

3.1 LEGAL ASPECTS OF BUSINESS

OBJECTIVE:

The objective is 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, 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 REFERENCE:

- 1) K.R. Bulchandni: Business Laws,
- 2) N.D. Kapoor: Business Laws, Sultan chand publications.
- 3) K. Aswathappa: Business Laws, Himalaya Publishing House,
- 4) S.C. Sharama : Business Law, I.K. Intl
- 5) Tulsion: Business Law
- 6) S.S. Gulshan: Business law

3.2 COST ACCOUNTING

OBJECTIVE:

The objective of this subject is to familiarize students with the various concepts and element of cost.

Unit 1: INTRODUCTION TO COST ACCOUNTING

Introduction – Meaning & Definition of Cost, Costing and Cost Accounting – Objectives of Costing - Comparison between Financial Accounting and Cost Accounting – Designing and Installing a Cost Accounting System – Cost Concepts - Classification of Costs – Cost Unit – Cost Center – Elements of Cost – Preparation of Cost Sheet – Tenders and Quotations.

Unit 2: MATERIAL COST CONTROL

Meaning – Types: Direct Material, Indirect Material. Material Control – Purchasing Procedure – Store Keeping – Techniques of Inventory Control – Setting of Stock Levels – EOQ – ABC Analysis – VED Analysis – Just In-Time – Perpetual Inventory System – Documents used in Material Accounting - Methods of Pricing Material Issues: FIFO, LIFO, Weighted Average Price Method and Simple Average Price Method - Problems.

Unit 3: LABOUR COST CONTROL

Meaning – Types: Direct Labour, Indirect Labour - Timekeeping – Time booking – Idle Time – Overtime – Labour Turn Over. Methods of Labour Remuneration: Time Rate System, Piece Rate System, Incentive Systems (Halsey plan, Rowan Plan & Taylor's differential Piece Rate System) – Problems

Unit 4: OVERHEAD COST CONTROL

Meaning and Definition – Classification of Overheads – Procedure for Accounting and Control of Overheads – Allocation of Overheads – Apportionment of Overheads – Primary Overhead Distribution Summary – Secondary Overhead Distribution Summary – Repeated Distribution Method and Simultaneous Equations Method – Absorption of Factory Overheads – Methods of Absorption – Machine Hour Rate – Problems.

Unit 5: RECONCILIATION OF COST AND FINANCIAL ACCOUNTS

Need for Reconciliation – Reasons for differences in Profit or Loss shown by Cost Accounts and Profit or Loss shown by Financial Accounts – Preparation of Reconciliation Statement and Memorandum Reconciliation Account.

Unit 6: JOB AND BATCH COSTING

Features, objectives, advantages and disadvantages of job & batch costing - Comparison between job and batch costing - Job cost sheet – consolidated jobs account – batch cost sheet – economic batch order – problems.

UNIT 7: CONTRACT COSTING

Meaning – importance and applications – contractor – contractee – work in progress – preparation of contract accounts – treatment of profit on incomplete contracts.

Unit 7: PROCESS COSTING

Features of process costing, application, comparison between job costing and process costing, advantages and disadvantages, process loss – normal loss – abnormal loss, abnormal gain – joint and by-products – problems (excluding inter-process profits and equivalent production).

UNIT 8: OPERATING COSTING

Introduction, Meaning, Types & Methods. Transport Costing: Meaning, classification of costs, collection of costs, ascertainment of absolute passenger kilometers, ton kilometers – problems.

BOOKS FOR REFERENCE

- 1) J.Made gowda: Advanced Cost Accounting
- 2) N.K. Prasad: Cost Accounting
- 3) Gouri Shankar : Practical Costing
- 4) Palaniappan & Hariaharan :Cost Accounting, I.K. Intl
- 5) Khanna Pandey & Ahuja : Practical Costing
- 6) M.L. Agarwal: Cost Accounting
- 7) Jain & Narang: Cost Accounting
- 8) S.P. Iyengar: Cost Accounting
- 9) S.N. Maheshwari: Cost Accounting
- 10) Horngren: Cost Accounting – A Managerial Emphasis
- 11) M. N. Arora: Cost Accounting, HPH
- 12) K.S. Thakur: Cost Accounting

3.3 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 assesses.

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 - Computation 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. Singhanian: Direct Taxes – Law and Practice, Taxmann publication.
2. B.B. Lal: Direct Taxes, Konark Publisher (P) ltd.
3. Bhagwathi Prasad: Direct Taxes – Law and Practice, Wishwa Prakashana.
4. Dr. Mehrotra and Dr. Goyal: Direct Taxes – Law and Practice, Sahitya Bhavan Publication.
5. Dinakar Pagare: Law and Practice of Income Tax, Sultan Chand and sons.
6. Gaur & Narang: Income Tax.

3.4 ENTREPRENEURSHIP DEVELOPMENT

OBJECTIVE:

The objective is to enable students to understand the basic concepts of entrepreneurship and the process and formalities involved in starting a business.

Unit 1: ENTREPRENEURSHIP

Introduction – Meaning & Definition of Entrepreneurship, Entrepreneur & Enterprise –Functions of Entrepreneur - Factors influencing Entrepreneurship - Pros and Cons of being an Entrepreneur – Qualities of an Entrepreneur – Types of Entrepreneur

Unit 2: SMALL AND MEDIUM ENTERPRISES (SME):

Definition – Meaning - Product Range - Capital Investment - Ownership Patterns – Meaning and importance of Tiny Industries, Ancillary Industries and Cottage Industries. Role played by SSI in the development of Indian Economy. Problems faced by SSI's and the steps taken to solve the problems - Policies Governing SSI's.

Unit 3: BUSINESS OPPORTUNITIES:

Business opportunity, scanning the environment for opportunities, evaluation of alternatives and selection based on personal competencies – product selection.

UNIT 4: FORMATION OF SME:

Steps involved in the formation of a SME's business venture: location, clearances and permits required, formalities, licensing and registration procedure. Assessment of the market for the proposed project – Financial, Technical, Market and social feasibility study.

UNIT 5: ANCILLARY UNITS:

Meaning – scope – functions – advantages – role of Ancillary Units.

Unit 6: PREPARING THE BUSINESS PLAN (BP)

Meaning – importance – preparation – BP format: Financial aspects of the BP, Marketing aspects of the BP, Human Resource aspects of the BP, Technical aspects of the BP, Social aspects of the BP. Common pitfalls to be avoided in preparation of a BP.

Unit 7: PROJECT ASSISTANCE

Financial assistance through SFC's, SIDBI, Commercial Banks, IFCI - Non-financial assistance from DIC, SISI, AWAKE, KVIC - Financial incentives for SSI's and Tax Concessions - Assistance for obtaining Raw Material, Machinery, Land and Building and Technical Assistance - Industrial Estates: Role and Types.

UNIT 8: PROJECT MANAGEMENT:

Meaning – importance – scope – essentials of project management – project planning, implementation and control.

UNIT 9: SICKNESS:

Meaning and definition of sick unit – causes for industrial sickness – measures to avoid sickness – remedies for revival of sick units – role of BIFR.

UNIT 10: ROLE OF WOMEN IN BUSINESS:

Women entrepreneurship – importance – areas of business feasible for women - current status – government policy and assistance for women entrepreneurs - motivating factors – problems of Women entrepreneurs.

BOOKS FOR REFERENCE

1. Vasant Desai: The Dynamics of Entrepreneurship Development and Management, HPH
2. Mark. J. Dollinger, Entrepreneurship – Strategies and Resources, Pearson Edition.
3. Satish Taneja: Entrepreneur Development
4. Udai Pareek and T.V. Rao, Developing Entrepreneurship
5. N.V.R Naidu : Management and Entrepreneurship, I.K. Intl
6. S.V.S. Sharma, Developing Entrepreneurship, Issues and Problems
7. Srivastava, A Practical Guide to Industrial Entrepreneurs
8. Government of India, Report of the committee on small and medium entrepreneurs, 1975
9. Anilkumar : Small Business and Entrepreneurship, I.K. Intl
10. Vidya Hattangadi ; Entrepreneurship
11. Bharusali, Entrepreneur Development
12. Dr. Venkataramanappa, Entrepreneurial Development
13. B. Janaki Raman, M Rizwan: Entrepreneurship Development

3.5 PRINCIPLES AND PRACTICE OF AUDITING

OBJECTIVE:

This subject aims at imparting knowledge about the principles and methods of auditing and their applications.

Unit 1: INTRODUCTION TO AUDITING

Introduction – Meaning - Definition – Objectives – Differences between Accountancy and Auditing – Types of Audit - Advantages of Auditing. Recent Trends in Auditing - Nature & Significance of Tax Audit – Cost Audit - Management Audit.

UNIT 2: AUDIT PREPARATION:

Preparation before commencement of new audit – Audit Notebook – Audit Working Papers – Audit files - Audit Program: meaning and importance – uses – preparation of Audit program.

Unit 3: INTERNAL CONTROL

Internal Control: meaning and objectives. Internal Check: meaning, objectives and fundamental principles. Internal Check as regards: Wage Payments, Cash Sales, Cash Purchases. Internal Audit: Meaning - Advantages and Disadvantages of Internal Audit – Differences between Internal Check and Internal Audit.

Unit 4: VOUCHING

Meaning - Definition – Importance – Routine Checking and Vouching – Voucher -Types of Vouchers – Vouching of Receipts: Cash Sales, Receipts from debtors, Proceeds of the sale of Investments. Vouching of Payments: Cash Purchases, Payment to Creditors, Deferred Revenue Expenditure.

Unit 5: VERIFICATION AND VALUATION OF ASSETS:

Meaning and Objectives of verification and valuation – Position of an Auditor as regards the Valuation of Assets – Verification and Valuation of different Items: Land & Building, Plant & Machinery, Goodwill – Investments - Stock in Trade.

UNIT 6: VERIFICATION AND VALUATION OF LIABILITIES:

Meaning and Objectives of verification and valuation – Position of an Auditor as regards the Valuation of liabilities – Verification and Valuation of different Items: Bills Payable - Sundry Creditors – Contingent Liabilities.

UNIT 7: TREATMENT OF DEPRICIATION:

Meaning - General considerations – methods – legal issues connected with depreciation – precautions to be taken by the auditor in treatment of depreciation.

UNIT 8: AUDIT OF LIMITED COMPANIES

Company Auditor – Appointment – Qualification - Powers - Duties and Liabilities – Professional Ethics of an Auditor.

UNIT 9: AUDIT OF OTHER INSTITUTIONS:

Audit of Educational Institutions: Trust, Society, Individuals. Audit of Insurance Companies-
Audit of banking companies - Audit of Co-operative societies.

UNIT 10: AUDIT REPORT AND ETHICS:

Planning – preparation – precautions to be taken – preparation of clean report and qualified report. professional ethics and reporting - compliances to auditing standards issued by ICAI - Corporate Governance and Auditing

BOOKS FOR REFERENCE:

1. R.G.Sexena : Principles and Practice of Auditing.
2. TR Sharma: Auditing.
3. BN Tandon: Practical Auditing.
4. MS Ramaswamy: Principles and Practice of Auditing.
5. Dinakar Pagare: Practice of Auditing.
6. Kamal Gupta: Practical Auditing.
7. P N Reddy & Appannaiah: Auditing.