B. C. H. I. II, III

Syllabus.

1243
1990.
Year 1991
1992

2

1243

UNIVERSITY OF DELHI

SCHEME OF EXAMINATION
AND
COURSES OF READING
FOR
B.COM. (HONS.) COURSE

Part I Examination 1990
Part II Examination 1991
Part III Examination 1992

Paper	XI—Money Income ... Institutions		
Paper	XII—Cost Accounting	100	3
Paper	XIII—Auditing and Income Tax	100	3
	Total	100	3
		900	

SUBSIDIARY PAPERS

(Each paper will be of 100 marks and three hours duration)

Part I
Paper I—M.I.L.

183
~~12-3-91~~

UNIVERSITY OF DELHI

B.COM. (Hons.) EXAMINATION

SCHEME OF EXAMINATION

	Max. Marks	Duration of Exam. Hours
Part I Examination—1990		
Paper I—Business Organization	50	2
Paper II—Financial Accounting I	50	2
Paper III—Business Mathematics	50	2
Paper IV—Business Laws	50	2
Part II Examination 1991		
Paper V—Economics	100	3
Paper VI—Business Statistics	50	2
Paper VII—Principles of Management	50	2
Paper VIII—Financial Accounting—II (Company Accounts)	50	2
Paper IX—Company Law	50	2
Paper III Examination—1992		
Paper X—Indian Economy-Resources, Trade and Development	100	3
Paper XI—Money Income and Financial Institutions	100	3
Paper XII—Cost Accounting	100	3
Paper XIII—Auditing and Income Tax	100	3
Total	900	

SUBSIDIARY PAPERS

(Each paper will be of 100 marks and three hours duration)

Part I

Paper I—M.I.L.

1990
1991
1992

Paper II—One of the following :

History—I, Political Science—I, Philosophy—I, Mathematics—I, English—I, Personnel & Industrial Psychology.

Part II English—I Paper (Ist Year Electric Courses) Or (Business Data Processing Course)

DETAILED COURSES OF READINGS

Paper I Business Organisation 50 *Marks*

1. *Introduction*
   - (1) Business : concept, objectives and functions
   - (2) Business System : business and its environment; business system as a part of economic system
   - (3) Social Responsibility of Business
2. *Organising a Business*
   - (1) Promotion
   - (2) Location-theories of location : an overview Government policy on industrial location
   - (3) Forms of private ownership; Choice of a suitable form of organisation
   - (4) Growth-strategies; diversification, horizontal combination; vertical integration
3. *Production Function*
   - (1) Production planning and control—an overview
4. *Marketing Function*
   - (1) The marketing concept
   - (2) Product planning
   - (3) Promotion planning
   - (4) Channel decision
   - (5) Pricing : objectives and policies
5. *Finance Function*
   - (1) Objectives and scope

   - (2) Estimation of financial requirements—long term, medium-term and short term
   - (3) Sources of finance and their evaluation
   - (4) Capital structure and financial leverage
   - (5) Retention of earnings and divided decisions
6. *Personnel Function*
   - (1) Nature and scope
   - (2) Present day industrial relations in India with reference to trade unionism and work flow
7. *Public Enterprise*
   - (1) Growth-rationale and magnitude
   - (2) Forms of organisation
   - (3) Public accountability vs. operational autonomy of public enterprises.
8. *Small Business*
   - (1) Definition, characteristics and problems
   - (2) Government's policy towards small business

Paper II Financial Accounting I 50 *Marks*

1. *Accounting Structure:*

   Nature of accounting; transaction analysis; generally accepted accounting principles; purpose and limitations of accounting; users of accounting information.
2. *Income Measurement* :
   - (i) Operating and non-operating profits and losses
   - (ii) Inventory valuation including choice of methods
   - (iii) Accounting for depreciation : objectives of depreciation policy and choice of methods.
   - (iv) Impact of price level changes.
3. *Financial Statements*:
   - (i) Preparation for profit making and non profit making entities.
   - (ii) Uses and limitations.

4. *Accounting for dissolution of partnership.*

5. *Accounting for hire-purchase and instalment system.*

6. *Branch accouuting (excluding foreign branches)*

Paper III : Business Mathematics 50 *Marks*

Limits and continuity of a function. Derivative and their interpretation. Simple differentiation and integration. Elementary successive differentiation and integration. Partial differentiation (upto 2nd order only). Maxima and ninima including cases of one constraint.

Elementary matrices and determinants : Algebra of matrices. Determinant of a matrix. Inverse of a matrix. Simple properties of determinant of order three. Applications to solution of equations up to three variables. Basic formulation of linear programming problems. Solution by graph and simplex method.

Probability : Concept of probability. Addition and multiplication rules of probability. Bayes' Theorem and Expectation-Simple cases.

(Emphasis will be on applications to business and economic situations.)

Paper IV : Business Laws 50 *Marks*

Indian contract Act (Act IX of 1872)

The Sale of Goods Act (Act III of 1930)

Indian Partnership Act (Act No. IX of 1932)

The Negotiable Instruments Act (Act No. XXVI of 1881)

Paper V : Economics 100 *Marks*

Introduction :

Types of economic system. Capitalism and socialism. Concept and measurement of income, product and expenditure. Role of the price mechanism. Objectives of a business firm.

Production :

Factors of production and their combinations. **Laws of teturns.** Economics and diseconomics of scale.

Supply :

Cost curves of a firm. Supply schedules.

Demand :

Utility analysis of consumer's demand. Indifference curves. Consumer's equilibrium. Demand schedules and revenue curves.

Price and Output :

Profit maximisation and the equilibrium of a firm. Determination of price and output under perfect competition, monopoly, oligopoly and monopolistic competition.

Income Distribution :

Factor pricing. Determination of wages rent and profits : Inequality of incomes.

Internal Trade :

Principal of comparative advantages. Modern theory of international trade, Gains from trade. Terms of trade.

Papers VI : Business Statistics 50 *Marks*

Univariate frequency, distributions; Construction of a frequency distribution and its graphical representation, Measures of Central tendency Dipersion. Skewness and Kurtosis Moments.

Bivariate frequency distribution; Simple correlation and regression analysis.

Theory of Index Numbers : Meaning and uses, Methods of construction. Test of consistency. Fixed base and chain base index numbers, Index number of whole sale and consumer prices and of Industrial production in India.

Analysis of Time Series : Components of time series. Calculation of trend; Linear and non-linear trends. Methods of least squares and moving average. Seasonal variations-ratio to trend and ratio to moving average.

Concept of probability distribution. Elementary idea of Binomial, Poisson and Normal distributions.

Statistical system in India : Functions and organization a Central level.

Paper VII : *Principles of Management* **50 *Marks***

1. *Introduction*

Nature and functions of management.
Co-ordination
Development of management taught-traditional, behavioural and system approaches.

2. *Managerial Planning*

Objectives nature and process of planning; management by objective policy formulation and decision making.

3. *Organising*

Organising : nature and process
Formal Organisation—span of management, delegation of authority, centralisation and decentralisation, line staff and functional relationship, conflict between line and staff.

Informal organisation
Organisation Formats : functional products, territorial, matrix and project.

4. *Staffing*

Man power Planning—nature significance and process (an overview)
Selection—tests and interviews
Training methods
Performance Appraisal

5. *Directing*

Concept and importance
Motivation—Nature ; Maslow's need hierarchy :
McGregor's Theory X and Theory Y ; Herzberg's Theory
Leadership—concept and styles
Communication formal and informal

6. *Controlling* :

Concept, process, techniques—traditional and modern (an overview)

7. *Management in Future : Tasks and Challenges*

Paper VIII : *Financial Accounting II* (*Company Accounts*) 50 ***Marks***

1. Issue and forfeiture of share; redemption of preference shares and debentures.
2. Final accounts including pre-incorporation results and disposition of profits.
3. Valuation of goodwill and shares.
4. Amalgamation, absorption, reconstruction and liquidation
5. Consolidation of accounts by holding companies with one subsidiary.
6. Preparation, uses and limitations of statements of changes in financial position-working capital basis and cash basis.
7. Analysis of financial statements-radio analysis ; uses and limitations.

Paper IX : *Campany Law* **50 *Marks***

Companies Act 1956 (excluding Chapter III Managing Agents, Chapter IV A Secretaries and Treasurers, Accounts and Audit Sections 209-233 Chapter V Arbitration, Compromises, Arrangements and Reconstruction).

In case of winding up only the following provisions are to be studied ;

Types of winding up, grounds for winding up, and rights and liabilities of contributories.

Paper X : *Indian Economy : Resources*
Trade and Development 100 ***Marks***

Problems of Economic Development :

How do economics grow ? Role of capital and technology. Nature and causes of economic backwardness. Key issues in economic transition-capital formation, unemployment, growth and income distribution.

Resources (with special reference to India) :

Significance, distributional pattern and potential of :

(i) Agricultural resources

(ii) Water resources

(iii) Forest resources

(iv) Mineral resources, and

(v) Energy.

Human Resources (with special reference to India) :

Growth of population. Urbanisation. Population policy. Occupational distribution.

India's National Income :

Measurement trends and sectoral distribution of national income. Growth of per capita income. Poverty and unemployment.

Economic Planning :

Objectives of planning in India. Strategy of growth in a mixed economy. Role of the public sector. Rate and pattern of investment under the five year plans. Financing of plans.

Agriculture :

Institutional changes-land reforms and size of holdings. Technological change and agricultural growth role of irrigation. fertilizers and improved seeds etc.

Agricultural credit and marketing. Food problems.

Agricultural pricing.

Industry :

Progress of industrialisation since 1951. Role of large-scale, small-scale and cottage industrial policy and regulation. Role of foreign capital. Industrial relations.

Fiscal Policy :

Growth with stability as policy objective. The problem and control of inflation. India's tax structure. Centre-States financial relations.

India's Foreign Trade :

Volume, composition and direction of imports and exports. Balance of Trade. Import and export policies.

Paper—XI : *Money Income and Financial Institutions* 100 *Marks*

Part—A

Money and its significance. Money and other forms of wealth. Supply of money and the process of credit creation. Liquidity and asset structure of commercial banks.

Determinants of the level of economic activity. The notion of equilibrium. Shifts in demand & the multiplier.

Motives for holding money. Determination of the rate of interest. Theory of investment : Internal rates of return, rate of interest and the level of investment.

Inflation : Causes and consequence. Process of inflation. Rise in the general price level and its control.

Part—B

Structure of Financial Systems—An Overview of Indian Banking and Financial System.

Commercial Banking in India—Developments, since 1969 : Social control and nationalisation : deposit mobilisation : lending policies.

Developing Banking of India—Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India. State Financial Corporations and the Industrial Development Bank of India.

Central Banking—Functions of Central Bank : techniques of monetary control : monetary and credit control by the Reserve Bank of India. Balance of payments. Measures to maintain equilibrium in the Balance of payments.

International Monetary System—Evolution since 1945.

Paper XII : *Cost Accounting* 100 *Marks*

Part—A

Nature of Cost Accounting

Cost concepts and classification

Accounting for Cost Elements :

(a) Material Costs : Purchasing and storing procedure, Methods of Inventory valuation and control Material Accounting (including treatment of wastes, scrap spoilage and defectives).

(b) Labour Costs : Accounting for labour Cost. Treatment of Idle time, overtime, wages, leave with wages, etc. Labour Turnover.

(c) Overheads : Classification, Allocation. Apportionment and absorption of overheads. Need for using estimated Over-head rates. Under and over-absorption.

Cost Accumulation and Ascertainment :

Cost accumulation systems : Job order, contract and operating costing : Process costing. Reconciliation of cost and financial accounting. Integrated accounts.

Part—B

Cost Analysis for Planning Control and Managerial Decision Budgeting; Meaning, objectives, merits and limitations. Type C Budget; Fixed Vs. Flexible Budgeting Standards and Standard Cost for Control Standard Costing meaning and uses. Variance Analysis Meterials, Labour over-heads (two way only).

Marginal (Variable) Costing : Cost—Volume-Profit Analysis; Differential Costing. Application of these techniques in decision making relating to make or buy or dropping product line, product mix (simple problems).

Paper XIII : *Auditing and Income Tax* 100 *Marks*

Part A—*Auditing* :

Auditing-nature, objects and various classes of audit Principles, concepts and precepts of auditing.

The Audit Process :

(a) Internal control, Internal audit and internal check
(b) Audit programme
(c) Evidence and working papers
(d) Audit sampling (selective verification)

Audit Procedures :

(a) Vouching
(b) Verification of assests and liabilities

Audit of Limited Companies :

(a) Company auditor—appointment, powers, duties and liabilities
(b) Audit of share capital, share transfers and management remuneration
(c) Divisible profits and dividens

Special features of audit of banking companies, educational institutions and co-operatives.

Investigation :

(a) where fraud is suspected ; and
(b) a running business is proposed to be acquired.

Auditor's Communications :

(a) Standard Report
(b) Qualified Report—reasons for departure from the standard report.

Cost Audit—nature and significance.

Recent Trends in Auditing—management audit and efficiency audit : audit programme and performance auditing.

Part—B *Income Tax* **50** *Marks*

Basic Concepts : Income, Agricultural Income, Assessee, Assessment Year, Previous Year, Gross Total Income, Total Income

Income Tax Authorities

Basis of Charges—Residence and Tax Liability

Exempted Income

Heads of Income—Salaries, Interest of Securities. Income from Business and Professions, Capital Gains, Other Sources.

Aggregation of Income and Set-off and Carry Forward of Losses.

Deduction from Gross Total Income

Computation of Total Income and Tax Liability of an individual, H.U.F. and Firm.

Company—Types and simple coumputation of Taxable Income.

Computation of Tax for Individual Assessee (excluding a partner in a firm).

Procedure for Assessment.

Payment of Tax—Advance payment and deduction of tax at source Panalties

Refunds.

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