

## **1. ACCOUNTING GROUP:**

### **A.C. 3.6 ADVANCED FINANCIAL ACCOUNTING**

#### **OBJECTIVES:**

The objective is to acquaint the students and make them familiar with the process and preparation of accounts of different types of organizations.

#### **Unit 1: HOLDING COMPANY ACCOUNTS**

Introduction – Meaning of Holding Company – Subsidiary Company – Steps – Pre Acquisition Profits – Post Acquisition Profits – Minority Interest – Cost of Control or Capital Reserve – Unrealized Profit – Mutual Indebtedness – Preparation of Consolidated Balance Sheet (As per AS21).

#### **Unit 2: ACCOUNTS OF BANKING COMPANIES**

Business of banking companies – some important provisions of Banking Regulation Act of 1949 – minimum capital and reserves – restriction on commission – brokerage – discounts – statutory reserves – cash reserves – books of accounts – special features of bank accounting, final accounts - balance sheet and profit and loss account – interest on doubtful debts – rebate on bill discounted – acceptance – endorsement and other obligations – problems as per new provisions.

#### **Unit 3: ACCOUNTS OF INSURANCE COMPANIES**

Meaning of life insurance and general insurance – accounting concepts relating to insurance companies - Preparation of Final accounts of insurance companies – revenue account and balance sheet.

#### **Unit 4: ACCOUNTS OF ELECTRICITY SUPPLY COMPANIES**

Double account system – features – difference between single account system and double account system – merits and demerits – revenue account-net revenue account –capital account (receipts and expenditure of capital account) – general balance sheet – treatment of replacement of an asset – when no extension or improvement is involved – when extension or improvement is involved – final accounts of electricity companies – important provisions.

#### **Unit 5: INFLATION ACCOUNTING**

Need – meaning – definition – importance and need – role – objectives – merits and demerits – problems on current purchasing power method (CPP) and current cost accounting method (CCA).

#### **Unit 6: FARM ACCOUNTING**

Meaning – need and purpose – characteristics of farm accounting – nature of transactions – cost and revenue – apportionment of common cost – by product costing – farm accounting – recording of transactions – problems.

### **Unit 7: INVESTMENT ACCOUNTING**

Meaning – nature of investment – investment ledger – different terms used – cum dividend or interest – ex-dividend or interest – brokerage and expenses – problems

### **Unit 8: INSOLVENCY ACCOUNTING**

Meaning – important terms – application of insolvency act – circumstances under which a firm be declared – accounting procedure – deficiency account – statement of affairs – problems.

### **Unit 9: ACCOUNTS OF HOTEL INDUSTRIES:**

Nature – hotel organization – revenue and expenditure items – Classification – important terms – system of book keeping – internal control system – final accounts of hotel industry.

#### **Books for reference:**

1. Arulanandam & Raman: Advanced accountancy
2. Dr. S.N. Maheswari: advanced accountancy.
3. S. P. Jain and K. L. Narang: advanced accountancy
4. R L Gupta: Advanced Accountancy
5. Shukla and Grewal: Advanced accountancy
6. B.S.Raman: Advanced accountancy

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## **A.C. 3.7 ACCOUNTING FOR BUSINESS DECISIONS**

### **OBJECTIVE**

The objective is to enable the students to understand business decisions using the accounting information.

### **UNIT 1: ANALYSIS OF FINANCIAL STATEMENTS:**

Meaning – Different types of Financial Statements – Ratio Analysis – Liquidity, Profitability, Solvency Ratios and its interpretation.

### **UNIT 2: FUND FLOW STATEMENT:**

Meaning – Importance – preparation of schedule of changes in working capital – calculation of profit from operations – ledger accounts – preparation of Fund Flow Statement.

### **UNIT 3: CASH FLOW STATEMENT:**

Meaning – Importance – difference between fund flow and Cash Flow Statement – preparation of Cash Flow Statement as per AS-3 (both the methods).

### **Unit 4: ABSORPTION COSTING & MARGINAL COSTING:**

Absorption Costing – Meaning – Advantages & Disadvantages – Need for Marginal Costing – Meaning and Definition of Marginal Costing – Features – Uses and Limitation of Marginal

Costing – Absorption Costing V/s Marginal Costing –preparation of marginal cost statement - Problems

**Unit 5: MARGINAL COSTING AND DECISION MAKING:**

Concept of Relevant Cost – Distinction between Relevant and Irrelevant Cost – Differential Cost – Features – Differences between Differential Costing and Marginal Costing – Practical Application of Marginal Costing – Accept or Reject Decisions – Make or Buy Decisions – Level of Activity Planning – Purchasing or Leasing – Problems.

**Unit 6: COST VOLUME PROFIT ANALYSIS**

Introduction – Cost Volume Profit Analysis – Assumptions – Uses - Contribution – P/V Ratio – Break Even Point – Margin of Safety – Angle of Incidence – Break Even Chart – Problems

**Unit 7: STANDARD COSTING**

Introduction – Meaning & Definition of Standard Cost and Standard Costing - Analysis of Variances – Advantages & Disadvantages of Standard Costing - Problems on Material Variances, Labor Variances and Overhead Variances.

**Unit 8: BUDGETARY CONTROL**

Introduction – Meaning & Definition of Budget and Budgetary Control – Objectives of Budgetary Control – Classification of Budgets – Functional Budgets – Problems on Flexible Budgets and Cash Budgets.

**BOOKS FOR REFERENCE**

1. M.N. Arora, Cost and Management Accounting.HPH
2. S P Iyengar, Cost Accounting.
3. Gouri Shankar: Practical Costing
4. Palaniappan & Hariharan : Cost Accounting, I.K. Intl
5. B.S. Raman, Cost Accounting.
6. N. Prasad, Costing.
7. Jain & Narang, Cost Accounting
8. P.K. Sinha: Accounting and Costing for Management

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**2. FINANCE GROUP:**

**F.N 3.6 CORPORATE FINANCIAL POLICY**

**OBJECTIVE**

The objective is to enable the students to understand Corporate Financial Policies and their impact on business.

**Unit 1: SOURCES OF CAPITAL**

Long Term Sources – Meaning – Equity Shares – Preference Shares – Debentures – Differences between Shares & Debentures – Retained Earnings – Long Term Loans and Loans from Financial Institutions.

### **Unit 2: FINANCIAL POLICY**

Meaning – Scope - Interface of Corporate Financial Policy and other Managerial Functions – Decision in Corporate Financing Policy – Debt Financing – Internal Financing - Factors to be considered in formulating Financing Policy – Problems on EPS and Point of Indifference.

### **Unit 3: COST OF CAPITAL**

Meaning and Definition – Significance of Cost of Capital – Types of Capital – Computation of Cost of Capital – Specific Cost – Cost of Debt – Cost of Preference Share Capital – Cost of Equity Share Capital – Weighted Average Cost of Capital – Problems.

### **Unit 4: CORPORATE FINANCIAL GOALS**

Mission - Vision – Profit Maximization - Wealth Maximization – Economic & Business Environment – Sustained Growth Approach – Fund availability – Maximizing Growth - Growth Potential of a Single Product Company - Growth Potential of Multi Product Company.

### **Unit 5: MERGERS AND ACQUISITIONS**

Meaning - Reasons – Types of Combinations - Forms of Merger – Motives and Benefits of Merger – Financial Evaluation of a Merger - Merger Negotiations - Meaning and Significance of P/E Ratio. Problems on Exchange Ratio and Impact of Merger, EPS and Market Price.

### **Unit 6: CORPORATE VALUATION**

Meaning of Corporate Valuation – Methods of Corporate Valuation – Reasons for Corporate Valuation – Different approaches for Corporate Valuation - Valuation of Bonds and Intangible Assets – Valuation of Bonds and Shares – Problems.

### **BOOKS FOR REFERENCE**

1. I M Pandey: Financial management.
2. Bhagwan Das & Others: Corporate Restructuring Merger,Acquisition and Other forms
3. R P Rustagi: Financial management.
4. J C Vanhorne: Financial management.
5. Dr. Besent Ray: Corporate management.
6. Weston and Brigham: Essentials of Managerial Finance.
7. P N Varshney & D K Mittal: Indian Financial System, Sulthan Chand & Sons
8. Nishikant Jha: Mergers, Acquisitions and Corporate Restructuring
9. Sudhindra Bhatt: Corporate Finance

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### **F.N 3.7 INTERNATIONAL FINANCE**

#### **OBJECTIVES:**

The objective is to familiarize the students with International Financial Environmental and Instruments.

## **UNIT – 1: INTRODUCTION TO INTERNATIONAL FINANCE**

Issues Involved in International Business and Finance, methods of payment, International Monetary system.

## **UNIT – 2: INTERNATIONAL ACCOUNTING STANDARDS**

Variations in Accounting System.

## **UNIT – 3: INTERNATIONAL FINANCE AND FOREIGN EXCHANGE**

Forex Market & Its Intermediaries, ADR, Foreign Exchange Rate, Theories of Foreign Exchange Rate Determination.

## **UNIT – 4: BALANCE OF PAYMENTS**

Components of balance of payments – Disequilibrium in the balance of payments- methods of correction of disequilibrium.

## **UNIT – 5: INSTRUMENTS IN INTERNATIONAL FINANCIAL MARKETS.**

Meaning-definition-international finance markets-Globalisation of Capital markets, Innovation in foreign securities and international portfolio management.

## **UNIT – 6: FOREIGN EXCHANGE RISK**

Exchange risks – Hedging, Forward, future, swaps options, valuation of future and swaps-valuation of options and efficiency of the exchange market.

## **UNIT – 7: INTERNATIONAL FINANCIAL INSTITUTIONS AND LIQUIDITY**

IMF, International liquidity and SDR's (special drawing rights) – International bank for Reconstruction and Development (World Bank), International Development Association, International Investment Guarantee Agency.

### **BOOKS FOR REFERENCE:**

1. Harris Manville, International Finance.
2. Avadhani V.A., International Finance Theory and Practice.
3. Keith Pibean, International Finance.
4. Somanatha; International Financial Management, I.K. Intl
5. Timothy Carl Kesta, Case and Problems in International Finance.
6. P.A. Apte, International Financial Management.
7. Madhu Vij, International Finance.
8. Levi, International Marketing Management.
9. Bandar D.C, International Finance.
10. Murthy E.N, International Finance & Risk Management.
11. M.L. Verma, Foreign Trade & Management in India.
12. Rao and Chary, International Finance.

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