

## **M. Com- Elective III ( ACCOUNTING & FINANCE)**

### **SEMESTER – III**

- 3S- A1 Corporate Accounting
- 3S- A2 International Accounting
- 3S- F1: Strategic Financial Management
- 3S- F2: Financial Markets and Services

### **SEMESTER – IV**

- 4S- A1 Strategic Cost Management
  - 4S- A2 Management Control Systems.
  - 4S- F1: Security Analysis and Portfolio Management
  - 4S- F2: Financial Derivatives
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## **SEMESTER – III (ACCOUNTING & FINANCE)**

### **3S – A1: CORPORATE ACCOUNTING**

**Unit - I:** Corporate Financial Accounting: Objectives-Scope - Role of Corporate Accountant- Analysis and Interpretation of Financial Statements - Inflation Accounting.

**Unit - II:** Valuation of Shares: Need for Valuation of Shares – Factors Effecting Value of Shares – Methods of Valuation – Impact of Earnings on Share Valuation – Role of Fundamental Analysis and Technical Analysis in Share Valuation – Fair Value of a Share – Buy Back of Equity Shares.

**Unit - III:** Consolidated Financial Statements: Definition of Parent or Holding and its Subsidiary – Need for Consolidated Financial Statement – Preparation of Consolidated Balance Sheet of a Holding Company with one Subsidiary – Consolidation of Profit and Loss Account – Consolidated Statement of Changes in Financial Position.

**Unit - IV:** Accounting Standards: Objectives – Advantages and Disadvantages of Accounting Standards – Accounting Standards Board (ASB) – Compliance with Accounting Standards – International Accounting Standards and Linkage with Indian Accounting Standards – Accounting Standards Under US GAAP and Indian GAAP.

**Unit - V:** Financial Reporting: Concept, Objectives – Users Purpose of Financial Reporting and Specific Purpose of Report – Segment Reporting – Difficulties in Segment Reporting– Interim Reporting – Problems in Interim Reporting – Improving Financial Reporting – Value Added Statements – Disclosure of Value Added Statements – Economic Value Added – Human Resource Reporting - Environmental Reporting.

#### *Suggested Books:*

1. Advanced Accounting – Corporate Accounting Vol. 2 – Ashok Sehgal & Deepak Sehgal, Taxmann Allied Services Pvt Ltd, New Delhi.
2. Advanced Accounting – Volume – 2; R.L. Gupta & Radhaswami S. Chand & Co. Delhi.
3. Financial Accounting: A Managerial Perspective, R. Narayana Swamy, Prentice Hall of India.
4. Financial Accounting for Business Managers: Asish K. Bhattacharyya, Prentice Hall of India.
5. Financial Accounting – A Managerial Perspective – R. Narayana Swami – Prentice Hall of India, New Delhi.
6. Corporate Accounting – S.N. Maheswari & S.K. Maheswari, Vikas Publishing House, New Delhi.

### **3S – A2: INTERNATIONAL ACCOUNTING**

**Unit – I:** International Dimensions of Accounting – Definition and Importance of International Accounting – Scope of International Accounting – Status of International Accounting in India.

**Unit – II:** Internationalisation of Accounting Profession – Harmonization of Accounting Practices – Comparative Analysis Between US GAAP, Indian GAAP and IAS – Models of Uniformity in Accounting.

**Unit – III:** Accounting for Currency Translation – Need – Foreign Exchange and Procedural Issues – Practices.

**Unit – IV:** Transfer Pricing – Definition – Evolution and Approaches to Transfer Pricing in International Business with Special Reference to Multinational Corporations – Indian Experience.

**Unit – V:** International Dimensions of Financial Reporting – Introduction – Transactional Reporting – Considerations Reporting Practices – Recent Changes – Indian Experience.

#### ***Suggested Books:***

1. 'International Accounting' – Dr. Shirin Rathore, Prentice Hall of India Pvt. Ltd., New Delhi.
2. FDC Choi and G.G. Mueller, 'An introduction to multinational Accounting' (Prentice Hall, 1982).
3. 'International Accounting and financial reporting, Rueshhoff (Norlin G)
4. 'International Accounting – A User perspective Shahorkh M. Suddagaran, TAXMAN INDIA. 2000.
5. "Advanced Financial Accounting". Richard E Baker, Valdean C. Lembke Thomases King, McGraw-Hill Higher Education, Irwin, 2005.
6. "Comparative International Accounting" Christopher Nobes & Robert Parker, Pearson Education, 2002, New Delhi.

### **3S – F1: STRATEGIC FINANCIAL MANAGEMENT**

**Unit – I:** Financial Goals and Strategy – Shareholder Value Creation (SCV): Market Value Added (MVA) – Market-to-Book Value (M/BV) – Economic Value Added (EVA) – Managerial Implications of Shareholder Value Creation.

**Unit – II:** Financial Strategy for Capital Structure: Leverage Effect and Shareholders' Risk – Capital Structure Planning and Policy – Financial Options and Value of the Firm – Dividend Policy and Value of the Firm.

**Unit – III:** Investment Strategy – Techniques of Investment Appraisal Under Risk and Uncertainty – Risk Adjusted Net Present Value – Risk Adjusted Internal Rate of Return – Capital Rationing – Decision Tree Approach for Investment Decisions – Evaluation of Lease Vs Borrowing Decision.

**Unit – IV:** Merger Strategy – Theories of Mergers – Horizontal and Conglomerate Mergers – Merger Procedure – Valuation of Firm – Financial Impact of Merger – Merge and Dilution Effect on Earnings Per Share – Merger and Dilution Effect on Business Control.

**Unit – V:** Takeover Strategy – Types of Takeovers – Negotiated and Hostile Bids – Takeover Procedure – Takeover Defenses – Takeover Regulations of SEBI – Distress Restructuring Strategy – Sell offs – Spin Offs – Leveraged Buyouts.

***Suggested Books:***

1. G.P.. Jakhotiya, *Strategic Financial Management*, Vikas Publishing House Pvt. Ltd, Mumbai
2. Robichek, A, and Myers, S., *Optimal Financing Decisions*, Prentice Hall Inc.
3. Van Horn, JC. *Financial Management and Policy*, Prentice Hall.
4. Prasanna Chandra, *Financial Management Theory and Practice*, Tata McGraw Hill.
5. Weston JF, Chung KS & Hoag SE., *Mergers, Restructuring & Corporate Control*, Prentice Hall.
6. Pandey IM, *Financial Management*, Vikas Publishing House Pvt. Ltd, Mumbai

### **3S – F2: FINANCIAL MARKETS AND SERVICES**

**Unit - I:** Structure of Financial System – Role of Financial System in Economic Development- Financial Markets and Financial Instruments- Capital Markets – Money Markets – Primary Market Operations- Role of SEBI – Secondary Market Operations - Regulation – Functions of Stock Exchanges – Listing - Formalities -Financial Services Sector Problems and Reforms.

**Unit - II:** Financial Services: Concept, Nature and Scope of Financial Services – Regulatory Frame Work of Financial Services – Growth of Financial Services in India - Merchant Banking – Meaning –Types – Responsibilities of Merchant Bankers – Role of Merchant Bankers in Issue Management – Regulation of Merchant Banking in India.

**Unit - III:** Venture Capital – Growth of Venture Capital in India – Financing Pattern Under Venture Capital – Legal Aspects and Guidelines for Venture Capital. Leasing – Types of Leases – Evaluation of Leasing Option. Vs. Borrowing.

**Unit - IV:** Credit Rating – Meaning, Functions - Debt Rating System of CRISIL, ICRA and CARE. Factoring, Forfeiting and Bill Discounting –Types of Factoring Arrangements- Factoring in the Indian Context.

**Unit - V:** Mutual Funds – Concept and Objectives, Functions and Portfolio Classification, Organization and Management, Guidelines for Mutual Funds, Working of Public and Private Mutual Funds in India. Debt Securitisation - Concept and Application - De-mat Services-need and Operations-role of NSDL and CSDL.

#### ***Suggested Books:***

1. I.M. Bhole, Financial Institutions and market, Tata McGraw Hill.
2. V.A. Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai.
3. Vasant Desai, Indian financial system, Himalaya Publisher.
4. Benton E.G., Financial Intermediaries An introduction.
5. Edminister R. D, Financial Institution, Markets and Management.
6. Verma J.C A manual of Merchant Banking.
8. N. Vinaykan, A Profile of Indian Capital Market.

## SEMESTER – IV (ACCOUNTING & FINANCE)

### 4S – A1: STRATEGIC COST MANAGEMENT

**Unit – I:** Cost Management – Nature and Scope – Management of Value Chain – Tools of Cost Management. Product Costing Systems – Concepts and Design Issues.

**Unit – II:** Activity Based Costing System – Meaning and Scope – Limitations of Traditional Costing Allocation Methods – Application of ABC System – Activity – Based Management – Concept and Scope – Target Costing – Benchmark Costing.

**Unit – III:** Quality Cost Systems – Meaning and Application – Conflict Between Quality and Cost – Trade-off Between Quality and Price – Value Analysis – Life Cycle Costing – Learning Curve Analysis – JIT.

**Unit – IV:** Cost Estimation – Methods – Costing Engineering – Using Regression Analysis – Evaluating Performance – Variance Analysis – Kaizen Costing.

**Unit – V:** Cost Control and Cost Reduction – Managerial and Technical Aspects – Meeting the Cost Reduction Challenges Role of Cost Accountant.

#### *Suggested Books:*

1. 'Cost Management' – Strategies for Business Decisions HILTON, MAHER and SELT, Tata McGraw Hill, II ed. 2002.
2. 'Cost Accounting' – Principles and Practice, B.M.Lall Nigam, Prentice Hall of India.
3. Cost Accounting: Theory and Practice, Bhabatosh Benarjee, Prentice Hall of India.
4. "Cost Accounting" – Jain and Narang.
5. 'Cost Accounting' – A Managerial Emphasis' Chrles Tn Horngren.

## 4S – A2: MANAGEMENT CONTROL SYSTEMS

**Unit -I:** Management Control: Objectives- Basic Concepts- The Formula Control Systems, Characteristics of Management Control Systems- Inter Relationship Among Strategic Planning, Management Control and Operational Control – Designing and Introduction of Management Control System – Management Control System and Responsibility Accounting -Informal Management Controls.

**Unit -II:** Structure of Management Control : Need for Delegation- Responsibility Centers – Expense Centers -Revenue Centers – Profit Centers- Investment Centers, Research and Development Centers – Administrative and Support Centers – Performance of Expense Centers – Revenue Centers – Profit Centers – Investment centers – Organizational Structure of Responsibility Centers – Transfer Pricing – Objectives – Methods – Pricing Corporate Services and Administration of Transfer Prices.

**Unit -III:** Management Control Process: Strategic Planning – Nature, Analysis of New Programmes – Ongoing Programmes – Strategic Planning Process – Programming and Budgeting – Budget Preparation Process; Performance Evaluation – Performance Evaluation Systems Interactive Control – Analysing and Reporting – Types of Reports – Report Preparation – MIS –MIS & Computers.

**Unit -IV:** Special Applications: Controls for Differentiated Strategies – Corporate Strategy – Strategic Business Unit Concept – Top Management Style – Management Control in Service Organizations; Professional Services – Financial Services – Healthcare Service Organizations – Management Control in Non-profit Organizations – Characteristics – Measuring Output – Pricing Management Structure – Control in NPOs.

**Unit -V:** Management Control in Multinational and Multi project Corporations (MNCs): Objectives, Characteristics, Performance Measurement of Subsidiaries Reporting System – Need for MIS Between Parent and Subsidiary Companies – Structure of Multi Project Organization – Characteristics, Project Planning and Control Techniques, Control Indicators in Multi Project Organizations.

### *Suggested Books:*

1. Management control Systems – Robert Anthony and Vijay Govindarajan Tata – McGrawhill publishing Company, New Delhi.
2. Management Control Systems, N. Ghosh, Prentice Hall of India.
3. Management information and control systems – Dr. Sushila Madan. Taxmann Allied Services Pvt. Ltd., New Delhi.
4. Management Control systems Text and Cases – Subhash Sharma Tata- McGrawhill publishing Company, New Delhi.

## **4S – F1: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

**Unit – I:** Concept of Investment, Investment Vs Speculation, and Security Investment Vs Non-security Forms of Investment. Investment Process; Sources of Investment Information. Security Markets – Primary and Secondary – Market Indices.

**Unit – II:** Return and Risk – Meaning and Measurement of Security Returns. Meaning and Types of Security Risks, Systematic Vs Non-systematic Risk. Measurement of Total Risk.

**Unit – III:** Fundamental Analysis – Economy, Industry and Company Analysis, Intrinsic Value Approach to Valuation of Bonds, Preference Shares and Equity Shares.

**Unit – IV:** Technical Analysis – Concept and Tools of Techniques Analysis – Technical Analysis Vs Fundamental Analysis. Efficient Market Hypothesis; Concept and Forms of Market Efficiency.

**Unit – V:** Elements of Portfolio Management, Portfolio Models – Markowitz Model, Sharpe Single Index Model and Capital Asset Pricing Model. Efficient Frontier and Selection of Optimal Portfolio. Performance Evaluation of Portfolios; Sharpe Model – Jensen's Model for PF Evaluation.

### *Suggested Books:*

1. Donald E. Fischer, Ronald J. Jordan, Security Analysis and Portfolio Management; Prentice Hall of India.
2. Prasanna Chandra, Investment Analysis and Portfolio Management, Tata McGraw Hill.
3. S. Kevin, Security Analysis and Portfolio Management, Prentice Hall of India.
4. J.C. Francis, Investments – Analysis and Management, McGraw Hill Int.
- 5.. Avadhani, VA, SAPM, Himalaya Publishers.
6. Bhalla, VK Investment Management, S Chand.
7. Punitavathy Pandian, SAPM, Vikas.



## 4S – F2 FINANCIAL DERIVATIVES

**Unit - I:** Introduction to Financial Derivatives – Meaning and Need – Growth of Financial Derivatives in India – Derivative Markets – Participants- Functions – Types of Derivatives – Forwards – Futures – Options-Swaps – The Regulatory Framework of Derivatives Trading in India.

**Unit - II:** Features of Futures –Differences Between Forwards and Futures – Financial Futures – Trading – Currency Futures – Interest Rate Futures – Pricing of Future Contracts- Value at Risk (VaR)-Hedging Strategies – Hedging with Stock Index Futures – Types of Members and Margining System in India – Futures Trading on BSE & NSE.

**Unit - III:** Options Market – Meaning & Need – Options Vs Futures -Types of Options Contracts – Call Options – Put Options- Trading Strategies Involving Options – Basic Option Positions – Margins – Options on Stock Indices – Option Markets in India on NSE and BSE.

**Unit - IV:** Option Pricing – Intrinsic Value and Time Value- Pricing at Expiration – Factors Affecting Options pricing- Put-Call Parity Pricing Relationship- Pricing Models - Introduction to Binominal Option Pricing Model – Black Scholes Option Pricing Model.

**Unit – V:** Swaps – Meaning – Overview – The Structure of Swaps – Interest Rate Swaps – Currency Swaps – Commodity Swaps – Swap Variant – Swap Dealer Role – Equity Swaps – Economic Functions of Swap Transactions - FRAs and Swaps.

### *Suggested Books:*

1. Hull C. John, “Options, Futures and Other Derivatives”, Pearson Educations Publishers,
2. David Thomas. W & Dubofsky Miller. Jr., Derivatives valuation and Risk Management, Oxford University, Indian Edition.
3. ND Vohra & BR Baghi, Futures and Options, Tata McGraw-Hill Publishing Company Ltd.
4. . Sunil K.Parameswaran, “Futures Markets: Theory and Practice” Tata-McGraw-Hill Publishing Company Ltd.
5. D.C. Patwari, Financial Futures and Options, Jaico Publishing House.
- 6 T.V. Somanathan, Derivatives, Tata McGraw-Hill Publishing Company Ltd.
7. S.C. Gupta, Financial Derivatives: Theory, Concepts and Problems, Prentice Hall of India.