

Introduction to Management Accounting

S.Y.B.Com. : Semester - III

Syllabus

1. Introduction to Management Accounting

A. Introduction to Management Accounting : Meaning - Nature, Scope, Functions, Decision Making Process, Financial Accounting v/s Management Accounting

B. Analysis and Interpretation of Financial Statements :

- (i) Study of Balance Sheet and Income Statement / Revenue Statements in vertical form suitable for analysis
- (ii) Relationship between items in Balance Sheet and Revenue Statement
- (iii) Tools of analysis of Financial Statements (i) Trend Analysis (ii) Comparative Statement (iii) Common Size Statement

Note : (i) Problems based on trend analysis (ii) Short Problems on Comparative and Common Sized Statements

2. Ratio Analysis and Interpretation

(Based on Vertical Form of Financial Statements - Meaning, Classification, Du Point Chart, Advantages and Limitations)

A. Balance Sheet Ratios :

- (i) Current Ratio
- (ii) Liquid Ratio
- (iii) Stock Working Capital Ratio
- (iv) Proprietary Ratio
- (v) Debt Equity Ratio
- (vi) Capital Gearing Ratio

B. Revenue Statement Ratios :

- (i) Gross Profit Ratio
- (ii) Expenses Ratio
- (iii) Operating Ratio
- (iv) Net Profit Ratio
- (v) Net Operating Profit Ratio
- (vi) Stock Turnover Ratio

C. Combined Ratio

- (i) Return on Capital employed (Including Long Term Borrowings)
- (ii) Return on proprietor's Fund
(Shareholders Fund and Preference Capital)
- (iii) Return on Equity Capital
- (iv) Dividend Pay out Ratio
- (v) Debt Service Ratio
- (vi) Debtors Turnover
- (vii) Creditors Turnover

(Practical Question on Ratio Analysis)

3. Working Capital Management : (Practical Questions)

- A. Concept, Nature of Working Capital, Planning of Working Capital
- B. Estimation / Projection of Working Capital Requirement in case of Trading and Manufacturing Organization
- C. Operating Cycle

4. Capital Budgeting

- A. Introduction
- B. The Classification of Capital Budgeting Projects
- C. Capital Budgeting Process
- D. Capital Budgeting Techniques - Payback Period, Accounting Rate of Return, Net Present Value, The Profitability Index, Discounted Payback. (Excluding Calculation of Cash Flow)

Question Paper Pattern

Maximum Marks : 100

Questions to be Set : 06

Duration: 3 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q. No.	Particulars	Marks
Q.1	Objective Questions* (A) Sub questions to be asked 12 and to be answered any 10 (B) Sub questions to be asked 12 and to be answered any 10 (* Multiple Choice / True or False / Match the Columns / Fill in the Blanks)	20
Q.2	Full Length Practical Question	15
Q.2	OR Full Length Practical Question	15
Q.3	Full Length Practical Question	15
Q.3	OR Full Length Practical Question	15
Q.4	Full Length Practical Question	15
Q.4	OR Full Length Practical Question	15
Q.5	Full Length Practical Question	15
Q.5	OR Full Length Practical Question	15
Q.6	(A) Theory Questions (B) Theory Questions	10 10
Q.6	OR Short Notes To be asked 06, to be answered 04	20

Note : Full length question of 15 marks may be divided into two sub questions of 7/8 and 10/5 marks.

Accountancy and Financial Management-III

S.Y.B.Com. : Semester - III

Syllabus

1. Partnership Final Accounts based on Adjustment of Admission or Retirement/ Death of a Partner During the Year

- (i) Simple final accounts questions to demonstrate the effect on final Accounts when a partner is admitted during the year or when partner Retires/dies during the year
- (ii) Allocation of gross profit prior to and after admission/retirement/death when stock on the date of admission/retirement is not given and apportionment of other expenses based on time/Sales/other given basis
- (iii) Ascertainment of gross profit prior to and after admission/retirement/death when stock on the date of admission/retirement is given and apportionment of other expenses based on time/Sales/other given basis

Excluding Questions where admission/retirement/death takes place in the same year

2. Piecemeal Distribution of Cash

- (i) Excess Capital Method only
- (ii) Asset taken over by a partner
- (iii) Treatment of past profits or past losses in the Balancesheet
- (iv) Contingent liabilities / Realisation expenses / amount kept aside for expenses and adjustment of actual
- (v) Treatment of secured liabilities
- (vi) Treatment of preferential liabilities like Govt. dues / labour dues etc.

Excluding Insolvency of partner and Maximum Loss Method

3. Amalgamation of Firms

- (i) Realisation method only
- (ii) Calculation of purchase consideration
- (iii) Journal/ledger accounts of old firms
- (iv) Preparing Balance sheet of New firm
- (v) Adjustment of goodwill in the new firm
- (vi) Realignment of capitals in the new firm by current accounts / cash or a combination thereof Excluding Common transactions between the amalgamating firms

4. Conversion / Sale of a Partnership Firm into a Ltd. Company

- (i) Realisation method only
- (ii) Calculation of New Purchase consideration, Journal / Ledger Accounts of old firms. Preparing Balance Sheet of new company

Question Paper Pattern

Maximum Marks : 100

Questions to be Set : 06

Duration: 3 Hrs.

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Q.2	Full Length Practical Question OR	15
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Q.3	Full Length Practical Question OR	15
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Q.4	Full Length Practical Question OR	15
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Discipline Specific Elective (DSE) Courses

Auditing

S.Y.B.Com. : Semester - IV

Syllabus

1. **Introduction to Auditing** (10 Lec.)
 - A. Basics – Financial Statements, Users of Information, Definition of Auditing, Objectives of Auditing, Inherent limitations of Audit, Difference between Accounting and Auditing, Investigation and Auditing
 - B. Errors & Frauds – Definitions, Reasons and Circumstances, Types of Error, Types of Frauds, Risk of Fraud and Error in Audit, Auditors Duties and Responsibilities in case of Fraud
 - C. Principles of Audit, Materiality, True and Fair View
 - D. Types of Audit – Meaning, Advantages, Disadvantages of Balance Sheet Audit, Interim Audit, Continuous Audit, Concurrent Audit and Annual Audit, Statutory Audit
2. **Audit Planning, Procedures and Documentation** (10 Lec.)
 - A. Audit Planning – Meaning, Objectives, Factors to be considered, Sources of obtaining information, Discussion with Client, Overall Audit Approach
 - B. Audit Program – Meaning, Factors, Advantages and Disadvantages, Overcoming Disadvantages, Methods of Work, Instruction before commencing Work, Overall Audit Approach
 - C. Audit Working Papers – Meaning, importance, Factors determining Form and Contents, Main Functions / Importance, Features, Contents of Permanent Audit File, Temporary Audit File, Ownership, Custody, Access of Other Parties to Audit Working Papers, Auditors Lien on Working Papers, Auditors Lien on Client's Books
3. **Auditing Techniques and Internal Audit Introduction** (15 Lec.)
 - A. Test Check – Test Checking Vs Routing Checking, Test Check Meaning, Features, Factors to be considered, when Test Checks can be used, Advantages, Disadvantages, Precautions
 - B. Audit Sampling – Audit Sampling, Meaning, Purpose, Factors in determining sample size – Sampling Risk, Tolerable Error and Expected Error, Methods of selecting Sample Items, Evaluation of Sample Results, Auditors Liability in conducting audit based on Sample
 - C. Internal Control – Meaning and purpose, review of internal control, advantages, auditors duties, review of internal control, Inherent Limitations of Internal control, internal control samples for sales and debtors, purchases and creditors, wages and salaries. Internal Checks Vs Internal Control, Internal Checks Vs Test Checks
 - D. Internal Audit : Meaning, basic principles of establishing Internal audit, objectives, evaluation of internal Audit by statutory auditor, usefulness of Internal Audit, Internal Audit Vs External Audit, Internal Checks Vs Internal Audit
4. **Auditing Techniques : Vouching & Verification** (10 Lec.)
 - A. Audit of Income : Cash Sales, Sales on Approval, Consignment Sales, Sales Returns Recovery of Bad Debts written off, Rental Receipts, Interest and Dividends Received Royalties Received
 - B. Audit of Expenditure : Purchases, Purchase Returns, Salaries and Wages, Rent, Insurance Premium, Telephone expense Postage and Courier, Petty Cash Expenses, Travelling Commission Advertisement, Interest Expense

- C. Audit of Assets Book Debts / Debtors, Stocks – Auditors General Duties; Patterns, Dies and Loose Tools, Spare Parts, Empties and Containers Quoted Investments and Unquoted Investment Trade Marks / Copyrights Patents Know-How Plant and Machinery Land and Buildings Furniture and Fixtures
- D. Audit of Liabilities : Outstanding Expenses, Bills Payable Secured loans Unsecured Loans, Contingent Liabilities

Note: The Law and Standards in force on 1st April immediately preceding the commencement of Academic year will be applicable for ensuing Examinations

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Discipline Specific Elective (DSE) Courses

Accountancy and Financial Management-IV

S.Y.B.Com. : Semester - IV

Syllabus

1. Introduction to Company Accounts 7M

Introduction of Basic Terms : Types of companies, nature and formation of companies, Shares, Debentures, Share Capital, Reserves and surplus, types of assets and liabilities, dividend, format of Balance Sheet (Only theory)

Issue of Shares : Different modes IPO, Private Placements, Preferential, Rights, ESO, SWEAT and ESCROW account, Issue of shares at par, premium and discount, Under subscription and Over subscription of shares, forfeiture and reissue of forfeited shares, issue of shares for consideration other than cash. (Only theory)

Issue of Debentures : Types of Debentures, Issue of debentures at par, premium and discount, Issue of Debentures with consideration of Redemption, Issue of debentures for cash receivable in instalments or at a time Issue of debentures for consideration other than cash. (Only theory)

2. Redemption of Preference Shares 8M

Provision of the Companies Act for redemption of Preference Shares (Sec. 55 of the Companies Act, 2013), Companies (Share and Debentures) Rules.

Methods of Redemption of fully paid up Preference Shares as per Companies Act, 2013 : The proceed of a fresh issue of shares, the capitalisation of undistributed profits and a combination of both, calculation of minimum fresh issue to provide the fund for redemption (Question on entries and/or Balance Sheet)

Note: Companies governed by Section 133 of the Companies Act, 2013 and comply with the accounting standards prescribed for them. Hence, the balance in security premium account not to be utilised for premium payable on redemption of preference shares.

3. Redemption of Debentures

Introduction : Provisions of Section 71 (1) and (4) of the Companies Act, 2013, Creation and investment of DRR including The Companies (Share Capital and Debentures) Rules, 2014, the methods of writing-off discount/loss on issue of debentures; Terms of issue of debentures

Methods of redemption of debentures : By payment in lumpsum and by payment in instalments (excluding from by purchase in open market), Conversion.

(Question on entries. ledgers and/or Balance Sheet and /or redemption of preference shares)

4. Ascertainment and Treatment of Profit Prior to Incorporation

(i) Principles for ascertainment

Preparation of separate combined, columnar Profit and Loss A/c including different basis of allocation of expenses and income

Note : The Law and Standards in force on 1st April immediately preceding the commencement of Academic year will be applicable for ensuing Examinations.

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