

**BANGALORE UNIVERSITY**

*REVISED SYLLABUS 2012 – 13*

*B.B.M., DEGREE CORRESPONDENCE COURSE*

**DEPARTMENT OF COMMERC**

*Central College Campus, Bangalore – 560 001.*

## I B.B.M SYLLABUS

<b>Paper No.</b>	<b>Title of the Paper</b>
1.1	Language - I: Kannada/Sanskrit/Urdu/Tamil/ Telugu/Additional English / Marathi/ Hindi
1.2	Language - II: English
1.3	Financial Accounting
1.4	Business Organization & Environment
1.5	Quantitative Methods for Business
1.6	Market Behaviour & Cost Analysis
1.7	Management Principles

## **1.3 FINANCIAL ACCOUNTING**

### **OBJECTIVE**

To acquaint the students with the basic accounting knowledge and preparation of accounts under different situations.

### **UNIT 1: FUNDAMENTALS OF ACCOUNTING**

Introduction – Meaning and Definition – Objectives of Accounting – Accounting Principles – Accounting Concepts. Rules of Double Entry Book Keeping – Kinds of Accounts - Journal Entries – Ledger.

### **Unit 2: SUBSIDIARY BOOKS**

Meaning – Significance – Types of Subsidiary Books – Purchases Book – Sales Book – Purchase Returns Book – Sales Return Book – Bills Receivable Book – Bills Payable Book – Cash Book (Simple Cash Book, Double Column Cash Book, Three Column Cash Book and Petty Cash Book) and Journal proper.

### **UNIT 3: BANK RECONCILIATION STATEMENT**

Meaning – Importance - Preparation of Bank Reconciliation Statement

### **UNIT 4: BILLS OF EXCHANGE**

Meaning, concept, accommodation bills - Discounting of bills – problems on Bills of exchange.

### **UNIT 5: PREPARATION OF FINAL ACCOUNTS OF PROPRIETARY CONCERN**

Preparation of trading account, profit and loss account, and Balance sheet - Treatment of outstanding expenses, prepaid expenses, depreciation, bad debts and reserves.

### **Unit 6: SINGLE ENTRY SYSTEM**

Meaning – Features – Merits – Demerits – Differences - Preparation of Opening Statement of Affairs, Closing Statement of Affairs, Computation of Profit/Loss and revised Statement of Affairs

### **Unit 7: ACCOUNTING FOR NON-PROFIT UNDERTAKINGS**

Meaning – Importance – Revenue Expenditure – Capital Expenditure – Revenue Income - Capital Income – Deferred Revenue Expenditure - Preparation of Receipts and Payments Account – Income and Expenditure Account and Balance Sheet

### **Unit 8: CONSIGNMENT ACCOUNTS**

Introduction – Meaning – Consignor – Consignee – Goods Invoiced at Cost Price – Goods Invoiced at Selling Price – Normal Loss – Abnormal Loss – Valuation of Stock – Stock Reserve – Journal Entries – Ledger Accounts in the books of Consignor and Consignee.

### **Unit 9: ACCOUNTING FOR JOINT VENTURES**

Introduction – Meaning – Objectives – maintenance of accounts in the books of co-venturer – maintaining separate books for joint venture – preparation of memorandum joint venture account - problems.

### **BOOKS FOR REFERENCE**

1. Jawaharlal & Seema Srivastava: Financial Accounting , HPH
2. Dr. S.N. Maheswari: Financial Accounting
3. B. S Raman: Financial Accounting
4. Guruprasad Murthy : Financial accounting
5. S P Jain and K. L. Narang: Financial Accounting- I
6. Radhaswamy and R.L. Gupta: Advanced Accounting
7. N. Balwani; Accounting and Finance for Managers.

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## **1.4 BUSINESS ORGANISATION AND ENVIRONMENT**

### **OBJECTIVE:**

The objective is to familiarize the students with various aspects of Business Organization and its Environment.

### **Unit 1: INTRODUCTION TO BUSINESS ORGANIZATION**

Meaning of Business – Classification of Business Activities – Industry – Types of Industry – Commerce – Trade – Aids to Trade – Meaning – Advantages and Disadvantages

### **Unit 2: FORMS OF BUSINESS ORGANIZATION**

Sole Proprietorship – Meaning – Characteristics – Advantages and Disadvantages. Partnership – Meaning – Characteristics – Advantages and Disadvantages - Types of Partners. Co-operative Society - Meaning – Characteristics – Types – Advantages and Disadvantages.

### **Unit 3: JOINT STOCK COMPANY**

Meaning – Definition – Features – Types of Companies – Formation of a Company.

### **Unit 4: BUSINESS ENVIRONMENT**

Meaning and Importance. Dimensions of Business Environment – Political, Economic, Social, Legal, Natural and Technological Environment.

### **Unit 5: ECONOMIC ENVIRONMENT**

Meaning and Importance of Economic Environment, Different Economic systems, Impact of Government policy on business and industry with reference to liberalization, privatization and globalization.

### **Unit 6: GOVERNMENT POLICIES:**

Impact of Fiscal, Monetary, Exim policy and Industrial Policy on Business.

### **Unit 7: SOCIAL AND CULTURAL ENVIRONMENT**

Culture, Impact of culture on business.

### **Unit 8: TECHNOLOGICAL ENVIRONMENT:**

Meaning, features impact of technology on business.

### **Unit 9: GLOBAL ENVIRONMENT**

Nature of Globalization, Manifestations of globalization and strategies for going global GATT, WTO, and Trading Blocks.

### **Unit 10: NATURAL ENVIRONMENT**

Meaning and influence on business.

### **BOOKS FOR REFERENCE**

1. Dr. Aswathappa: Essentials of Business Environment
2. Francis Cherrunilam : Business Environment
3. Raj Agarwal – Business Environment

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## 1.5 QUANTITATIVE METHODS FOR BUSINESS

### OBJECTIVE

The objective is to provide basic knowledge of different quantitative methods for making appropriate business decisions

### Unit 1: NUMBER SYSTEM

Introduction – Natural Numbers - Even Numbers – Odd Numbers – Integers – Prime Numbers – Rational & Irrational numbers, Real Numbers, HCF & LCM ( Simple problems )

### Unit 2: THEORY OF EQUATIONS

Introduction – Meaning – Types of Equations – Simple, Linear and Simultaneous Equations (only two variables) Eliminations and Substitution Method only. Quadratic Equation – Factorization and Formula Method ( $ax^2 + bx + c = 0$  form only). Problems on Commercial Application.

### Unit 3: PROGRESSIONS

Introduction – Arithmetic Progression - Finding the  $n^{\text{th}}$  term of an AP and Sum to  $n^{\text{th}}$  term of AP. Insertion of Arithmetic Means in given terms of AP and representation of 3 terms of AP. Geometric Progression – Finding  $n^{\text{th}}$  term of GP – Sum to  $n^{\text{th}}$  Term of GP – Insertion of Geometric Means in given Geometric Progression and also representation of 3 terms of GP.

### Unit 4: COMMERCIAL ARITHMETIC

Simple interest, compound interest including half yearly and quarterly calculations, annuities, Percentages, bills discounting, concepts of ratios, duplicate-triplicate and sub-duplicate of a ratio. Proportions, third, fourth and inverse proportion - problems.

### Unit 5: INTRODUCTION TO STATISTICS

Introduction – Meaning – Functions – Limitations - Classification and Tabulation of Data, Graphical and diagrammatic representation of data.

### Unit 6: MEASURES OF CENTRAL TENDENCY

Introduction – Types of averages – Arithmetic Mean (Simple and Weighted) – Median – Mode.

### Unit 7: MEASURES OF DISPERSION

Measurement of Range, Quartile deviation, Mean deviation and Standard deviation, Co-efficient of variation,

### **Unit 8: CORRELATION ANALYSIS**

Karl Pearson's Co-efficient of correlation, Spearman's Rank Correlation.

### **Unit 9: INDEX NUMBERS**

Meaning & Definition – uses – Classification – Construction of Index Numbers – Methods of constructing Index Numbers – Simple Aggregative Method – Simple Average of Price Relative Method – Weighted index number – Fisher's Ideal index (excluding Time and Factor Reversibility tests) – Consumer Price Index – Problems.

### **BOOKS FOR REFERENCE**

1. S.C.Gupta: Business Statistics HPH
2. Saha: Mathematics for Cost Accountants.
3. Veerachamy : Operation Research, I.K. Intl
4. J.K.Singh: Business Mathematics
5. Dr. Sancheti & Kapoor: Business Mathematics and Statistics.
6. Zamarudeen: Business Mathematics.
7. G.R. Veena and Seema: Business Mathematics and Statistics I.K. Intl
8. Ranganath: Business Mathematics
9. Madappa, mahadi Hassan, M. Iqbal Taiyab – Business Mathematics.
10. R.S. Bhardwaj; Business Statistics

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## **1.6 MARKET BEHAVIOUR AND COST ANALYSIS**

### **OBJECTIVE**

The objective is to provide the basic knowledge of market behaviour and cost analysis to apply the same in Business Decisions.

### **UNIT 1: BUSINESS CYCLES:**

Business cycles – phases of Business cycle – effects of Business cycle – measures to control the Business cycle – meaning and salient features of monetary policy, fiscal policy, industrial policy

### **UNIT 2: MARKET STRUCTURE:**

Perfect competition: features – price and output determination – influence of time element on price and output. Monopoly: features - price and output determination – price discrimination

Monopolistic competition: features – price and output determination in short run and long run in industry.

### **UNIT 3: CONSUMER BEHAVIOUR:**

Consumer sovereignty – limitations – approaches to the study of consumer behavior – Cardinal Approach – Law of Equi-Marginal Utility, Ordinal Approach – Indifference Curve Analysis, properties. Consumer surplus: meaning – analysis – limitations.

### **UNIT 4: FIRMS AND DECISIONS**

Firm: meaning and goals, profit versus value (wealth) maximization dynamics. Decision making, decisions under market uncertainties, tactical versus strategic decisions and game theory.

### **UNIT 5: MARKET FORCES**

Demand: meaning, law of demand, nature of elasticity of demand, determinants of elasticity of demand, cost of advertisement and derived demand relations, measurement of elasticity under graphic method (concepts only). Demand forecasting- meaning and methods (problems on trend projection by least square method). Supply: Law of supply, determinants of supply.

### **UNIT 6: COST AND PROFIT PLANNING**

Cost: meaning of short run and long run costs, fixed and variable costs, explicit and implicit costs, opportunity cost and incremental cost (concepts only). Total cost, average cost and marginal cost behavior in short run and long run – marginal costing: CVP Analysis: BEP, BE Chart and calculation of margin of safety, P.V. ratio: profit planning (including problems).

### **UNIT 7: PRICING PRACTICES AND STRATEGIES**

Determinants of pricing policy, pricing methods, marginal cost pricing, target rate pricing, product line pricing, administered pricing, competitive bidding, dual pricing, transfer pricing. Price discrimination: requirements, types and dumping strategies. Pricing over product life cycle: skimmed pricing, penetration pricing, product –line pricing and price leadership. Linear Programming: problems on profit maximization and cost minimization in graphic method with two variables only.

### **UNIT 8: COST OF CAPITAL AND CAPITAL BUDGETING**

Meaning and types of capital, specific cost of capital on: debt, preference shares and equity shares and weighted average cost of capital (concepts only). Capital budgeting: meaning and significance, present value of money and its calculation, methods of investment appraisal (simple problems on PB period and NPV methods only).

### **Books for References**



1. D.M. Mithani: Managerial Economics, Himalaya Publishing House, New Delhi.
2. P.L Mehta: Managerial Economics, Sultan Chand & Sons, New Delhi.
3. R.L Varshney and K.L Maheshewari: Managerial Economics, Sultan Chand & Sons, New Delhi.
4. H.L Ahuja: Business Economics, S. Chand & Company Ltd., New Delhi.
5. Reddy & Appananiah: Economics for Business
6. K.M.Pandey & Others: Economics for Managerial Decisions
7. K.P.M Sundaram: Micro Economics, Sultan Chand & Sons, New Delhi.
8. M.L. Jhingan & J.K. Stephen: Managerial Economics, Vrinda Publishing (P) Ltd. Delhi.
9. Manoj Kumar Mishra : Managerial Economics, Vayu Education of India, New Dehli.
10. Srivastava R.M. : Financial Management – Management and Policy ,HPH
11. Khan and Jain: Financial Management, Tata McGraw Hill Education Private Ltd., New Delhi
12. R.K. Sharma and S.K. Gupta: Financial Management, Kalyani Publications, Ludiana.
13. Atmanand ; Managerial Economics
14. B. Singh; Managerial Economics

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## **1.7 MANAGEMENT PRINCIPLES**

### **OBJECTIVE**

The objective is to enable the students to understand the principles of management and why individuals, groups and organizations behave as they do.

### **Unit 1: INTRODUCTION TO MANAGEMENT**

Introduction - Meaning, nature and characteristics of Management - Scope and functional areas of management - Management as a science art or profession - Management & Administration - Principles of management - Social responsibility of management and Ethics.

### **Unit 2: EVOLUTION OF MANAGEMENT THOUGHT**

Contributions made by Taylor, Gantt, Gilbreth, Fayol, Weber, Elton Mayo, Chester Bernard, Maslow, Herzberg, Likert and McGergor.

### **Unit 3: PLANNING**

Nature, Importance and purpose of planning - Planning process, Objectives - Types of plans (Meaning only) - Decision making – importance & steps.

#### **Unit 4: ORGANIZING**

Nature and purpose of organization, Principles of organization - Types of organization - Departmentation, Committees - Centralization Vs decentralization of authority and responsibility - Span of Control - MBO and MBE( Meaning only)

#### **Unit 5: STAFFING**

Nature and importance of staffing - Process of selection, recruitment and training

#### **Unit 6: DIRECTING**

Meaning and nature of directing - Motivation theories (Maslow's, Herzberg, McGregors X & Y theory)

#### **Unit 7: COMMUNICATION**

Meaning and importance, types of communication, barriers to communication, Coordination meaning and importance.

#### **Unit 8: CONTROLLING**

Meaning and steps in controlling - Essentials of a sound control system - Methods of establishing control, Dimensions or Types of Control -(a) Feed forward control (b) Concurrent Control (Real Time Information & Control), (c) Feedback Control v) Techniques of Control - Brief review of Traditional Techniques & Modern Techniques of Control.

#### **BOOKS FOR REFERENCE**

- 1) Manmohan Prasad: Management Concepts & Practice
- 2) Koontz & O'Donnell, Management.
- 3) Appaniah & Reddy, Business Management.
- 4) L M Prasad, Principles of management.
- 5) Rustum & Davan, Principles and practice of Management.
- 6) Rajesh Visvanathan, Principles of Management .
- 7) S V S Murthy, Essentials of Management.
- 8) Thomas. N. Duening & John. M. Ivan cevich, Management, Principles and Guidelines, Biztantra Publications.
- 9) Tripathi & Reddy, Principles of Management.
- 10) V.S.P Rao; Management - Text and cases
- 11) P. Diwan; Management principles & Practices.

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