

# Gujarat University Syllabus

(Effective from June 1999)

## M.Com. – I

### Economics of Developing Countries

### Group – A (Compulsory)

1. Concepts of growth, development and under development – Indicators and measurement of development – Minimum needs – Physical quality of Life Index.
2. (a) Inter-relationship between population and development – Demo-graphic transition, Population Trap – Population Policy in developing countries.  
(b) Nature and problem of unemployment and underemployment in developing countries – Employment Policies.  
(c) Concept of Poverty Line – Indicators and poverty – Dimenation of poverty in third world – Poverty policies and programmes – Inter-relationship between population, poverty, and unemployment.
3. Transformation of agriculture – Technological and institutional changes in agriculture and their impact on production, productivity and equity.
4. Strategies of Industrialisation – Impact of alternative strategies of growth, self-reliance and employment – Govt. policies of industrialisation in under-developed countries and their effects – Choice of techniques of production – Appropriate technology for developing countries.
5. Role of Monetary and Fiscal policies in economic development – Tax structure and policies in developing countries – Taxation, borrowing and deficit financing as a methods of financing – Public expenditure and their effects.
6. Market economy – its limitations–role of planning in development–models of planning (Aggregate, sectoral and input–output models – basic concepts only)– Experience and process of planning in developing countries.
7. Foreign trade and development – Inward looking and outward looking trade policy and development – Custom union in developing countries – Foreign capital, foreign aid and burden of repayment of debt – Transfer of technology– Multinational Corporations.
8. Working of International Monetary System–Exchange Rate policies–Problem of International Monetary System – Reforms in the present monetary system with reference to developing countries – New World economic order.

### **REFERENCE BOOKS:**

1. Economic in the Third World : Michael P. Todaro
2. Economics of Development and Planning : S.K.Misra and V.K.Puri  
Theory and Practice
3. Economic Planning – Theory and Practice : M. L. Sheth and S. P. Singh
4. Economic Development : Benjamin Higgins



# Gujrat University Syllabus

(Effective from June 1999)

## M.Com. – I

### Business Finance

### Group – A (Compulsory)

#### Section – I

1. (a) **Cost of Capital :**  
Significance – Concept – Specific–Cost for various sources of finance, viz. Cost of Debts (debentures and bonds, deposits and loans).  
Cost of Preference capital, Cost of Equity Capital and Cost of retained earnings – Weighted Average, Cost of Capital.
- (b) **Capital Structure:**  
Planning the initial capital structures – features of a sound or appropriate capital structure – Capital structure theories, viz. Net Income Approach, Net Operating Income Approach, Traditional view, the Modigliani–Millier Hypothesis.
2. (a) **Leverages :**  
Meaning and types of leverages.
- (b) **Operating Leverage :**  
Measurement and degree of operating leverage (simple problems impact of operating leverage on EBIT)
- (c) **Financial Leverage :**  
Measurement and degree of financial leverage; Effects of financial leverage on valuation of a firm (simple problems on calculation of financial leverage and impact of financial leverage on EBT and on the price of the share expected).
- (d) **Combined Leverage**

#### Section – II

3. **Working Capital Management:**
  - (a) **Management of Cash:** (Excluding problems on preparation of Cash Budget) Importance, Functions, Problems – Factors determining Cash flow, Cash Planning, i.e. Cash Forecasting Methods, i.e. receipts and disbursement method and adjusted net income method – long term cash forecasting – determining the optimum cash balance – advantages of cash budget – difficulties in cash budget – advantages and limitations of cash management.
  - (b) **Management of Receivables:**  
Objectives of maintaining receivable – cost of maintaining receivables–determinants of size of receivables – credit procedure for individual accounts – forecasting of receivables,
  - (c) **Management of Inventories:** Need to hold inventories–objectives inventory management techniques.
4. **Dividend Policy :**  
Forms of dividend – practical consideration, constrains in paying dividend – stability and significance and limitations of Stable Dividend Policy. Dividend policy and share valuation – Traditional Position – Walter Model; Gordon Model, Miller and Modigliani Position, Radical Position.
5. **Lease Financing :**  
Nature and Importance –  
Important issues –Impact – effects of the use of Lease Financing from the leasser’s and lasser’s viewpoints.

#### REFERRNCE BOOKS

3. Financial Management : I. M. Pandey
4. Management Finance : V. S. Murthy
5. Financial Management : S. C. Kuchal
6. Financial Management : Khan & Jain
7. Financial Management : Prasana Chandra
8. Financial Decision Making : R.M.Shreevatsava

**(Note: Not more than 30% marks should be allotted for prescribed examples.)**

❖ ❖ ❖

# Gujrat University Syllabus

(Effective from June 1999)

## M.Com. – I

### Cost Accounting – I

Group – B (Optional)

#### Section – I

#### 1. Cost Classification, control and analysis

(a) **Brief idea of cost classification:**

- (i) According to elements
- (ii) According to function or operations
- (iii) According to nature or behaviour
- (iv) According to accountability
- (v) According to normality

(b) **Cost Control:**

- (i) Inventory Control
  - (1) ABC Analysis
  - (2) VED Analysis
  - (3) FNSD Analysis
  - (4) Eco–Basic Model
- (ii) Labour Cost Control : Labour Productivity efficiency
- (iii) Overhead Cost Control: under and over absorption of overheads (treatment only)
- (iv) Learning Curve

#### 2. Integrated Accounts

#### 3. Variance Analysis :

Computation of material, labour, overheads and sales variance, variance analysis excluding opportunity cost analysis; Interpretation, investigation and recording of variances.

#### Section – II

#### 4. Absorption and Variable Costing:

Variable Costing (Direct Costing) and absorption costing – Development of variable costing – Income distinction – advantages of variable costing – damages of variable costing – evaluation of variable costing.

Stock valuation and measuring profits under variable costing and absorption costing.

#### 5. Value Analysis :

Value Analysis, procedure, illustration, advantages, Value Analysis and Engineering; impact of Value Engineering on profit, distinction between Value Engineering and Value Analysis.

Techniques of Value Analysis and Engineering (Conceptual idea)

Total Quality Management

Just In Time

Product Mix Optimization

Cost Effectiveness Analysis

Measurement of Cost Effectiveness

Evaluation of Cost Effectiveness criteria

Steps for evaluation of Cost Effectiveness

#### 6. Activity Based Costing:

Definition and need for Activity Based Costing.

Concept of ABC

Cost drives and cost tools

Main activities and its cost drives.

Allocation of O/H under ABC

Characteristics of ABC

Development of ABC System

Implementation of ABC System

Application of ABC (when to use)

#### 7. Just In Time (JIT)

Introduction and philosophy of JIT

Sources of waste

Aims and objectives of JIT

Characteristics

Methodology implementation in JIT

Benefits in application

Obstacles to successful implementation

Impact of JIT on management

Accounting system

Material Requirement Planning (MRP– 1)

Manufacturing Resource Plan (MRP– 2)

# Gujrat University Syllabus

(Effective from June 1999)

## M.Com. – I

### Cost Accounting – II

Group – B (Optional)

#### Section – I

1. **Basis of Accounting:**
  - (i) Concepts, Conventions, Principles(GAP) of Accounting
  - (ii) Accounting Standards – Need and Process
  - (iii) Indian Accounting Standards; AS 1 to 6 and AS 8 and 9
  - (iv) Harmonisation of Accounting Standards
2. **Preparation of Financial Statements:**
  - (i) Legal requirements under the Companies Act, 1956
  - (ii) Some important issues; inventory, depreciation and tax provisions
  - (iii) Managerial remuneration (including problems)
  - (iv) Recent Trends in presentation of Financial Statements
  - (v) Preparation of Value Added Statement
  - (vi) Advanced level problems.
3. **(a) Hire Purchase Trading Account**  
**(b) Packages & Containers Account**

#### Section – II

4. **Emerging Dimensions in Accounting:**
  - (i) Inflation Accounting – CPP and CCA
  - (ii) Human Resource Accounting
  - (iii) Social Accounting
  - (iv) Environmental Accounting
5. **(a) Holding Company Accounts:**
  - (i) Sec.212 of the Companies Act, 1956.
  - (ii) Consolidated Balance Sheet.**(b) Accounting for Merger and Amalgamation**  
(including inter-company owings and holdings)
6. **Accounts of General Insurance Companies:**
  - (i) Brief idea, about the accounting system of General Insurance Company
  - (ii) Preparation of Final Accounts.

#### REFERENCE BOOKS

1. Advanced Management Accounting : Ravi M. Kishore
2. Cost Accounting : Jawaharlal
3. Cost Accounting – A – Managerial Emphasis : Charles Horngren
4. Cost Accounting Theory and Practice : Basu and Das
5. Accounting for Management Tax & Cases : S. K. Bhattacharya and John Dreaden
6. Management Accounting : N.K. Kulshreshtha  
Concepts and Cases
7. Theory and Problems of Management : M. Y. Khan and P.K. Jain  
and Cost Accounting
8. Advanced Accountancy Vol. – II : S.N.Maheshwari
9. Management Accounting and : S.N.Maheshwari  
Financial Management
10. Cost and Management Accounting : V.K.Saxena and C.D.Vashist  
Methods Technique and Applications
11. Cost Accountancy : Deakin and Maher
12. Management Accounting : I. M. Pandey

❖ ❖ ❖