S. Y. B. COM. SEMESTER - III

CC - 201 ECONOMICS OF GOVERNMENT FINANCE

Unit : 1: INTRODUCTION TO PUBLIC FINANCE

Economic systems - concepts - Capitalism, Socialism and Mixed Economy - characteristics. Public and Private Finances: meaning, difference and similarities. Indian Federal Finance: concepts of three layers of government. Market failure and role of government. Characteristics of public and private goods, merits goods. Government budget, its importance. Various concepts of deficit: revenue deficit, budgetary deficit, fiscal deficit, primary deficit, their uses and effects.

Unit : 2 :TAXATION

Direct and indirect taxes : meaning and its characteristics - concepts of progressive, proportional and regressive taxes. Present Indian tax structure: its characteristics and defects. Role of taxation in economic development. Meaning of tax avoidance and tax evasion.

UNIT: 3: INCOME AND PUBLIC EXPENDITURE

Sources of income of local government, state government and central government. Public expenditure: purpose, importance and causes of increase in public expenditure. Meaning of Fiscal Responsibility and Budget Management Act (FRBM Act). Privatization and disinvestment : concept and importance.

UNIT: 4: PUBLIC DEBT

Public debt - meaning and types of public debt. Economic effects of public debt. Difference between taxation and debt. Burden of public debt - Learner's and Buchanan's view point.

References :

1) Public finance in Theory & Practice : R.A. Musgrave & P.G. Musgrave
2) Introduction to Public Finance : Carl C. Plehn
3) The Theory & Working of Union Finance in India: Bhargava R. N.

4) D.M.Mithani : Money, Banking, International trade and Public finance

5) Public Finance : H.L. Bhatia

6) Public Finance : B.P.Tyagi

7) Public Finance : R.C. Agrawal

8) Modern Public Finance : Jha R.

9) Intermediate Public Economics : Jean Hindriks & gareth D. Myles

10) Public Finance : S.K. Singh

11) Public Finance : M. Maria John Kennedy

CC - 202 INDIAN FINANCIAL SYSTEM

1) [25%]

    (a) Overview of the Indian Financial System : Pre and post liberalization overview of Indian Financial system, Organizational structure of Indian financial system, Major components - Financial Markets, Financial Institutions / Intermediaries, Financial Instruments, Functions and role of financial system.

    (b) Regulatory and Promotional Institutions : Objectives and functions of Reserve bank of India, Security Exchange Board of India, Insurance Regulatory Development Authority.

2) Financial Markets : [25%]

    (a) Money Market : Meaning, constituents of organized money market.

    (b) Capital market : meaning, Functions and history.

        (i) Primary Market : Meaning, Types of primary issues-public, Right and Private placement, Issue Mechanism.

        (ii) Secondary market : Functions, Organizations, Management and Membership of Stock exchanges, Listing and trading of securities, Stock exchanges in India.

3) **Financial Institutions :** [25%]

    Commercial Banking : Functions of Commercial banks, Nationalization of commercial banks. Issue of nonperforming assets and their management,

    Non banking finance companies : Meaning, Types, Growth and regulation.

    Insurance : Introduction to LIC, GIC and Private insurance companies. Mutual funds: Concept, Advantages, History of MFs in India.

4) **Financial Instruments :** [25%]

    (a) Capital Market instruments : Equities, Preference shares, Debentures and Bonds. New Instruments.

    (b) Money market instruments : Call / Notice Money Market, Treasury Bills, commercial Papers, Certificate of Deposit, Commercial bills

References:

(1) Pathak Bharati (2008) : The Indian Financial System, Pearson Education
(2) M Y Khan (2007) : Indian Financial System, The McGraw - Hill Companies

CC - 203 TAXATION - I

Unit : 1:   [25%]

(1)   Objectives of Income Taxation; The History of Income - tax and Brief introduction of the following Direct and Indirect tax laws: Income Tax, Gujarat Value Added Tax, Custom Duty, Excise Duty and Service Tax;

(2)   Definitions as per the Income tax Act : Income, Agricultural income, Assessee, Person, Previous Year, Assessment Year and other terms relevant to the syllabus;

(3)   Income - tax Authorities (sections 116 to 120 and 124 only).

Unit : 2 :   [25%]

(1)   Basis of charge of income - tax : Scope of total income and residential status of an individual assessee (sections 4 to 9);

(2)   Individual assessee's incomes exempt from income - tax (section 10);

(3)   Procedure for assessment of income - tax (sections 139, 139A, 140, 140A, 142 to 145, 147 to 149, 154 and 156 only) and collection of tax.

Unit : 3 :   [25%]

Salary Income: Computation of taxable salary (sections 14 to 17); Taxability of various provident funds affecting the computation of taxable salary income only shall be included.

Note : Practical problems may include the valuation of fully or partly rent-free accommodation and conveyance facility only; Separate small/objective type questions on other perquisites may be asked. Separate questions on determination of qualifying amount under section 80 C shall not be asked.

Unit : 4 :   [25%]
Income from House Property : Computation of Taxable Income from House Property (sections 22 to 27).

Note: Problems requiring computation of three or more let-out house properties are not expected.

Notes: **(i)**   While setting a question paper, the topic/aspect shall be indicated rather than the section number.

   (ii)   Provisions of respective laws applicable (to individual assesses only) as on 31st March immediately preceding the date of commencement of current academic year shall be considered.

   (iii)   Whenever any section (included in the present syllabus) is deleted or replaced by a new section as per the amendments made/to be made by a Finance Act, it shall automatically amend the syllabus and shall be implemented in the relevant academic year.

   (iv)   Questions from any **Unit / Sub - Unit** shall not be set in option of questions from other **Units / Sub - Units**. Internal option questions may be set from the same **Unit / Sub - Unit**. Wherever a **Unit** is divided into **Sub - Units**, questions from each **Sub - Unit** shall be asked.

   (v)   Question paper shall contain a compulsory 'Multiple choice question' carrying **14 marks** out of **70** marks (which shall be divided into **seven** sub - questions of **2 marks** each and shall be drawn from each Unit / Sub - Unit of Units **1** to **4,** i.e. **1** sub - question from **Unit 1** and **2** sub-questions each from **other 3 Units**) - **without providing any internal option**, requiring the students to select correct option supported by necessary workings / explanations.

   (vi)   Question paper shall contain total **5 questions** - one question (or sub - questions) carrying **14 marks** out of **70** marks shall be asked from each of units **1** to **4** and the **5th question** must relate to **MCQs** as stated in the preceding **Note No. (v)**.

Reference : (1) Students' Guide to Income Tax, By Dr Vinod K Singhania / Dr Monica Singhania - Taxmann's publication.

Gujarat University
Ahmedabad

B. Com. Programme

SEMESTER-III

COMMERCIAL COMMUNICATION-III

(With Effect from Academic Year 2012-2013)

UNIT- ONE

Text: *Vignettes of Life: An Anthology of Selected Short Stories*

Edited and Annotated by: T. PADMA

Published by: Macmillan India Ltd.

(Chapters -1 to 6)

UNIT- TWO
Bank Correspondence

1. Stop payment of a cheque
2. Error in pass-book / Bank Statement
3. Wrongful dishonour of a cheque
4. Complaint about rude behaviour of a bank employee
5. Asking for an annual statement of housing loan
6. Requesting bank's support for social welfare
7. Non-credit of shares in the demat statement
8. Error in the demat statement
9. Transfer of demat shares
10.Intimating the loss of a Debit Card / ATM Card / Credit Card

UNIT- THREE
Secretarial Correspondence

1. Non-allotment of shares
2. Reply to non-allotment of shares
3. Non-credit of refund of the application money
4. Reply to non-credit of refund of the application money
5. Non-credit of dividend
6. Reply to Non-credit of dividend
7. Non-receipt of annual report of the company
8. Reply to Non-receipt of annual report of the company
9. Shareholder's concern about declining profits of the company
10. Reply to Shareholder's concern about declining profits of the company

UNIT- FOUR

* Comprehension based on a commercial topic from a newspaper
* Vocabulary: One-word substitutes (List is attached)

List of One-word Substitutes

1. Amicable
2. Anonymous
3. Autobiography
4. Bakery
5. Biography
6. Contagious
7. Contemporary
8. Dialysis
9. Ecology
10. Edible
11. Emigrant
12. Equanimous
13. Eternal
14. Extempore
15. Fable
16. Fatalist
17. Flexible
18. Glutton
19. Gullible
20. Honorarium
21. Hydrography
22. Illegal
23. Illegible
24. Illiterate
25. Immigrant
26. Impossible
27. Inaudible
28. Incredible
29. Inevitable
30. Invincible
31. Irritable
32. Maiden
33. Manuscript
34. Martyr
35. Meteorologist
36. Netiquette
37. Notorious
38. Obsolete
39. Octogenarian
40. Optimist
41. Ornithology
42. Pessimist
43. Pseudonym
44. Smuggling
45. Teenager
46. Teetotaller
47. Timid
48. Unanimous
49. Vegetarian
50. Volunteer

Note: The format of questions for one-word substitutes may be as under:

1. Give one-word substitutes for the following:

   e.g. A story of a person's life written by himself/herself

   Ans: <u>Autobiography</u>

2. Explain the following one-word substitutes in your own words:

   e.g. Glutton

   Ans: <u>A person who eats too much</u>

3. Select an appropriate option for the given word:

   (MCQ Type question)

   e.g. Biography: (a) A story of a person's life written by himself/herself

   (b) A story of animal life

   (c) A story of a person's life written by someone

   (d) A story with birds and animals as characters

   Ans : <u>A story of a person's life written by someone</u>

4. Match the following:

Recommended Reading:

01. Business Communication – Urmila Rai & S. M. Rai – Himalaya Publishing House, Mumbai

02. Business Communication – Homai Pradhan & N. S. Pradhan – Himalaya Publishing House, Mumbai

03. Business Communication – Asha Kaul – Prentice-Hall, New Delhi

04. Essentials of Business Communication – Rajendra Pal & J. S. Korlahalli – Sultan Chand & Sons, New Delhi

05. Effective Business Communication – Dr. S. K. Agrawal & Dr. P. K. Singh – Himanshu Publications, New Delhi

06. Business Correspondence and Report Writing – R. C. Sharma & Krishna Mohan – Tata McGraw Hill, New Delhi

07. Business Communication (Principles, Methods and Techniques) – Nirmal Singh – Deep & Deep Publications, New Delhi

08. Effective Business Communication - Murphy G. A., Hildebrandt W. H., Thomas J. P., Tata McGraw Hill, New Delhi

09. A Handbook of Commercial Correspondence – A. Ashley – OUP, New Delhi

10. Word Power Made Easy – Norman Lewis - Goyal Saab, New Delhi

11. Communicative Competence in Business English – Robinson, Netrakanti & Shintre – Orient Longman, Hyderabad

12. Oxford Dictionary of Phrasal Verbs – A. P. Cowie & R. Mackin, OUP, New Delhi

13. A Guide to Business Correspondence and Communication Skills – A.N. Kapoor – Sultan Chand & Sons, New Delhi

14. Business Communication Today – Bovee & Thill – Prentice-Hall, New Delhi

15. Guide to Report Writing (Guide to Business Communication Series) – Netzley & Snow –Prentice-Hall, New Delhi

COMMERCIAL COMMUNICATION-III

(With Effect from Academic Year 2012-2013)

Q-1 Write brief answers (Any seven out of nine) UNIT-1   (14)

Q-2   Write short notes (Any two out of three) UNIT-1   (14)

Q-3 Bank Letter from Unit – 2   (14)
                       (OR)
      Bank Letter from Unit – 2   (14)

Q-4 Shareholder's Letter to the Company Secretary (Unit-3)   (14)
                       (OR)
      Company Secretary's Reply to the shareholder (Unit-3)   (14)

Q-5 (A) Comprehension from Unit-4   (08)

     (B) Do as directed :(From Vocabulary of Unit-4)   (06)

        (1) Give one-word substitutes for the following: (Two items)

        (2) Explain the following one-word substitutes in your own words: (Two items)

        (3) Select an appropriate option for the given word: (Two items)
          (MCQ Type Question)

CC - 205 FUNDAMENTAL STATISTICS - I

Objective : Students should be aware with the basics of preliminary mathematical statistics.

1. Function Limit and Continuity : [25%]

Concept of a function of single variable (linear, quadratic and exponential function only) Domain, co-domain and range of a function, Concept of real function, Application of function to cost, demand, revenue, profit function, break - even point, Concept of limit of a function, Rules of limit, Simple examples where f(x) is in a polynomial or rational function of two polynomials. Continuity of f(x), where f(x) is a polynomial of x, rational function of, two polynomials of x.

2. Differentiation : [25%]

Definition of a differentiation, Derivative of functions $\frac{1}{x}$, $\sqrt{x}$, ax+b, ax^2+bx+c by using definition, Rules of derivatives (without proof) and their examples by using the standard functions in the form x^n, a^x, log x, e^{ax}.

3. Probability : [25%]

Definition of random experiment, sample space, different types of events, Mathematical definition of probability, classical, relative frequency and subjective approach to probability, Addition and multiplication rules of probability and other corollaries of it (without proof), Simple numerical examples only, Bayes' theorem (without proof) and its application up to three events.

4. Mathematical Expectation and Moments : [25%]

Meaning of a random variable, Definition of probability distribution of random variable, Definition of mathematical expectation of discrete random variable and its properties (without proof), definition of variance, co variance, simple applied examples on it. Definition of Raw and Central moment and its uses Relation between first four raw and central moments (without proof), Concept of coefficient of Skewness and Kurtosis and their interpretations, Simple examples for obtaining the measures by using raw data, grouped data and probability distribution.

Reference Books :

1. Goon. Gupta, Dasgupta, An outline of Statistical Theory, Vol -1 and II World Press, Calcutta.

2. Sancheti & Kapoor, Business Statistics. Sultan Chand & Sons, New Delhi.

3. David R. Anderson, Dennis J. Sweeney, Thomas A. Williams, Statistics For Business and Economics, South - Western Cengage Learning India Pvt. Ltd. New Delhi.

4. Levin and Rubin, Statistics for Management, Prentice Hall of India Pvt. Ltd. New Delhi.

5. Parimal Mukhopadhyay : Theory and Methods of Survey Sampling, Perntice Hall of India, New Dlehi.

6. Trivedi and Trivedi: Business Mathematics, Pearson India Ltd. New Delhi.

CORE ELLECTIVE ADVANCED ACCOUNTING AND AUDITING
CE - 201(A) COST ACCOUNTING - I

Learning Objectives : To make students acquainted with cost accounting and equip them to prepare cost statement.

Degree of difficulty : Working knowledge.

Unit	Particulars	Marks
Unit - I	**Introduction to Cost Accounting :** Meaning and definition; Need for Cost Accounting; Advantage and limitations; Cost Accounting and Financial Accounting; Cost concepts and cost objects; Elements of cost and classification of costs; methods of costing; Techniques of costing (*with emphasis on Uniform costing*) ; Cost centre and Cost unit; Installation of good cost accounting system.	25%
Unit - II	**Materials :** Definition of inventory; Materials and material control; Objectives of material control; Its necessity and advantages; Purchase and stores routine; Control of inventory through EOQ, determination of various stock levels, JIT and ABC system; Methods of pricings of issues of material - FIFO, LIFO, Base Stock price, Weighted average price, periodic weighted average price, standard price and replacement price; Meaning and treatment of Waste, Scrap, Spoilage and Defectives;	25%
Unit - III	**Labour :** Direct and Indirect Labour cost; Labour cost accounting and Labour records; Remuneration methods - Time wage system and piece wage system; Bonus systems (Individual and Group incentive plans) - Halsey Premium plan, Rowan Plan, Taylor's differential piece rate system, Bedeaux Plan,	25%

	Merrick's multiple piece rate system, Gantt task & bonus system, Profit sharing and Co-partnership; Requisites of good wage incentive plan; Labour turnover; Cost of Labour turnover & its treatment; Concept of Idle time & its treatment; Over time premium; Casual worker & out worker; Holiday & Leave with pay; Cost of Apprentice; Employee welfare cost; Fringe benefits; Bonus and Gratuity.	
Unit - IV	**(A)Overheads including Activity Based Costing :** Definition; Classification of overheads; Techniques for segregation of Semi variable overheads; Cost allocation and apportionment; Basis of apportionment of Factory overheads and Re apportionment of service centre cost; Overhead absorption on the basis of Direct Material cost, Direct labour cost, Prime cost, Labour Hours and Machine Hours; Concept and Treatment in cost accounts of - Over absorption, Under absorption, Setting up time and Idle time; Absorption of Administration overheads and Selling & Distribution overheads (*In theory only*) **(B) Conceptual Understanding of Activity Based Costing**	25%

References: (1) Cost Accounting: Principles & Practice
    M N Arora
    Vikas Publishing House

  (2) Practical Costing
    N K sharma
    Shree Niwas Publication

  (3) Cost Accounting
    Dr P C Tulsian
    S. Chand

  (4) Cost Accounting
    Dr Murthy & S Gurusamy
    The McGraw Hill Companies

CE - 202 (A) Corporate Accounting

Unit	Particulars	Marks
Unit - I	➢ Valuation of Goodwill ➢ Origin of Goodwill ➢ Factors affecting Goodwill ➢ Meaning of Goodwill ➢ Provision regarding Goodwill in various accounting standards ➢ Need for valuation of goodwill ➢ Methods of valuation of Goodwill • Arbitrary Assessment • Average profit method(Simple average, Weighted Average and Annuity method) • Super Profit method • Capitalization of profit method (Capitalization of average profit and Super profit)	**25%**
Unit - II	➢ Circumstances of valuation of shares ➢ Factors affecting valuation of shares ➢ Methods of valuation of shares • Valuation of fully paid-up and partly paid-up equity shares and preference shares by Net Assets method • Valuation of fully paid-up and partly paid-up equity shares by Yield method • Fair value of fully paid-up and partly paid-up equity shares • Valuation of Right Shares • Valuation of Bonus Shares	**25%**

Unit - III	**Banks Accounts**	25%
	➤ Legal Provisions (Concepts only)	
	• Banking Regulation Act,1949	
	• Business carried on by banks	
	• Non-Banking Assets and its disposal	
	• Management of banks	
	• Share capital	
	• Creation of Floating charge on properties	
	• Statutory Reserves	
	• Cash Reserves and Statutory Liquidity Reserve	
	• Restriction on Acquisition of Shares in other companies	
	• Restriction on Loan and Advances	
	• Non Performing Assets (NPA)	
	• Preparation of Final Accounts*	
	* Note: (1) Only Simple adjustments to be asked.	
	(2) Income Statement OR Balance sheet to be asked with relevant schedules. Combined question of final account is not expected.	
Unit-IV	**Liquidation of Company**	25%
	➤ Meaning of Liquidation or winding up (Concepts only)	
	➤ Methods of Liquidation (Concepts only)	
	• Compulsory Winding up by National Law Tribunal	
	• Voluntary Winding up	
	➤ Consequences of Winding up (Concepts only)	
	➤ Preferential Payments	
	➤ Overriding Preferential Payment as per the companies (Amendment) Act , 1985 section 529A	
	➤ Powers and Duties of Liquidators (Concepts only)	
	➤ Order of disbursement to be made by Liquidator as	

| | per latest statutory revision | |
| | Preparation of Liquidator's Final Statement of Account as per latest statutory revision | |

References : (1) Corporate Accounting (Theory & Practice)
   K L Shah
   Shree Niwas Publishing

   (2) Corporate Accounting
   Dr S N Maheshwari & S K Maheshwari
   Vikas Publishing House.

CORE ELLECTIVE ADVANCED STATISTICS
CE 201 (B) Statistics - III

Objective: - Students should be familiar with the basic estimating statistical techniques and the sampling techniques.

1.   Regression (For two variables) :   [25%]

Concept regression, derivation of two lines of regression, Properties of regression coefficients (with proof), Forecasting on the basis of regression equation regression equation pertaining to linear model in the form y= α + βx + U and its relevant properties.

2.   Multiple and Partial Correlation and Regression :   [25%]

Definition and concept of Partial and Multiple Correlation (three variables), Concept Multiple Regression equations, Numerical example.

3.   Sampling Methods - 1 :   [25%]

Meaning of population and sample, need for sampling, Definition of population size and sample size, points to be considered for determining sample size, Theoretical description of different sampling methods (i) Non probabilistic sampling methods-convenience, quota, judgmental, purposive (ii) Probabilistic sampling methods-simple random sampling method, stratified random sampling method, systematic sampling method, two stage sampling method, cluster sampling method, sequential sampling method, and their comparisons.

4.   Sampling Methods - 2 :   [25%]

Verification of various results- (i) mean of sample mean is an unbiased estimator for sample mean (ii) verification of the formulae for variance of sample mean (iii) sample variance is an unbiased estimator for population variance, (for with replacement and without replacement simple random sampling) Simple numerical examples for stratifies random sample- to verify the result that the stratified random sample mean is an unbiased estimator for population variance and calculation of the variance of stratified sample mean, Simple numerical examples for systematic sample- to verify

the result that the systematic random sample mean is an unbiased estimator for population variance and calculation of its variance.

Reference Books :

1. Goon. Gupta, Dasgupta, An outline of Statistical Theory, Vol - 1 and II. World Press, Calcutta.

2. Sancheti & Kapoor, Business Statistics. Sultan Chand & Sons, New Delhi.

3. David R. Anderson, Dennis J. Sweeney, Thomas A. Williams, Statistics For Business and Economics, South-Western Cengage Learning India Pvt. Ltd. New Delhi.

4. Levin and Rubin, Statistics for Management, Prentice Hall of India Pvt. Ltd. New Delhi.

5. Parimal Mukhopadhyay, Theory and Methods of Survey Sampling, Perntice Hall of India, New Dlehi.

6. Amir D Aczel, Jayavel Sounderpandian, Complete Business Statistics, Tata Mc Graw Hill, New Delhi.

CE 202 (B) Statistics - IV

Objective: Student should able to understand the application of statistical methods in the field of economics.

1.   Input - Output Analysis :   [25%]

Meaning of Input - output analysis, assumption and limitations, Leontief's static open model - importance and application of the model, Simple examples up to the matrix of order 3×3.

2.   Distribution of Income and Economic Models :   [25%]

Concept of Income Distribution models, Study of Paroto's income distribution- analysis and interpretations. Lorentz curve of concentration, Fitting of Pareto and Lorentz curves - numerical examples only. Classical models- structural equations and structural parameters of model, Linear homogeneous equation system, study of (i) price determination model and (ii) income determination model.

3.   Time Series :   [25%]

Meaning and uses of time series, Various components of time series, determination of trend by using graphical, moving average and least square method, To separate seasonal component by using sale forecasts and seasonal variation by using moving average method, link relative method, with examples.

4.   Index Numbers :   [25%]

Definition, limitations, characteristics, and uses of index numbers, Construction of whole sale price index number and cost of living index number, Construction of index number by suing aggregate expenditure method and family budget method using Laspeyre's, Paasche's, Fisher's, Marshall Edgeworth's and Dorbish Bowley's formulae, Weighted mean formulae, Deflating, Splicing, Time Reversal Test (TRT) and Factor Reversal Test (FRT). Simple examples.

Reference Books :

1. J. K. Sharma, Mathematics for Business and Economics, Asian Books Private Ltd.

2. S. C. Gupta, V. K. Kapoor, Fundamentals of Applied Statistics, Sultan Chand & Sons, New Delhi.

3. David R. Anderson, Dennis J. Sweeney, Thomas A. Williams, Statistics For Business and Economics, South - Western Cengage Learning India Pvt. Ltd. New Delhi.

4. S.C. Gupta: "Fundamentals of Mathematical Statistics" S. Chand, New Delhi.

5. Levin and Rubin: "Statistics for Management", Prentice Hall of India Pvt. Ltd. New Delhi.