxes – Tax Planning and Management, Sahitya Bhavan, Agra.
6. Dinkar Pagare, Tax Laws, Sultan Chand, New Delhi.
7. Shrinivas, Corporate Tax Planning, TMH, New Delhi.
8. Lakhotia, Corporate Tax Planning, Lakhotia, New Delhi.

### **Elective Group D : Banking**

#### **Paper 3.3 : Bank Marketing**

- I Introduction : Bank marketing, the concept, justifications for marketing the banking services, the users of banking services, the behavioural profile of users.
- II Marketing research in banking : Its scope, marketing information system for banks, significance of MIS.
- III Marketing mix for the banking services : The product mix, the promotion mix, the price mix, the place mix, the people, the physical attractions, bank marketing in India.
- IV Analysing the business environment : Implications for bank marketing, understanding the customer, market segmentation, basis of segmentation, relationship marketing.
- V Bank marketing strategy : Profitability and marketing, training in bank marketing, the future of bank marketing.

### **Suggested Readings :**

1. Ravi Shankar, Services Marketing, Manas Publications, Delhi.
2. Rathmell, Marketing in the Service Sector, Winthrop Publishers, Cambridge.
3. Avadhani V.A., Marketing of Financial Services, Himalaya Bombay.
4. Sha S.M., Services Marketing, Himalaya, Bombay.
5. Seth Rajeev K., Marketing of Banking Services, Macmillan India, Delhi.
6. Helen Woodruffe, Services Marketing, Maxmillan India, Delhi.
7. Eric Berkowitz, Marketing, TMH, New Delhi.
8. Ian Chaston, New Marketing Strategies, Responst Books, New Delhi.
9. Patankar Sanjay, Services Management, Himalaya, Bombay.
10. G.A.Churchill and J.P.Peter, Marketing Creating Value for Customers, TMH, New Delhi.

### **Journals :**

1. SBI, Monthly Review
2. The Banker
3. Prajnana
4. Journal of IIB.

### **Paper 3.4 : Banking in India**

- I Commercial banking : Characteristics of commercial banking, classification of commercial banking, universal banking, norms for capital adequacy, problem of non-performing assets, causes and cures, asset-liabilities management.
- II Non-banking finance companies, definition, regulation, types of deposits, assets of NBFCs, investment norms for NBFCs, SEBI and RBI guidelines.
- III Rural credit : Co-operative credit, RRBs, structural changes, reforms in co-operative credit, NABARD, its functions, objectives and working.
- IV Development banking : Nature of development banking, development financial institutions – IDBI, ICICI, EXIM Bank, SIDBI, merchant banking, origin, activities, regulation and services rendered by the merchant banks in India.
- V Central banking : Functions, RBI, functions, regulatory role, monetary policy, objectives and instruments.

### **Suggested Readings :**

- 1. Machiraju H.R., Indian Financial System, Vikas, New Delhi.
- 2. Vasant Desai, The Indian Financial System, Himalaya, Bombay.
- 3. Khan N.Y., Indian Financial System, Vikas, New Delhi.
- 4. Bhole L.B., Financial Institutions and Markets, TMH, New Delhi.
- 5. Verma J.C., Merchant Banking, TMH, New Delhi.
- 6. Khan N.Y., Financial Services, TMH, New Delhi.
- 7. Shekhar and Shekhar, Banking Theory and Practice, Vikas, New Delhi.
- 8. Mithani and Gordeon, Banking Theory and Practice, Himalaya, Bombay.
- 9. Suneja H.R., Merchant Banking, Himalaya, Bombay.
- 10. Baye and Jensen, Money, Banking and Financial Markets, AITBS, New Delhi.

### **Paper 3.5 : Management Accounting for Bankers**

- I Introduction to management accounting : Definition, nature and scope, necessity of management accounting, management accounting as a tool in the hands of bank manager, techniques and tools of management accounting, advantages and disadvantages.
- II Marginal costing and break-even analysis : Concept, features, importance of marginal costing, marginal costing equation, contribution ratio and margin of safety. Applications of marginal costing in decision making, CVP analysis and break-even analysis, charts, profits graphs. Application of marginal costing and break-even analysis of credit evaluation of borrowers.
- III Analysis and interpretation of financial statements : Concept, objectives and importance of financial analysis, uses of financial analysis, tools and techniques, common size, comparative statements and accounting ratios, objectives, classification, advantages and disadvantages of ratio analysis, use of ratio analysis in evaluation of credit worthiness of borrowers.

- IV Funds flow and cash flow statements : Concept of funds, objectives of preparing flow statements, procedure in preparing funds flow statements, funds flow vs. income statement uses and limitations, cash flow statement, procedure, uses and limitations, bank credit management and funds flow and cash flow analysis.
- V Working capital and term financing : Computation of working capital as Tandon Committee recommendations, term financing by banks, appraisal techniques, NPV, IRR, PI methods.

**Suggested Readings :**

1. B.Ramachandra Rao, Balance Sheet and Credit Appraisal for, S. Chand and Sons, New Delhi.
2. Singh and Singh, Financial Analysis for Credit Management in Banks, Himalaya, Bombay.
3. Rammoothy, Working Capital Management in Banks, IMFR, Chennai.
4. Jeevanandam, Management Accounting for Bankers, S.Chand and Sons, New Delhi.
5. Maheshwari S.N., Management Accounting for Bankers, S.Chand and Sons, New Delhi.
6. Pandey I.M., Management Accounting, Vikas, New Delhi.
7. Omprakash, Ratio Analysis for Management, Himalaya, Bombay.
8. John Mayer, Financial Statement Analysis, PHI, New Delhi.
9. Merrett and Sykes, The Finance and Analysis of Capital Project, Longman Group, New Delhi.
10. Chatterjee A.K., Management Techniques of Bank Lending, Himalaya, Bombay.



**M.COM. IV SEMESTER**  
**Compulsory Papers**

**Paper 4.1 : Corporate Governance**

- I Introduction – Concept of corporate governance, its origin and need in the Working of registered companies – separation of ownership and management, stakeholders’ interest, ethics and social responsibilities, importance of corporate governance, models of corporate governance.
- II Recommendations of Cadbury Committee, Confederation of Indian Industries code of corporate governance, Kumaramangalam Birla Committee Recommendations, listing agreements and stock exchanges, role of SEBI, Department of Company Affairs and Company Law Board in enforcing code of corporate governance.
- III Chief Executive Officer and corporate governance – professional managers and family management, Constitution of the Board – executive and non-executive directors – role and responsibilities, number of companies restrictions, minority shareholders and conduct of AGMs, nominee director.
- IV Board Committee : Audit committee, compensation committee and nomination committee – constitution and need, duties and responsibilities.
- V Company law and governance practices – Companies Amendment Act and Bill, governance practices in buy-back of shares, business mergers and amalgamations, takeover, corporate restructuring role of financial institutions in enforcing code of corporate governance.

**Suggested Readings :**

- 1. D.D.Prentice and PRJ Hollang, Contemporary Issues in Governance, Clarendon Press.
- 2. T.Clark and E.Monkhouse, Rethinking the Company, Pitman, London.
- 3. J.Charkham, Keeping Good Company : A Study of Corporate Governance in Five Countries, Oxford University Press, London.
- 4. G.Ills, Controlling Companies, Unwin.
- 5. N.Bairs and D.Band, Winning Ways Through Corporate Governance, Macmillan, London.
- 6. Report of the Cadbury Committee on Financial Aspects of Corporate Governance, London Stock Exchange, London.
- 7. Report on Corporate Governance, Confederation of Indian Industries, Bombay
- 8. Report of Kumaramangalam Birla Committee on Corporate Governance, SEBI, Bombay.
- 9. Avatar Singh, Company Law, Eastern Book Co., Lucknow.
- 10. Chartered Secretary – A Special Issue on Corporate Governance, Vol, 27, No. 5, May 1999, ICSI, New Delhi.

**Journals :**

- |                               |                                      |
|-------------------------------|--------------------------------------|
| 1. Vikalpa                    | 2. Chartered Accountant              |
| 3. Management Accountant      | 4. Chartered Secretary               |
| 5. Indian Journal of Commerce | 6. Journal of Accounting and Finance |
| 7. Business Line              | 8. Economics Times                   |
| 9. Financial Express          | 10. Business Standard                |

## Paper 4.2 : Computer Applications for Accountants

- I Financial analysis using MS Excel : spread sheets ; Use of spreadsheets, screen display, call reference, entering data, formatting cells in Worksheets / printing worksheets/creation of work sheets for different modules of financial analysis.  
Data handling : Data sorting, filtering data, using, sorting and filtering data for certain accounting conditions.  
Graph generating : Different types of charts, graphs and maps. Use of standard accounting data spread sheets to display charts, graphs and maps.  
Using macros : Using macros link a variety of spread sheets and generate new spread sheets for analysis and reporting.
- II Date base management for accounting and financial analysis : Data base : objectives, models and structures ( hierarchical, relational and network ), normalization.  
RDBMS : Relational data base management system, date description language, data manipulation language and data control.  
Security : Security of accounting data, methods of encruption and handling secure data.  
MS Access : Using Access to create accounting data, modify entries and generation of trial balance, profit and loss statements and balance sheets.
- III Word Processing and Reporting :  
Basics of Word processing : Creation of documents and non-documents, opening and closing of documents, saving and editing documents, formatting documents.  
Special Function : Impact of spread sheets into work documents, expert work documents into work documents using mail merge for generating standard letters to various clients.
- IV Internet ( E-mail, WWW. E-Commerce )  
What is internet : Evolution of internet, available services under internet, communication and transfer protocol. E-mail : How to use any e-mail software. How to create an real mail, attach documents and files including programme files. How to forward e-mail and how to manage mails.  
WWW : The concept of world wide web, HTML, http, creation of home page for its internet.  
E-Commerce : Meaning, definition, B2C and B2B models, consumer applications.

### Practicals

Practicals on MS Excel	: 20 hours
Practicals on MS Word	: 10 hours
Practicals on MS Access	: 20 hours
Practicals on Internet	
E-mail	: 05 hours
Browsing	: 05 hours

### Examination Pattern :

Paper	Duration	Max. Marks
Theory	03 hours	80
Practicals	02 hours	15
Assignment	--	05
Total	--	100

**Suggested Readings :**

1. Sanders D.H., Computers in Business, McGraw Hill International Books Co., New Delhi.
2. Alexis Leon and Mathews Leon, Information Technology, Vikas, New Delhi.
3. Mardic, et al., Information System for Modern Management, PHI, New Delhi.
4. James Boockholdt, Accounting Information Systems, TMH, New Delhi.
5. Anita Hollader, Accounting Information Technology and Business Solutions, TMH, New Delhi.
6. Davis G.B., Management Information Systems, TMH, New Delhi.
7. David Kroenke, Business Information Systems, TMH, New Delhi.
8. Henry C.Lucas, Information Technology for Management, TMH, New Delhi.
9. James O' Brien, Management Information Systems, TMH, New Delhi.
10. Post G.V., Management Information System, TMH, New Delhi.

( Elective Groups : Any one Elective Groups as chosen by the Student )

**Elective Group A : Cost Management and Control Group****Paper 4.3 : Strategic Cost Management**

- I Activity based costing : Inadequacies of traditional methods of overhead absorption, concept of ABC, Kaplan and Cooper's approach to ABC, cost drivers and cost pools, main activities and its cost drivers, allocation of overhead under ABC – characteristics, steps, implementation and benefits of ABC system.
- II Learning Curve Model : Concept and phases of learning curve, graphical representation, learning curve applications and factors affecting learning curve, experience curve.
- III Life cycle costing : Concept and characteristics, activities and phases in product life cycle short product and extension of product life cycle, Turning Point Indices in product life cycle.
- IV Just in time approach : Concept, philosophy of JIT, sources of waste, aims and objectives of JIT, features and methodology in implementation of JIT, planning for adoption and limitations of JIT costing.
- V Miscellaneous topics in cost management : Target costing, throughout accounting, definition and basic concepts, cost audit-meaning, importance and provisions of Companies' Act relating to cost audit.

**Suggested Readings :**

1. Horngren, et al., Introduction to Management Accounting, PHI, New Delhi.
2. Kaplan and Aatkinson, Advanced Management Accounting, PHI, New Delhi.
3. Ravi M.Kishore, Advanced Management Accounting, Taxman Publications, New Delhi.
4. Babhatosh Banarjee, Cost Accounting, World Press, Calcutta.
5. N.K.Prasad, Cost Accounting, Book Syndicate, Calcutta.
6. Horngren, Foster and Datar, Cost Accounting : A Managerial Emphasis, PHI, New Delhi.
7. Edward Blocher, Cost Management : A Strategic Emphasis, TMH, New Delhi.
8. Hilton, Cost Management, TMH, New Delhi.

9. Govindraju, et al., Strategic Cost Management, Free Press, Calcutta.
10. Jain and Narand, Advanced Cost Accounting, Kalyani, New Delhi.

**Journals :**

1. Management Accounting
2. Chartered Accountant
3. Chartered Secretary
4. Indian Journal of Accounting
5. Chartered Financial Analyst.

**Paper 4.4 : Quantitative Methods for Cost Accountants :**

- I Introduction : Meaning and definition of quantitative techniques, linkage between business decision making and quantitative techniques, different quantitative techniques, areas for application of quantitative techniques in business.
- II Linear programming : Meaning and objectives of linear programming, application areas, assumptions of linear programming, application of linear programming technique for profit maximization and cost minimization problems, graphic and simplex methods, duality and post-optimality analysis.
- III Transportation technique : Meaning and objectives, areas for application, formulation of transportation problems, steps involved in finding the optimal solution, methods of obtaining initial solution, methods of testing optimality of feasible solution, unbalanced transportation problem, degeneracy in transportation problem.
- IV Assignment technique : Meaning and objectives, areas of application, peculiarities of assignment problems, methods solving an assignment problem, complete enumeration method, simplex method, transportation method, and Hungarian method, constrained assignment problem, unbalanced assignment problem, assignment problem and minimization case, traveling salesman problem.
- V Techniques for project cost management : Drawing an arrow network and numbering the events, estimation of jobs, duration and concept of critical path and probability consideration, assumptions in PERT analysis, crashing a network and determining of project cost trade off, scheduling a network with various constraints like manpower, equipment, etc.

**Suggested Readings :**

1. Vohra, Quantitative Techniques for Management, TMH, New Delhi.
2. Levin and Kark Patrika, Quantitative Approaches to Management, TMH, International edition, Singapore.
3. G.V.Shenoy, U.K.Srivastav and S.C.Sharma, Operations Research for Management, Wiley Eastern Ltd., New Delhi.
4. Leonard W.Hein, The Quantitative Approaches to Management Decisions, PHI, New Delhi.
5. R.W. Miller Schedule, Cost and Profit with PERT, McGraw Hill Books Co., New York.
6. Maurice Ssieni, Arthur Yespan and L.Friedman, Operations Research : Methods and Problems, John Wiley and Sons, London.

7. Bursk and Chapman, New Decision Making Tools for Managers, The New American Library, New York.
8. Robert Lloyd Enric, Management Operations Research, Hole R. and Winston, New York.
9. Reddy, Chikodi and Satyaprasad, Quantitative Techniques, Himalaya, Bombay.
10. Satyanarayana and Lalitha, Raman, Management Operations Research, Himalaya, Bombay.

#### **4.5 Project Report and *Viva-Voce***

#### **Elective Group B : Business Finance and Accounting**

##### **Paper 4.3 : Financial Services**

- I Financial services : An overview, financial system and financial market, participants in financial markets, concept of financial services, features and scope of financial services, evolution of financial services with special reference to financial serviced industry of India.
- II Leasing and hire purchase : Concept, types, advantages and disadvantages, evaluation, future prospects relating to leasing and hire purchase. Lease vs. Hire purchase, tax aspects of leasing.
- III Consumer finance : Concept of consumer credit, features, mathematics of consumer credit, consumers' credit portfolio management, provisions of Consumer Credit Act 1974, credit evaluation methods.
- IV Merchant banking : Meaning, Origin and growth, evaluation of merchant banking in India, scope of merchant banking services, organization and management patterns of merchant banker, merchant bank and management public issue, role of merchant banks in maintaining health and credibility, Indian Capital Market.
- V Allied financial services : Meaning, concept, forms, advantages, disadvantages, evaluation, future prospects relating to factoring services, bill financing, venture capital, credit cards, credit rating, housing finance.

##### **Suggested Readings :**

1. Khan M.Y., Financial Services, TMH, New Delhi.
2. Verma J.C., Merchant Banking, TMH, New Delhi.
3. Machiraju H.R., Merchant Banking, New Age, New Delhi.
4. Pandey I.M., Financial Management, Vikas, New Delhi.
5. Verma J.C., Venture Capital Financing in India, Sage, New Delhi.
6. Westland M., Factoring, Pitman, London.
7. Bhatia and Batra, Management of Financial Services, Deep and Deep, New Delhi.
8. Verma J.C., Venture Capital Financing in India, Response Books, New Delhi.
9. Vishwanath S.R., Corporate Finance, Response Books, New Delhi.
10. Gordon and Natarajan, Emerging Scenario of Financial Services, Himalaya, Bombay.

#### **Paper 4.4 : Innovations in Accounting**

- I Accounting for price level changes : Limitations of conventional financial statement, inflation accounting and price level accounting, methods of accounting for changing prices, CPP method, CCA method and Hybrid method, price level accounting and Indian Practices.
- II Human resource accounting : Need and development, concept of human resource accounting, suggested methods for valuation of human resources, financial disclosure of human resources, importance and objectives against HRA, HRA practices in India.
- III Corporate social accounting : Limitations of conventional accounting, concept and objectives of social accounting, social responsibilities of business, social accounting measures and approaches, preparation of social income statement and balance sheet, social accounting and reporting practices in Indian context, environmental accounting – environmental concerns and need for green accounting ; concept and objectives of environmental accounting, shadow pricing techniques and preparation of environmental balance sheet.
- IV Accounting for intangibles : Concept and importance of intangibles in corporate success, concept and objectives of intangibles accounting, types of intangible assets, methods of accounting and amortisation practices with reference to goodwill, patents, etc. Brand accounting, brand as strategic assets, need and importance of brand accounting, methods of valuation of homegrown and acquired brands, brand accounting and Indian corporate practices.
- V Creative accounting : Concept and importance of creative accounting, objections against creative accounting, role of accountants in creative accounting. National income accounting – meaning and significance and calculation of national income.

#### **Suggested Readings :**

1. S.N.Maheshwari, Advanced Accounting, Vol.II, Vikas, New Delhi.
2. Jain and Narang, Accounting Theory, Kalyani, New Delhi.
3. Jawahar Lal and Lele, Accounting Theory, Himalaya, Bombay.
4. R.Narasimhan, Financial Accounting : An Integrated Approach, PHI, New Delhi.
5. Vithal and Sharma, Accounting for Management, Macmillan, Bangalore.
6. Kapferer J.N., Strategic Brand Management – A New Approach to Creating and Evaluating Brand Equity, Abhinava, Delhi.
7. Estes Ralph, Corporate Social Accounting, John Willey, New York.
8. Ghosh P.K., Maheshwari G.C. AND Goyal R.N., studies in Accounting Theory Wiley Eastern Ltd., New Delhi.
9. Geidler L.J., and Geidler L.N., Social Accounting: Theory, Issues and Cases Melville, Los Angeles.
10. Sujit Sikidar and Alok K. Pramanik, Accounting and Auditing, Deep and Deep, New Delhi.

**Journals :** Management Accountant, Chartered Accountant, Chartered Secretary, Accounting Review, Accounting and Finance, Journal of Commerce, Harvard Business Review.

#### **Paper 4.5 : Project Report and *Viva Voce*.**

#### **Elective Group C : Accounting and Taxation**

#### **Paper 4.3 : Innovations in Accounting**

Syllabus as outlined in 4.4 of Group B.

#### **Paper 4.4 : Corporate Tax Planning -II**

- I Introduction to indirect taxes : Meaning of indirect taxes, features of indirect taxes, tax incidence and indirect taxes, indirect taxation under Indian Constitution, types of indirect taxes.
- II Corporate tax planning with reference to Central excise : Nature of excise duty, types, excisable goods, goods exempt from excise, taxation of manufactured or produced goods, classification of goods, computation of assessable value and duty payable, valuation rules, tax planning and central excise and small scale industries.
- III Tax planning with reference to CENVAT on inputs : Meaning of CENVAT, highlights of CENVAT scheme, final products and inputs eligible for CENVAT, quantum and mode for availment of CENVAT credit, Procedure involved in CENVAT, CENVAT on capital goods, accounting treatment of CENVAT, tax planning relating to CENVAT.
- IV Tax planning and customs : Scope and coverage of customs law, nature of customs duty, types of customs, duty, classification of customs and rate of duty, valuation of customs, duty, exemptions, remissions, demand, recovery and refunds in customs, export schemes, duty drawbacks, types of drawbacks, duty drawback on re-export, export policy, tax planning relating to customs.
- V Tax planning and Central sales tax : Objectives and scheme of CST Act, inter-state and intra-state sales, nature of goods and CST Act, computation of sales turnover, quantum of CST payable, exemptions from CST, restrictions on taxation under CST Act, tax planning relating to CST Act.

#### **Suggested Readings :**

1. Datey V.S., Indirect Taxes, Taxman Publications, New Delhi.
2. Central Excise Act, 1944, Government of India, New Delhi.
3. The Customs Act, 1962, Government of India, New Delhi.
4. The Central Sales Act 1956, Government of India, New Delhi.
5. Ramaswamy, Indirect Taxation, Sultan Chand and Sons, New Delhi.
6. Gaur and Narang, Indirect Taxes, Kalyani, Ludhiana.
7. Dinakar Pagare, Indirect Taxes, Sultan Chand and Sons, New Delhi.

#### **4.5 Project Report and *Viva Voce*.**

## **Elective Group D : Banking**

### **Paper 4.3: Foreign Exchange and Risk Management**

- I The foreign exchange market : Organisation of the foreign exchange market, the spot market, forward market, the relationship between forward rate and future spot rate. The determination of exchange rates : setting the equilibrium spot exchange rate, equilibrium approach to exchange rates, the fundamentals of central bank intervention.
- II Measuring accounting exposure : Alternative currency translation methods, statements of financial accounting standards NO. 8 and 52, transaction exposure, accounting practice and economic reality.
- III Managing accounting exposure : Managing transaction exposure, designing a hedging strategy.
- IV Measuring economic exposure : Foreign exchange risk and economic exposure, economic consequences of exchange rate changes, identifying economic exposure, calculating economic exposure, an operational measure of exchange risk.
- V Managing economic exposure : An overview of operating exposure management, marketing management of exchange risk, production management of exchange risk, financial management of exchange risk.

#### **Suggested Readings :**

1. Shapiro A.C., Multinational Financial Management, PHI, New Delhi.
2. Rodriguez R.M., and Carter E. E., International Financial Management, PHI, New Delhi.
3. Ian Giddy, Global Financial Markets, AITBS, New Delhi.
4. Bhole L.M., Financial Institutions and Markets, TMH, New Delhi.
5. C. Jeevanandam, Foreign Exchange, Sultan Chand and Sons, New Delhi.
6. Jain, International Financial Management, Macmillan, New Delhi.
7. Cheol Eu., International Financial Management, TMH, New Delhi.
8. Rahwade AV., Foreign Exchange and International Finance, Academy of Business Studies, New Delhi.
9. Apte P. G., International Financial Management, TMH, New Delhi.
10. Richard M. Levich, International Financial Markets, TMH, New Delhi.

### **Paper 4.4 : Financial Management in Commercial Banks**

- I Fundamentals of financial management in Banks : Meaning and objectives of financial management, role and functions of financial manager, value of the banking firm, value maximization principle market value vs. book value, implementing value maximization principle, hexagram of bank financial management, managing value and bank strategic planning.
- II Bank capital structure and financing : Management of Bank's equity capital position, bank lending policies and procedures, lending and their pricing, optimal bank capital and value of the banking firm.
- III Asset-liability management in banks : Role and objectives of asset-liability management, two faces of AIM : accounting and economic perspectives,



determining and measuring interest rates and controlling a bank's interest gap, net interest margin and its decomposition, effects of rate, volume and mix on net interest margin and revenue, interest sensitivity and gap management, building blocks of asset-liability management, measuring and evaluating bank's performance.

- IV Management of bank portfolio risk : Bank portfolio allocation and risk management, risk, return trade offs in banking and diversification, techniques of liquidity risk, investment portfolio risk, interest rate risk and credit risk, concept of duration and managing bank's duration gap, financial futures, options, swaps, risk arbitrage, asset portfolio diversification, off-balance sheet financing in banking and credit derivatives, liquidity and reserve management strategies.
- V Bank mergers and acquisition : Merger activity in banking, takeovers and restructuring activities, bank divestitures, managing the acquisition process, hostile takeovers in banking, hypotheses for bank mergers, cost-benefit framework for analyzing bank mergers and acquisitions, valuation models.

**Suggested Reading :**

1. J.F.Sinkey, Commercial Bank Financial Management, Macmillan Publishing Co., New York.
2. I.M.Pandey, Financial Management, Vikas, New Delhi.
3. Van Horne, Financial Management and Policy, PHI, New Delhi.
4. Khan and Jain, Financial Management, TMH, New Delhi.
5. G.F.Hampton, Financial Decision Making, PHI, New Delhi.
6. Pamela P. Peterson, Financial Management and Analysis, TMH, New Delhi.
7. Erich Helfert, Techniques of Financial Analysis, TMH, New Delhi.
8. Mary P. Merrill, Financial Planning in the Bank, Macmillan India, Delhi.
9. Gerhad O.Hatler, Bank Investments and Funds Management, Macmillan India, Delhi.

**4.5 Project Report and *Viva Voce*.**

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