

3.1 INCOME TAX

OBJECTIVE:

The Objective of this subject is to expose the students to the various provision of Income Tax Act relating to computation of Income of individual assessee.

Unit 1: INTRODUCTION TO INCOME TAX

Brief History of Indian Income Tax - Legal Frame Work – Types of Taxes - Canons of Taxation – Important Definitions: Assessment, Assessment Year, Previous Year (including Exceptions), Assessee, Person, Income, Casual Income, Gross Total Income, Agricultural Income (including Scheme of Partial Integration) – Scheme of taxation. Meaning and classification of Capital & Revenue. Income tax authorities: Powers & functions of CBDT, CIT & A.O. (Theory only).

Unit 2: EXEMPTED INCOMES AND RESIDENTIAL STATUS

Introduction – Exempted Incomes U/S 10 - Restricted to Individual Assessee. Residential Status of an Individual – Determination of Residential Status – Incidence of Tax – Problems

Unit 3: INCOME FROM SALARY

Meaning – Definition - Basis of Charge – Advance Salary – Arrears of Salary – Allowances – Perquisites – Provident Fund - Profits in Lieu of Salary – Gratuity - Commutation of Pension - Encashment of Earned leave - Compensation for voluntary retirement - Deductions from Salary U/S 16 – Problems on Income from Salary.

Unit 4: INCOME FROM HOUSE PROPERTY

Basis of Charge – Deemed Owners – Exempted Incomes from House Property – Composite Rent - Annual Value – Determination of Annual Value – Treatment of Unrealized Rent – Loss due to Vacancy – Deductions from Annual Value – Problems on Income from House Property.

UNIT 5: PROFITS AND GAINS FROM BUSINESS AND PROFESSION

Meaning and Definition of Business, Profession – Vocation - Expenses Expressly Allowed – Allowable Losses – Expenses Expressly Disallowed – Expenses Allowed on Payment Basis - Problems on Business relating to Sole Trader and Problems on Profession relating to Chartered Accountant, Advocate and Medical Practitioner.

Unit 6: CAPITAL GAINS

Basis of Charge – Capital Assets – Transfer of Capital Assets – Computation of Capital Gains – Exemptions U/S 54, 54B, 54D, 54EC, 54F– Problems on Capital Gains.

Unit 7: INCOME FROM OTHER SOURCES

Incomes – Taxable under the head Other Sources – Securities – Kinds of Securities – Rules for Grossing Up – Ex-Interest Securities – Cum-Interest Securities – Bond Washing Transactions – Problems on Income from Other Sources.

Unit 8: DEDUCTIONS FROM GROSS TOTAL INCOME:

Deductions u/s: 80 C, 80 CCC, 80 CCD, 80 D, 80 DD, 80 E, 80 G, 80 GG, 80 U.

Unit 9: SET-OFF AND CARRY FORWARD OF LOSSES

Meaning – Provisions for Set Off and Carry Forward of Losses (Theory only)

Unit 10: ASSESSMENT OF INDIVIDUALS

Computation of Total Income and Tax Liability of an Individual Assessee

BOOKS FOR REFERENCE

1. Dr. Vinod K. Singhania: Direct Taxes – Law and Practice, Taxmann publication.
2. B.B. Lal: Direct Taxes, Konark Publisher (P) ltd.
3. Dr. Mehrotra and Dr. Goyal: Direct Taxes – Law and Practice, Sahitya Bhavan Publication.
4. Gaur & Narang: Income Tax.

3.2 FINANCIAL MANAGEMENT

OBJECTIVE:

The objective s to enable students to understand the basic concepts of financial management, salient features of international finance and the role of financial management in decision-making.

Unit 1: INTRODUCTION

Meaning of Finance – Business Finance – Finance Function – Aims of Finance Function – Organization structure of finance department - Financial Management – Goals of Financial Management – Financial Decisions – Role of a Financial Manager – Financial Planning – Steps in Financial Planning – Principles of a Sound Financial Planning.

Unit 2: TIME VALUE OF MONEY

Introduction – Meaning & Definition – Need – Future Value (Even Flow – Uneven Flow & Annuity) – Present Value (Even Flow – Uneven Flow & Annuity) – Doubling Period – Concept of Valuation – Valuation of Bonds & Debentures. Simple Problems.

Unit 3: FINANCING DECISION

Introduction – Meaning of Capital Structure - MM's theory- Net income approach – Net operating income approach - Factors influencing Capital Structure – Optimum Capital Structure – Computation & Analysis of EBIT, EBT, EPS – Leverages. Simple Problems.

Unit 4: RISK ANALYSIS

Risk Analysis – Types of Risks – Risk and Uncertainty – Techniques of Measuring Risks – Risk adjusted Discount Rate Approach – Certainty Equivalent Approach – Sensitivity Analysis - Probability Approach - Standard Deviation and Co-efficient of Variation – Decision Tree Analysis –Problems.

Unit 5: INVESTMENT DECISION

Investment Decision: Introduction – Meaning and Definition of Capital Budgeting – Features – Significance – Process – Techniques: Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of Return. Simple Problems.

Unit 6: DIVIDEND DECISION

Dividend Decision: Introduction – Meaning and Definition – Determinants of Dividend Policy – Types of Dividends.

Unit 7: WORKING CAPITAL MANAGEMENT

Introduction – Concept of Working Capital – Significance of Adequate Working Capital – Evils of Excess or Inadequate Working Capital – Determinants of Working Capital – Sources of Working Capital.

UNIT 8: CASH MANAGEMENT:

Cash Management – Motives of Holding Cash – Cash Management Techniques – Preparation of Cash Budget

UNIT 9: RECEIVABLES MANAGEMENT:

Receivables Management – Preparation of Ageing Schedule and Debtors Turnover Ratio – Inventory Management Techniques – Problems on EOQ.

UNIT 10: INTERNATIONAL FINANCIAL MANAGEMENT:

Issues involved in International Business and Finance, methods of payment, International Monetary system – features of FOREX management.

BOOKS FOR REFERENCE

1. R.M.Srivastava: Financial Management
2. S N Maheshwari, Financial Management.
3. Khan and Jain, Financial Management.
4. Sharma and Sashi Gupta, Financial Management.
5. I M Pandey, Financial Management.
6. Prasanna Chandra, Financial Management.
7. Sudhindra Bhatt; Financial Management.

3.3 LEGAL ASPECTS OF BUSINESS

OBJECTIVE:

The objective s to orient the students on the legal environment of business and its implications on business decisions.

UNIT 1: INTRODUCTION TO BUSINESS REGULATIONS:

Introduction - Nature of Law - Meaning and Definition of Business Laws - Scope and Sources of Business Laws.

UNIT 2: INDIAN CONTRACT ACT

Indian Contract Act, 1872: Definition of Contract - essentials of a valid contract (detailed discussion) - classification of contracts - remedies for breach of contract.

UNIT 3: SPECIAL CONTRACTS:

Contract of Indemnity and guarantee – Agency – Bailment – Pledge: meaning - essentials features and parties

UNIT 4: SALE OF GOODS ACT:

Definition of contract of sale - essentials of contract of sale - conditions and warranties - rights and duties of buyer, rights of an unpaid seller.

UNIT 5: INFORMATION TECHNOLOGY ACT:

Introduction to Cyber Law in India, salient features of IT Act, 2000, importance of Cyber Law, Digital Signature, cyber crimes.

UNIT 6: COMPETITION ACT:

Objectives of Competition Act, the features of Competition Act, **CAT**, offences and penalties under the Act, Competition Commission of India.

UNIT 7: CONSUMER PROTECTION ACT, 1986:

Definition of the terms consumer, consumer dispute, defect, deficiency, unfair trade practices and services. Rights of the consumer under the Act, Consumer Redressal Agencies – District Forum, State Commission, National Commission.

UNIT 8: INDIAN PATENT ACT:

Indian Patent Laws and WTO Patent Rules: Meaning of IPR, invention and non-invention, procedure to get patent, restoration and surrender of lapsed patent, infringement of patent,

UNIT 9: FEMA 1999:

Objects of FEMA, salient features of FEMA, definition of important terms: authorized person, currency, foreign currency, foreign exchange, foreign security, offences and penalties.

UNIT 10: ENVIRONMENT PROTECTION ACT:

Objects of the Act, definitions of important terms: environment, environment pollutant, environment pollution, hazardous substance and occupier, types of pollution, rules and powers of central government to protect environment in India.

BOOK FOR REFERENCE:

1. Niraj Kumar: Business Legislation
2. N.D. Kapoor, Business Laws, Sultan chand publications.
3. K.R.Bulchandni, Business Laws,
4. S.C. Sharama: Business Law, I.K. Intl
5. K. Aswathappa, Business Laws, Himalaya Publishing House,
6. Tulsian Business Law
7. SS. Gulshan; Business Law

3.4 STRATEGIC MANAGEMENT

OBJECTIVE:

The Objective of this subject is to expose the students to the various strategic issues such as strategic planning, implementation and evaluation etc.

Unit 1: BUSINESS POLICY

Definition and Importance of business policy, Purpose of business policy, Objectives of business policy

Unit 2: UTILITY AND APPLICATION OF STRATEGIC MANAGEMENT

Meaning and definition of strategy – Need for strategic management, Process of Strategic Management, Strategic Decision making, Reason for failure of Strategic Management – strategists and their role in Strategic Management.

Unit 3: ENVIRONMENTAL APPRAISAL

The Concept of environment, The Company and its environment – scanning the environment relating to opportunities and resources (Situation Analysis – Opportunities and Threats Analysis)

Unit 4: STRATEGIC PLANNING

Strategic planning process, Strategic Plan – Corporate Level Strategies – Stability strategy – Expansion Strategy – Merger Strategy – Retrenchment Strategy – Restructures Strategy. Business Level Strategy – SBU- (Strategic Business Units, Cost Leadership, Decentralization)

Unit 5: IMPLEMENTATION OF STRATEGY

Activating Strategy – Interrelation between formation and implementation – Aspects of Strategy Implementation – Project Implementation, Procedural implementation

Structural Implementation, Structural Considerations, Structures for Strategies – Organizational design and change – Organizational Systems.

Behavioural implementation – Leadership – Implementation, Corporate Culture, Corporate Policies and use of power

Functional and operational implementation: Functional Strategies, Functional Plans and policies. Financial, Marketing, Operational and personnel dimensions of functional plan and policies, Integration of functional plans and policies

Unit 6 STRATEGIC EVALUATION

Strategic Evaluation and Control, Operational Control, Overview of Management Control, Focus on KRA (Key Result Areas)

Unit 7: STRATEGIC ALLIANCES, PARTNERSHIPS, NETWORKS

Selection of Alliance Partners - Managing Strategic Alliance: Structuring the Alliance, Balancing trust and risk – Dissolution of Alliance. Success and Failure of Strategic Alliances

Unit 8: SOCIAL RESPONSIBILITIES

The Company and its Social Responsibilities, Social Responsibility for Economic Growth, Social Unit

BOOKS FOR REFERENCE:

1. R.Najundaiah & Dr. S. Ramesh, Strategic planning and business policy
2. Azhar Kazmi, Business Policy and Strategic Management
3. P.Subba Rao : Business Policy and Strategic Management
4. Mecheael, Business Policy and Environment
5. Verma, Business Policy
6. Ghosh P.K. Business Policy and Strategic Planning and Management
7. Lawrence, Business Policy and Strategic management
8. Sukul Lomesh, P.K. Mishra, Business Policy and Strategic Management
9. N. Balwani; Strategic Management and Business Policy.

3.5 COST AND MANAGEMENT ACCOUNTING

OBJECTIVE:

The objective is to explain elements of cost, preparation of cost sheet, methods of costing and techniques of Management Accounting for managerial decision making.

Unit 1: COST ACCOUNTING

Meaning of Cost Accounting – comparison between Cost Accounting and Financial Accounting – Installation of costing system, advantages- limitations.

Unit 2: ELEMENT OF COST

Concept of cost, cost centre, cost unit and cost object, methods of costing, techniques, classification of costs. Elements of cost - cost sheet – Items not included in costing - Tender – price quotation (Problems)

Unit 3: METHODS OF COSTING

Single or output costing – Job costing - Contract costing - Process costing, (simple problems)

Unit 4: MANAGEMENT ACCOUNTING

Meaning of Management Accounting - Differences between Cost Accounting and Management Accounting – Advantages – Limitations

Unit 5: MARGINAL COSTING

Meaning – Difference between Absorption costing and Marginal costing. Cost Volume Profit analysis, break even analysis, margin of safety limiting or key factor,

Unit 6: STANDARD COSTING

Meaning – principles –types – setting up standards, variance analysis, Material, Labour and Overhead variances (Theory only)

Unit 7: BUDGETING AND BUDGETARY CONTROL

Budget-Meaning- definition- budgetary control-objectives-advantages and limitations- Types of Budgets- Production budget - Sales budget – Flexible budget - Cash budgets (problems) Zero based budgeting.- Performance Budgeting

Unit 8: FUND FLOW STATEMENT AND CASH FLOW STATEMENT

Meaning of fund flow- application of funds- statement of changes in working capital – advantages of fund flow statement (problems)

Cash Flow statement- Preparation of Cash flow statement -As 3 Indirect Method (problems)

Unit 9: FINANCIAL RATIO ANALYSIS

Introduction- meaning – significance-classification of ratio - advantages - limitation (Problems)

BOOKS FOR REFERENCE

1. M.N.Arora: Cost and Management Accounting
2. S.P. Jain & K L Narang, Cost and Management Accounting
3. Prabhu Dev, Cost Accounting
4. Palaniappan & Hariharan : Cost Accounting, I.K. Intl
5. Nigam, Theory and Techniques of Cost Accounting
6. M Y Khan & P K Jain, Management Accounting
7. Dr. S.N. Maheshwari, Elements of Management Accounting
8. Jawahar Lal, cost Accounting
9. P.K. Sinha; Accounting & Costing for Managers