

**ANDHRA PRADESH STATE COUNCIL OF HIGHER EDUCATION**  
(A Statutory body of the Government of Andhra Pradesh)

Syllabus under CBCS (Implemented from Academic year 2020-21)  
**PROGRAMME: FOUR YEAR B.COM (Hons)**

Subject: **Commerce**

**Syllabus for Semester VII and VIII**

*(Syllabus with Learning Outcomes, References, Co-curricular Activities)*

**Structure of Semesters – VII and VIII**

*(To choose ONE Specialization from the Four alternates)*

*(For each course: Hours/Week: 05, Credits: 4, Max Marks: 100)*

**GROUP A: ACCOUNTING AND FINANCE**

ACCOUNTING & FINANCE						
Year	Semester	Course Code	Type of Course		Hrs/Week	Credits
4	VII	7.1 (A) 7.1 (B)	Accounting for Special Institutions / Financial Institutions and Markets	Core	5	5
4	VII	7.2 (A) 7.2 (B)	Indian Accounting Standards / Financial Planning	Core	5	5
4	VII	7.3 (A) 7.3 (B)	Banking and Insurance Company Accounts / Financial Management	Core	5	5
4	VII	7.4 (A) 7.4 (B)	Accounting Theory and Financial Reporting / Fundamentals of Financial Technology	SEC	5	5
4	VII	7.5 (A) 7.5 (B)	Advanced Computerized Accounting / Investment Management	SEC	5	5

ACCOUNTING & FINANCE						
Year	Semester	Course Code	Type of Course		Hrs/Week	Credits
4	VIII	8.1 (A) 8.1 (B)	Advanced Cost and Management Accounting / International Financial System	Core	5	5
4	VIII	8.2 (A) 8.2 (B)	Advanced Financial Accounting / Financial Reporting	Core	5	5
4	VIII	8.3 (A) 8.3 (B)	Corporate Reporting / Behavioural Finance	Core	5	5
4	VIII	8.4 (A) 8.4 (B)	Strategic Cost Management / Financial Derivatives	SEC	5	5
4	VIII	8.5 (A) 8.5 (B)	Accounting for Managerial Decision Making / Security Analysis and Portfolio Management	SEC	5	5

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER-VII - ACCOUNTING FOR SPECIAL INSTITUTIONS.**

**Course Code: 7.1 (A)**

**Credits: 05**

**Max marks 100**

**Course objective:**

Students will learn relevant special institutions and their recording of expenses and incomes also preparation of final accounts.

**Learning outcomes:**

- To learn how books are maintained and financial statements for educational institutions
- To study different types of hospitals and how financial statements differ.
- To learn the process relating to purchases and sales of hotels and restaurants.
- To learn the topics relating to farm accounting
- To gain knowledge regarding the double accounting system and their real time uses.

**Syllabus:**

**Unit 1: Accounting for Educational Institutions:**

Meaning -Books to be maintained-Sources and Expenditure-Annual Statement of Accounts.

**Unit 2: Accounting for Hospitals:**

Meaning -Types of Hospitals –Sources and Expenditure - Funds-Preparation of Final Accounts.

**Unit 3: Accounting for Hotels and Restaurants:**

Objectives - Purchases-Sales-Some Special Items Relating to Hotel Business-Appportionment of Common Expenses to various departments.

**Unit 4: Farm Accounting:**

Objectives-Features-How Transactions are recorded-Usual Heads of expenses and Incomes of some farms.

**Unit 5: Double Accounting System (Electricity Company Accounts):**

Meaning -Advantages and Disadvantages of Double Accounting System- Difference between Single Account and Double Accounting System-Difference between Double Entry System and Double Accounting System-Replacement of an asset-Accounts of Electricity Companies.

**Practical components:**

- Students should get knowledge about the expenses and books maintained in educational institutions by observing different departments in their institutions.

- Students should visit hotels and interact with the managers regarding the special items relating to business and statements prepared.
- By management cooperation students should visit hospitals also search for the expenses and books of special institutions from other books and search engines.
- All the students should form in groups and provide a presentation with images and videos of their visit in such hospital or institution or hotels so that other students also able to learn the view.

**Reference Books:**

1. Advanced Accountancy- S.N. Maheswari, Vikas Publishing House Pvt. Ltd.
2. Practice In Accountancy- Basu & Das, Ravindra library
3. Advanced Accountancy- Arulanandam and Raman, Himalaya Publication
4. Advanced Accountancy- Vol.2 R.L.Gupa and Radhaswamy, Sultan Chand &Co
5. Advanced Accountancy- SP Jain and KL. Narang, Kalyani Publications
6. Advanced Accountancy- Shukla & Grewal; S.Chand Publications.

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – INDIAN ACCOUNTING STANDARDS**

**Course Code: 7.2 (A)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To enable the students to have thorough knowledge in accounting theory and accounting standards for accounting profession.

**Learning outcomes:**

- To understand the objectives, significance, advantages, disadvantages of accounting standards.
- To acquire the conceptual knowledge of procedure for issuing accounting standards and accounting standards board, scope and functions
- To analyse various accounting standards and their disclosure requirements.
- Familiarize and understand the International Financial Reporting Standards (IAS or IFRS) and their application to the companies who use them.
- Evaluate various accounting standards

**Syllabus:**

**Unit 1: Introduction:**

Accounting Standards – Meaning - Objectives – Significance - Advantages and Disadvantages – Procedure for issue of Accounting Standards by ICAI– Scope – Accounting Standards Board – Formation, Scope and Function –Compliance of accounting standards- Indian Accounting Standards issued so far (list only).

**Unit 2: Conceptual Framework for preparation and presentation of financial statements:**

Meaning, Purpose and status of framework – Components, Objectives of financial statements – Qualitative characteristics of financial statements – Elements of financial statements and their measurement - Fundamental accounting assumptions.

**Unit 3: Accounting Standards-I:**

AS-1: Disclosure of Accounting policies – AS-2: Valuation of inventories –AS-3: Cash flow statement – AS-4: Contingencies in balance sheet –AS-5: Net profit or loss, prior period items and changes – AS-7: Construction Contracts (Theory only)

**Unit 4: Accounting Standards-II:**

AS-9: Revenue Recognition – AS 10: Accounting for Fixed assets AS-11: Effects of changes in foreign exchange rates- AS-12: Accounting for government grants – AS-13: Accounting for investments – AS-14: Accounting for Amalgamation. (Theory only)

**Unit 5: Accounting Standards-III:**

AS-16: Borrowing costs - AS-19: Leases – AS-20: Earning per share - AS-26: Intangible assets – AS-29: Provisions, Contingent liabilities and assets - International Financial Reporting Standards (IFRS): Meaning- Objectives – Procedure – Challenges. (Theory only)

**Practical components:**

- All students are divided into groups. Each group should prepare questions on particular accounting standards and provide them to other groups for solving.
- Students have to read the provisions of relating to Indian accounting standards comparing with accounting standards
- All students should get familiar with MCA website and gain research about the structure of accounting standard formulation.
- Students should form teams and provide seminars on the topic and provide presentations for communication skills.

**Reference Books:**

1. Taxman's Students' Guide to Accounting Standards, D. S. Rawat, Taxman Publications.
2. Tulsian's Select Accounting Standards, CA (Dr) P.C. Tulsian, S. Chand Publications
3. Accounting and Auditing Standards, Dr. M. Srinivasulu and Others, Himalaya Publishing House
4. Compendium of Statements and Standards on Accounting, The Institute of Chartered Accountants of India, New Delhi.
5. T. P. Ghosh, Accounting Standards and Corporate Accounting Practices, Taxman Publications.

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – BANKING AND INSURANCE COMPANY ACCOUNTS.**

**Course Code: 7.3 (A)**

**Credits: 05**

**Max marks 100**

**Course objective:**

Students should acquire knowledge about preparation of financial statements of banking and insurance companies.

**Learning outcomes:**

- To acquire knowledge for preparation of memorandum trading account and claim statement
- To familiarize the points relates to loss of profits.
- To understand about life insurance and to prepare financial statements of life insurance corporation
- To compare life insurance and general insurance, to prepare financial statements of fire and marine insurance companies.
- To equip the students with the preparation of financial statements of Insurance and Banking companies

**Syllabus:**

**Unit 1: Fire Insurance Claims I (Loss of stock):**

Meaning of Fire – Claim for Loss of Stock – Average Clause - Preparation of Memorandum Trading Account and claim Statement.

**Unit 2: Fire Insurance Claims II (Loss of profit or Consequential Loss):**

Important points – Indemnity period, short sales, standard charges, increased cost of working, rate of gross profit – Procedure for ascertaining claim.

**Unit 3: Accounts of Insurance Companies I:**

Meaning of insurance- types of insurance- Books or registers to be maintained by insurance company – Terminology used in Insurance companies -Life Insurance Companies – preparation of Revenue Account, Balance sheet and valuation Balance sheet.

**Unit 4: Accounts of Insurance Companies II:**

General Insurance –Reserve for unexpired risks – Differences between life insurance and general insurance - Preparation of final accounts with special reference to fire and marine insurance only.

**Unit 5: Bank Accounts:**

Bank Accounts - Books and registers to be maintained by Banks - Slip system of posting - Rebate on Bills discounted - Schedule of advances - Nonperforming assets - preparation of profit & loss a/c and balance sheet.

### **Practical components**

- All students should form into groups and discuss about the different adjustments and models of problems and how to solve them.
- Detailed research regarding different types of insurance.
- Students should read some policy bonds for reference and what are the clauses are made and what are all the documents required.
- Research for the books maintained by the banks and the bank policies regarding performing and non-performing assets through search engines.

### **Reference Books:**

1. Advanced Accountancy- S.N.Maheswari, Vikas Publishing House Pvt. Ltd.
2. Practice In Accountancy- Basu & Das, Ravindra library
3. Advanced Accountancy- Arulanandam and Raman-Himalaya Publication
4. Advanced Accountancy- Vol.2 R.L.Gupa and Radhaswamy, Sultan Chand & Co
5. Advanced Accountancy- Sp Jain And Kl. Narand, Kalyani Publications
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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – ACCOUNTING THEORY AND FINANCIAL REPORTING**

**Course Code: 7.4 (A)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

By the end of the course, students will be able to explain fundamentals of accounting also different approaches of accounting theory. Learning of conceptual frame work, global initiative in financial reporting and value added statements.

**Learning outcomes:**

- To acquire knowledge about fundamentals of accounting, different approaches of accounting theory, accounting postulates, concepts and principles
- To learn about conceptual framework of financial reporting, its objectives and functions.
- To gain knowledge about management reports in companies Act, 2013
- To learn the limitations of Conventional financial statements, methods of accounting for changing prices
- To have thorough information about value added statements, benefits, market value and economic added shareholders.

**Syllabus:**

**Unit 1: Fundamentals of accounting:**

Meaning, Nature and significance, Classification, Evolution, Role and Users of Accounting and Accounting Theory, History of Accounting Thoughts. Approaches to Accounting Theory. Accounting Postulates, Concepts and Principles. (Theory only)

**Unit 2: Financial Reporting:**

Meaning - conceptual frame work - Evaluation –objectives – functions - financial reporting process - character sties of financial statements – global initiative in financial reporting. (Theory only)

**Unit 3: Companies Act 2013:**

Reporting requirements - National Financial Reporting Authority (NFRA) - Board of directors - director's report – Business Responsibility Report – corporate governance reporting – corporate social reasonability reporting. (Theory only)

**Unit 4: Accounting for Price level changes:**

Introduction, Limitations of Conventional Financial Statements - Methods of Accounting for Changing Prices.

**Unit 5: Developments in financial reporting:**

Value added statements – Advantages and Limitations -Economic Value Added, Shareholders Value Added –uses; Market Value Added – Benefits and Limitations; Market Value Added Vs. Economic Value Added. (Simple problems and theory).

**Practical components:**

- The students can identify history of accounting and accounting postulates within accounting theory
- Analyse the objectives, evaluation and functions of financial reporting also global initiative in financial reporting
- Students should get information regarding companies act, how the act come into force from various sources.
- Students should form groups and visit small companies and get information about the human resource accounting is done and gain knowledge regarding the objectives and process of human resource from recruitment to performance of an employee.

**Reference Books:**

1. Advanced Accountancy- Vol.1 & 2 S.N.Maheswari, Vikas Publishing House Pvt. Ltd.
2. Practice In Accountancy- Vol.1& 2 Basu & Das, Ravindra library
3. Advanced Accountancy- Vol.1 & 2 Arulanandam and Raman, Himalaya Publication
4. Advanced Accountancy- Vol.1 & 2 R.L.Gupa and Radhaswamy, Sultan Chand & Co
5. Advanced Accountancy- Vol.1 & 2 Sp Jain and Kl. Narand, Kalyani Publications
6. Advanced Accountancy- Vol.1 & 2 Shukla & Grewal S.Chand Publications.
7. Financial Reporting- M.P.Vijay Kumar, Snow White Publications
8. Financial Reporting – B.D.Chaterjee, Taxman Publications
9. Financial Reporting - P.C. Tulsian, S. Chand Publications

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**GROUP A: ACCOUNTING AND FINANCE**  
**SEMESTER VII – TALLY WITH GST**

**Course Code: 7.5 (A)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

To know about the computerized accounting and accounting software Tally and Accounting of various vouchers, inventory and GST through Tally.

**Learning outcomes:**

- To introduce the students to Basic of Accounts and the usage of Tally for accounting purpose.
- To help students to work with well- known accounting software i.e. Tally Prime. Tally is an accounting package which is used for learning to maintain accounts.
- Students will learn to create company, enter accounting voucher entries including advance voucher entries, do reconcile bank statement, do accrual adjustments, and also print financial statements, etc. in Tally Prime software.
- Demonstrate an understanding of various predefined inventory vouchers to suit the various business requirements and flexibility to create unlimited stock items, use simple to complex conversion units and generate invoices with the required information and dimensions.
- Demonstrate an understanding of how to maintain a payroll register .This helps to understand how to maintain management related information, statutory forms and reports in the prescribed formats such as: Pay Slip ,Payroll Statements, Attendance and Overtime Registers etc
- Develop the students use the Tally software, that helps to prepare Accounting, Payroll, Billing, Sales and Profit Analysis, Auditing Banking Inventory, Taxation such as GST, VAT, TDS, TCS etc

**Syllabus:**

**Unit 1: Introduction to Computerized Accounting:**

Introduction to Computerized Accounting – Meaning and Scope – Features of Computerized Accounting - Advantages and Limitations of Computerized Accounting – Computerized Accounting VS Manual Accounting – Accounting Software – Types of Accounting Software.

**Unit 2: Accounting Software Tally:**

Features of Tally – Tally Configuration - Tally Screen Components – Company Creation, Alter and Delete – Company features – Configuration – Group Company – Creating and Altering GROUP A Company – Processing Transactions in Tally – Tally Groups and sub

Groups – Group Creation, Alter and Delete — Managing Groups - Ledgers – Creation, Alter and Delete Ledgers.

**Unit 3: Accounting Vouchers:**

Recording of Transactions – Voucher Types – Payment Voucher – Receipt Voucher – Contra Voucher – Sales Voucher – Purchase Voucher – Journal Voucher – Creation, Alteration and Deletion of Vouchers – New Voucher Types – Display Vouchers – Create, Alter and Delete Foreign Currencies – Voucher entry using foreign currencies.

**Unit 4: Accounts with Inventory:**

Introduction to inventory – Inventory Methods – Units of Measurement Creation, Alter and Delete – Stock Groups – Creation, Display, Alter and Deletion of Stock Groups – Stock Items – Create, Alter, Display and Deletion of Stock Items – Stock Valuation methods – FIFO, LIFO, Average stock level, Minimum Level and Maximum Level – Creation of Sales order and Purchases Order – Rejection In and Rejection Out – Manufacturing journal – POS Invoice -- Creation of Cost Centers – Creation of Godown.

**Unit 5: Taxes and Report Generation:**

Enabling TDS/TCS and GST --- GST configuration at Company level, Stock group level and stock item level – GST Ledgers creation – Voucher entry using GST -- Financial Reports in Tally – Trial Balance - Trading and Profit and Loss Account – Balance Sheet – Bank Reconciliation Statement - Stock Summary Report – Ratio Analysis – Funds Flow Statement – Godown summary Report – Statutory Reports – GST, TDS Reports – Job costing using Tally,

**Practical Components:**

- Students should practice Tally vouchers and company creation in tally software
- Identifying different transactions along with correct voucher entries, identifying heads of incomes and expenses also assets and liabilities.
- Practice on latest provision examples which include TDS and GST
- All students should attend the practical sessions to generate financial reports.

**Reference Books:**

1. Tally, C.NellaiKannan, Nels Publications, 2009, 2nd Edition, New Delhi.
2. Asok K. Nadhani, Tally.ERP 9, BPB Publications, 2010, 1<sup>st</sup> Edition, New Delhi.
3. Tally 9, Dr.K.Kiran Kumar, Sri Laasya Publications, 2009, 2<sup>nd</sup> Edition, New Delhi.
4. Comdex Tally 9 Course Kit – Namrata Agrawal, Sanjay Kumar – wiley, 2009 1st Edition, New Delhi.
5. Tally 9 In Simple Steps - Kogent Learning Solutions Inc. - Dreamtech Press, 2009, 6<sup>th</sup> Edition, New Delhi.
6. Vikas Gupta, Computer and Financial Accounting with Tally 9.0, BPB Publications, 2007, 2<sup>nd</sup> Edition, New Delhi.

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – ADVANCED COST AND MANAGEMENT ACCOUNTING**

**Course Code: 8.1 (A)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

Critically analyse and provide recommendations to improve the operations of organisations through the application of management accounting techniques; demonstrate mastery of costing systems, cost management systems, budgeting systems and performance measurement systems.

**Learning outcomes:**

- Identifying the cost unit of transport undertaking and analyses of operating costs
- To learn and solve problems about principle ledgers and overheads valuation
- To gain knowledge about reconciliation of cost and procedure for reconciliation
- To solve the budgeting methods and learn about kinds of budgets.
- To learn how to solve working capital problems and understand the process.

**Syllabus:**

**Unit 1: Operating costing:**

Introduction- Analysis of operating costs – Cost unit for transport undertaking- Cost ascertainment.

**Unit 2: Cost control accounts:**

Principle ledgers – Principle accounts – Treatment of over and under absorption of overhead – Important journal entries.

**Unit 3: Reconciliation of Cost and Financial Accounts:**

Reconciliation Meaning – Reasons for difference in reporting profits - Procedure for Reconciliation – Preparation of reconciliation statement.

**Unit 4: Budgetary Control:**

Meaning – need – difference between budget and forecast. Budgetary control: Definition - objectives- features – advantages - limitations. Organization for budgetary control: Budget manual - budget period - key factor. Classification of budgets. Preparation of budgets: Sales budget –production budget – purchase budget – cash budget – master budget – flexible budget - zero base budget. Performance Budget.

**Unit 5: Working capital Management:**

Meaning – Concept and classification of working capital – factors determining working capital requirement – Estimation of working capital.

### **Practical Components**

- All students should form into groups and discuss about the different adjustments and models of problems and how to solve them.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All students should be involved in the group activity like quiz regarding treatment of different under or over absorption of overheads.
- All students should solve previous examination papers for practice.

### **Reference Books:**

1. Cost accounting by Jain and Narang, Kalyani Publications
2. Cost accounting M.N.Arora, Himalaya Publications
3. Advanced cost accounting – J.Made Gowda, Himalaya Publications
4. Financial management - Sashi K Gupta,. Anuj Gupta, Kalyani Publications
5. Financial Management - Dr. D. Surya Chandar Rao, Dr.P.Venu Gopal, Dr.G.V.S.R.N.S.A.Sastry and J. Ambica, Himalaya Publications

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – ADVANCED FINANCIAL ACCOUNTING**

**Course Code: 8.2 (A)**

**Credits: 05**

**Max marks 100**

**Course objective:**

Prepare you to analyse, interpret, and use financial statements effectively, both from a general manager and from an investor perspective

**Learning outcomes:**

- To obtain knowledge about the procedure for the preparation of deficiency account by an insolvent person also the differences between statement of affairs and balance sheet.
- To learn process of accounting of royalty accounts
- To gain knowledge about various methods of branch accounts and their preparation in head office and branch books.
- To gain knowledge of types of investment and their valuation also preparation of investment accounts.
- To analyse the expenses and their treatment in preparation of departmental profit and loss account.
- To observe the differences between branch accounts and departmental accounts.

**Syllabus:**

**Unit 1: Insolvency accounts: Introduction:**

Insolvency procedure- statements and lists to be prepared by the insolvent – statement of affairs and deficiency a/c - distinction between a balance sheet and a statement of affairs

**Unit 2: Royalty Accounts:**

Introduction – Accounting entries in the books of lessee and lessor – Sub lease (Theory and Problems)

**Unit 3: Investment accounting:**

Introduction- Cum dividend and ex – dividend transaction – Cum – interest and ex interest transactions- Brokerage and expenses- accounting entries of cum dividend/ interest purchase and sale- ex dividend/ interest purchase and sale- bonus and rights issue- closing of investment accounts. (Theory and Problems)

**Unit 4: Branch Accounts:**

Objectives and features-books of accounts-methods of accounting- Debtors system & stock and debtors system.

**Unit 5: Departmental Accounts:**

Need-Features-Basis of allocation of expenses, treatment of interdepartmental transfer-preparation of departmental trading profit and loss account- differences between Branch Accounting and Departmental Accounting

### **Practical Components**

- All students should form into groups and discuss about the different adjustments and models of problems and how to solve them.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All students should be involved in the group activity like quiz regarding basis of apportionment of expenses and incomes in profit or loss prior to incorporation
- All students should solve previous examination papers for practice

### **Reference Books:**

1. Advanced Accountancy- Vol 2 S.N.Maheswari, Vikas Publishing House Pvt. Ltd.
2. Practice In Accountancy- Vol 2 Basu & Das, Ravindra library
3. Advanced Accountancy- Arulanandam And Raman, Himalaya Publication
4. Advanced Accountancy- Vol.1&2 R.L.Gupta and Radhaswamy, Sultan Chand & Co
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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – CORPORATE REPORTING**

**Course Code: 8.3 (A)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To know the professional behaviour and compliance with accounting standards also performance reporting, group accounting including statements and effect of changes in accounting standards.

**Learning outcomes:**

- This course builds on the concepts, conventions and principles introduced in Financial Accounting and Financial Reporting.
- This course is designed to give learners a thorough grounding in the practical and theoretical aspects of financial reporting at an advanced level.
- The course aims to enable the learner to analyse and evaluate the financial statements of both individual and group entities.
- To develop the learner's critical understanding of the current issues in financial reporting, including the professional and ethical duties of an accountant.
- Understanding of performance measurement and social reporting.

**Syllabus:**

**Unit 1: Professional behaviour:**

Professional behaviour and compliance with accounting standards, Ethical requirements of corporate reporting and the consequences of unethical behaviour, Social responsibility, The applications, strengths and weaknesses of an accounting framework. Critical evaluation of principles and Practices

**Unit 2: Performance reporting:**

Performance reporting - Non-current assets, Financial instruments, Leases, Segment reporting, Employee benefits, Income taxes, Provisions, contingencies and events after the reporting date, Related parties, Share-based payment, Reporting requirements of small and medium-sized entities (SMEs)

**Unit3: Group accounting:**

Group accounting including statements of cash flows, Continuing and discontinued interests, Changes in group structures, Foreign transactions and entities, Financial reporting in specialized, not-for-profit and public sector entities, Entity reconstructions

**Unit 4: The effect of changes in accounting standards:**

The effect of changes in accounting standards on accounting systems, Proposed changes to accounting standards, The creation of suitable accounting policies, Analysis and interpretation of financial information

**Unit 5: Measurement of performance:**

Environmental and social reporting, Convergence between national and international reporting standards, Current reporting issues.

**Practical components:**

- All students should form into groups for group discussions on proposed standards their effect in accounting.
- Students should gain knowledge on different type of entities like SME also visit some SME to understand the procedure and requirements to start a SME.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All students should form into groups and discuss about the different adjustments in foreign transactions and entities, not-for-profit and public sector entities.

**Reference Books**

1. Corporate Reporting, Study Text, ACCA Study Text, Kaplan Publishing
2. ACCA Advanced Financial Reporting, BPP Learning Media
3. Advanced Financial Reporting, ICAI
4. Corporate Financial reporting textbook by ICMAI latest edition
5. Financial accounting and reporting by Barry Elliott and Jamie Elliott, Prentice Hall

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – STRATEGIC COST MANAGEMENT**

**Course Code: 8.4 (A)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

This basic objective of the course is to provide strategic cost information and Techniques and their application to 'efficient and effective' business decisions.

**Learning outcomes:**

- To understand about the cost drivers, concepts and their allocation and apportionment
- Evaluate various cost techniques and methods
- To gain knowledge regarding uniform costing and its objectives, pros and cons
- To familiarize about transfer pricing and its use
- To know the theory of constraints and problems regarding target costing.

**Syllabus:**

**Unit 1: Introduction to Strategic Cost Management:**

Basic Cost Concepts, Cost Drivers, Cost allocation and apportionment – Strategic Analysis and Strategic Cost Management.

**Unit 2: Cost Management Systems:**

Job Costing – Process Costing – Joint Products – Strategic Profitability Analysis – Pricing Decisions and Cost Management.

**Unit-3: Uniform costing and inter firm comparison:**

Meaning- Objectives – Advantages, limitations of uniform costing and inter firm comparisons.

**Unit 4: Responsibility accounting and transfer price:**

Meaning- significance – prerequisite- responsibility – responsibility centre and their types – advantages of responsibility accounting – Transfer price – transfer pricing methods.

**Unit 5: Contemporary Cost Management:**

Target Costing – Theory of Constraints – Life cycle Costing – Management Control and Strategic Performance Measurement.

**Practical Components:**

- Students should learn the concept of cost drivers so that it helps mostly in problem solving

- All the students should involve in group activity like quiz for apportionment and allocation of cost from respected drivers
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams for the group discussions how the strategic cost management should be effective and what are the effects in the present day environment

**Reference Books:**

1. Jawaharlal, Cost Accounting, Tata McGraw Hill, Second Edition, 1999.
2. Nigam and Jai, Cost Accounting Principles and Practice, Prentice Hall of India Publishers, 2000.
3. Blocher, I., Chen, Lin, Cost Management: A Strategic Emphasis, McGraw Hill, 1999
4. 4.Herngren, Datar and Foster, Cost Accounting: A Managerial Emphasis, Pearson Education, Eleventh Edition, 2003
5. Advanced cost accounting, J Made Gowda, Himalaya Publishing house.

**ANDHRA PRADESH STATE COUNCIL OF HIGHER EDUCATION**  
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**PROGRAMME: FOUR-YEAR B Com. (Hons)**  
**DOMAIN SUBJECT: COMMERCE**  
**Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)**

**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – ACCOUNTING FOR MANAGERIAL DECISION MAKING**

**Course Code: 8.5 (A)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

To familiarize and acquaint the student with various investment process and decisions to be made by managers based on different approaches.

**Learning outcomes:**

- Understand various costing systems and management systems
- Analyse and provide recommendations to improve the operations of organisations through the application of Capital investment process
- Evaluate the costs and benefits and make the organisation to take the right decision on investment
- Familiarize different elements of cost of capital and valuation of cost of equity, debt, retained earnings and calculation of weighted average cost of capital.
- Gain knowledge about return on investment, EVA concept and performance budgeting.

**Syllabus:**

**Unit 1: Management Accounting:**

Nature – Scope and functions – Role of management accountant - -cost concepts and classification – variable costing and absorption costing – Emerging costing approaches – life cycle costing – quality costing –Kaizen costing – throughput costing –back flush costing – activity based costing – Introduction – concepts – cost drivers and cost pools – step to develop ABC system – ABC system and corporate strategy.

**Unit 2: Capital Investment process:**

Investment appraisal methods – Payback periods- ARR – Time adjusted methods – Discounted payback period – NPV – IRR – PI –TV Method – Capital Rationing –Risk analysis – Decision Tree Approach – Sensitivity analysis – other statistical analysis.

**Unit 3: CVP Analysis and Decision making:**

Managerial application of CVP Analysis – Make or Buy Decision – Alternative methods of production – buy or lease decision – Shut down or continue – Repair or replace – Accepting bulk orders for idle capacity utilization – pricing under different situation – situation product mix – key factor etc.,

**Unit 4: Cost of capital:**

Concept –Relevance –Elements of cost of capital – cost of equity – cost of debt – cost of retained earnings – calculation of weighted average cost of capital – cost control and cost techniques – value engineering.

**Unit 5: Performance Measurement:**

Financial and Non-Financial Measurement – Performance –Return on investment – Residual income – EVA concept – Measurement – Balanced score card –concept – objectives – multiple score card measures- new horizons in management control – transfer pricing – responsibility accounting – performance budgeting – ZBB – Social cost –Benefit analysis

**Practical Components:**

- All students should gain knowledge on quality costing and Kaizen costing, also emerging costing approaches.
- Students should gain knowledge on different types of capital investment process by solving each problem in all the methods.
- All students should solve previous examination papers for practice.
- Students should analyse the different decisions of management regarding CVP analysis.

**Reference Books**

1. Murphy, Managerial Accounting.
2. Man Mohan & Goyal, Principles of Management Accounting..
3. Welsch, Budgeting, Profit Planning and Control..

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – FINANCIAL INSTITUTIONS AND MARKETS**

**Course Code: 7.1 (B)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

The main objective of this course is to familiarize the student with the financial institutions, markets, and regulations. The study of this course helps students to learn the role of different international financial institutions in the economic development of the country. Further the study of the course enables the students to learn the role of primary market, capital market and money market in the economic development of the nation.

**Learning outcomes:**

- To familiarize about financial institutions, markets and regulations
- To learn about various Indian financial institutions and regulatory framework
- To understand about International financial institutions
- To analyse capital market and their evolution and developments
- To illustrate money market and derivative market

**Syllabus:**

**Unit 1: Functions of Financial System:**

An overview of Indian Financial System – Constituents of Indian Financial System – Role and functions of participants in the Financial markets – Factors impacting the dynamics of Financial system (Theory).

**Unit 2: Financial Institutions: Indian Banking System:**

An overview – Recent Developments; Banking Institutions – Classification of Banks. Role of Reserve Bank of India, NABARD, Regulatory issues of banking institutions: Non-Banking Institutions – Role of NBFCs in the economic development – Types of NBFCs – Regulatory Framework of NBFCs.

**Unit 3: International Financial Institutions:**

Overview of Global Financial Institutions – Role of International Bank for Reconstruction and Development (IBRD) – International Monetary Fund (IMF), Asian Development Bank (ADB), and European Central Bank (ECB) – Bank for International Settlement (BIS) – New Development Bank (NDB) formerly referred to as the BRICS Development Bank.

**Unit 4: Capital Market:**

Evolution and development of Capital Market, Future trends, Components of Capital Markets – Primary market and Secondary market, Equity and debt, Domestic Institutions and Foreign institutions, Role of Stock Exchange Depositories; Regulatory framework – Role of SEBI, RBI, Ministry of Finance, IRDA.

**Unit 5: Introductory Concepts:**

Money Market, Importance, Composition and Constituents, Instruments of Money Market; Commodity Markets – Structure, Operations, Trends; Derivatives Market – Structure, Operations, Trends; Foreign Exchange Market – Structure, Operations, Trends.

**Practical Components:**

- Students should learn the concept of Indian financial system and role, functions of participants in the financial markets.
- All the students should learn the classification of banks and the role of Reserve bank of India, NABARD regarding the regulatory issues.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams for the group discussions on different international financial institutions.
- Students should analyse the overview of global financial institutions
- All students should learn evolution and development of capital market.

**Reference Books**

1. L.M. Bhole – Financial Market and Institutions
2. M.Y. Khan – Indian Financial System
3. Vasant Desai – Development Banking–Issues and Options, Himalaya Pub.
4. M.Y. Khan – Industrial Finance, Tata McGraw Hill Publishers.
5. L.C. Gupta – The Changing Structure of Industrial Finance in India, Oxford University Press
6. Avadhani – Marketing of Financial Services, Himalaya Publishing House.

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**GROUP A: ACCOUNTING AND FINANCE**  
**SEMESTER VII – FINANCIAL PLANNING**

**Course Code: 7.2 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To enable the student to understand various components of financial planning and to get more rewards using risk return trade off.

**Learning outcomes:**

- To learn about personal financial planning, concept of time value of money
- Identifying and gain knowledge of different risks and their measurement
- Familiarize investment strategies
- Evaluation of problems regarding retirement planning also know the key terms
- Gain knowledge of income tax heads and differentiate the income into different heads.

**Syllabus:**

**Unit 1: Basics of Personal Financial Planning:**

Definition, Importance and process of financial planning, Concept of time value of money in single and series.

**Unit 2: Managing Investment Risk:**

Types of risks, measurement and management of risks and financial statements. **Measuring Investment Returns:** Risk and Return trade-off, Short term and long term capital Gains. Choosing the various source of credit and credit alternatives.

**Unit 3: Investment Strategies:**

Various Strategies and asset allocation .Evaluating investment in various stocks and Various Loans and their usage.

**Unit 4: Retirement Planning:**

Process, Annuities and its types, Asset allocation & diversification and concept of mortgage and its types-Reverse mortgage.

**Unit 5: Tax and Estate Planning:**

Various heads of incomes, Exemptions in Income tax applicable to various categories. Concept of wealth Tax. Estate Planning need and creation of Will and various formats.

**Practical components:**

- Students should learn the process of financial planning, concept of time value of money in single and series.
- All the students should learn the types of risks and how to measuring the investment returns.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discuss investment strategies in the present environment.
- Students should analyse the retirement planning.

**Reference Books:**

1. Workbook of CPFA of NSE in Indian version is available On the following link:  
[http://nseindia.com/content/ncfm/ncfm\\_cpfa\\_workbook.pdf](http://nseindia.com/content/ncfm/ncfm_cpfa_workbook.pdf).
2. Jack R Kapoor, Les R Dlabay, Robert J Hughes, personal finance , McGraw-Hill/Irwin; Edition 2005.
3. Jeff Madura, Personal Finance with Financial Planning Software Addison Wesley; Edition 2006.
4. Joehnk, Gitman, Personal Finance A User's Perspective, Cengage Learning, Edition 2009.

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**GROUP A: ACCOUNTING AND FINANCE**  
**SEMESTER VII – FINANCIAL MANAGEMENT**

**Course Code: 7.3 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:**

Finance Management is designed to expose the student to the financial issues of determining the monetary resources needed by a business, the mix of these resources, the sources and uses of funds, the benefits, risks and costs associated with different types of resources and financing.

**Learning outcomes:**

- To gain basic knowledge of financial management
- To evaluate the capital budgeting process and risk analysis in capital budgeting
- Familiarize different financial decision that help the organisation
- Learn types of dividend policies and their valuation
- Knowledge regarding working capital management, uses to organisation and valuation of working capital

**Syllabus:**

**Unit 1: Introduction:**

Nature, Scope and Objectives of Financial Management: Functions of Finance - Profit Maximization vs. Wealth Maximization – Role of Financial Manager in Modern Business Organizations – Risk - Return Trade off.

**Unit 2: Investment decision:**

Capital Budgeting process – Cash Flow Estimation and measurement – Investment criterion – Methods of appraisal: Traditional Techniques and Discounted Cash Flow Methods - Capital rationing – Risk analysis in capital budgeting.

**Unit 3: Financing decisions:**

Concept of leverage – Types of Leverages – EBIT – EPS Analysis – Capital Structure – Determinants - Theories – Net Income approach – Net operating income approach – Traditional view – MM Hypothesis. Cost of Capital: Types of Cost of Capital - Weighted average Cost of capital.

**Unit 4: Dividend decisions:**

Kinds of dividends, Dividend Policy types, Dividend Theories - Walter's Model - Gordon's Model - M-M Hypothesis - Retained Earnings Policies - Bonus Shares.

**Unit 5: Working capital management:**

Concepts of working capital – Determinants of Working capital – Optimum level of Current assets – Liquidity vs. Profitability – Risk – Return tangle – Estimating working capital needs – Financing strategies of working capital – Inventory Management – Inventory Control Techniques - Receivables Management - Cash Management.

**Practical Components:**

- Students should learn the role of financial manager in modern business organisation.
- All the students should learn the methods of appraisal also risk analysis in capital budgeting.
- All students should solve previous examination papers for practice.
- All students should form into groups and discuss about the different adjustments and models of problems and how to solve them.

**Reference Books**

1. Brearley, Richard and Myers, Steward: Principles of Corporate Finance, New York, McGraw Hill.
2. Soloman, Ezra, Theory of Financial Management, Columbia Press.
3. James C. Van Horne, Financial Management and Policy, Prentice Hall of India.
4. Weston J. Fred and Brigham, Eugne F., Managerial Finance, Dryden Press.
5. Prasanna Chandra, Financial Management, Tata McGraw Hill.
6. Khan, M.Y. and Jain, Financial Management, Tata McGraw Hill.
7. Pandey, 1M, Financial Management, Delhi, Vikas Publishing House.
8. Ravi M. Kishore: Financial Management, Taxman.
9. Sudhirbhat, Financial Management, Excel Books.

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – FUNDAMENTALS OF FINANCIAL TECHNOLOGY**

**Course Code: 7.4 (B)**

**Credits: 05**

**Max marks 100**

**Objectives:**

- Link Describe banking and finance ecosystem and the role of consumers in shaping up current environment behavioral finance theories to technological advances in banking.
- Grasp the Fin-tech Platform and Technology
- Ways to analyse and evaluate what is driving technology innovation in Finance.
- How new technology impacts economies, markets, companies, and individuals

**Learning Outcomes:**

1. To be able to understand elements and principles of Fintech
2. To be able to understand the basics of Crypto currencies.
3. To be able to understand dynamics of block chain
4. To able understand the effect of Fintech in various sectors
5. To able understand the open banking.

**Syllabus:**

**Unit 1: Introduction to Fin-tech**

Evolution of Fin-tech across the world. Impact of digital disruption and innovations by Fin-tech on the Banking and Financial Sector

**Unit 2: The Technology with Fin-tech**

Understanding the associated technology with respect to Cloud, Blockchain &Crypto currencies, RoboAdvisors, Biometrics and IoT.

**Unit 3: Fin-tech Trends**

Understand the key Fin-tech trends which will disrupt the Financial Sector.

**Unit 4: Fin-tech affecting different sectors**

Learn the effects of Fin-tech on Payment Innovations, Health, Real-Estate, and Insurance Sector.

**Unit 5: Open Banking and Digital Only Banking**

Introduce the students to the transition to open banking and digital only banking, the technologies involved and the requirement for convenience and user experience.

### **Practical Components**

- Students should learn the Fin-tech across the world and Fin-tech trends.
- All the students should learn the risk analysis in to open banking and digital only banking, the technologies involved
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discuss on Fin-tech affecting different sectors..
- Students should analyse the concept of Financial technology.

### **References:**

1. Bitcoin for Non-Mathematicians: Exploring the foundations of Crypto, SlavaGomzin/ Universal Publishers, USA, Latest 1 ST Edition 2020
2. The Robotics Process Automation, Handbook: A Guide to Implementing, Tom Taulli/ Apress, Latest 1 ST Edition 2020

### Website Reference:

1. <https://www.ibm.com/industries/banking-financial-markets/resources/omnichannelbanking-paper/>
2. <https://thefinancialbrand.com/111080/evolution-future-digital-banking-baastransformation/>

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VII – INVESTMENT MANAGEMENT**

**Course Code: 7.5 (B)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

Understand different investment alternatives in the market • Understand how securities are traded in the market • Be able to analyze and price different securities • Be able to manage a portfolio • Understand basics in derivative

**Learning Outcomes:**

- The course introduces the concepts of investment.
- The course aims to give investment planning decisions and modern investment alternatives.
- Different topics such as risks and valuation of investment are to be discussed.
- In this course, we will also examine the time value of money, equity and bond valuation.
- The other important topics discussed in this course are primary and secondary market and fundamental analysis of the investment.

**Syllabus:**

**Unit 1: Investment:**

Investment – Primary and Secondary Objectives – Investment vs. Speculation- Investment Process – Investment Information- Personal financial planning – Risk Profiling.

**Unit 2: Investment Risk:**

Systematic & Unsystematic risks – Calculation of risk – Probability & Non-probability risks – Investment Return – Capital and Revenue Return – Calculation of Returns.

**Unit 3: Investments:**

Bank deposits, post office savings scheme, NBFC deposits, Gold and silver, Real Estate, Equity shares, Bonds and Government securities, Mutual funds, life insurance, Tax Savings, Derivatives & Modern Investment alternatives.

**Unit 4: Time value of Money:**

Time value of Money – Present Value Interest Factor - Present Value Interest Factor Annuity - Future Value Interest Factor - Future Value Interest Factor Annuity – Equity Valuation – Bond Valuation – Yield to Maturity – Problems in Valuation of Investment.

**Unit 5: Primary vs. Secondary Market:**

Primary vs. Secondary Market Fundamental Analysis – Economic Analysis – Industry Analysis – Company Analysis – Financial Analysis

**Practical Components:**

- Students should learn the basics of investment and differences between investment and speculation.
- All the students should learn the systematic risk and unsystematic risk also how to calculate the risks.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discuss different types of deposits.
- Students should analyse the concept of time value of money.

**Reference Books**

1. Rustagi R P, Investment Analysis & Portfolio Management, Sultan Chand & Sons, New Delhi.
2. Pandian Punithavathy Security Analysis & Portfolio Management, Vikas Publishers, New Delhi, 2010.
3. Chandra Prasanna, Investment & Portfolio Management, Tata McGraw-Hill, New Delhi, 2011
4. Natarajan, Investment Management, Margham Publishers, Chennai, 2012.

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – INTERNATIONAL FINANCIAL SYSTEM**

**Course Code: 8.1 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:** To enlighten the student with the concept of international trade, balance of payments and foreign exchange markets.

**Learning Outcomes:**

- To understand the terms and theories of international trade
- To ensure the knowledge about balance of payments, importance also accounting principles in BOP
- To learn about foreign exchange markets, understanding SPOT and forward rates
- To gain knowledge about exchange rate discrimination
- To understand various instruments like Euro currencies etc.,

**Syllabus:**

**Unit 1: Introduction:**

International trade- its importance – theories of international trade –theory comparative costs – classical theory, absolute advantage, Hecksher – Ohlin Theory, Free trade v/s Protection Barriers to Foreign trade, Tariff and Non Tariff Barriers.

**Unit 2: Balance of payment:**

Meaning of BOP, Components of BOP – Importance of BOP – Meaning of Deficit and surplus – equilibrium – disequilibrium and adjustments – methods of correcting disequilibrium – accounting principles in BOP.

**Unit 3: Foreign Exchange Markets:**

Define Foreign exchange markets – its structure – settlement system –exchange rate – Participants, understanding SPOT and forward rates, foreign exchange quotations- Premium and discount in forward market- cross rates- inverse rates and arbitrage.

**Unit 4: Exchange rate discrimination:**

Determination under gold standard and paper standard- factors affecting exchange rates – purchasing power parity theory- demand and supply theory- equilibrium rate of exchange – fluctuating v/s. fixed exchange rates, exchange control- exchange control- objectives of exchange control.

**Unit 5: Instruments:**

ADR- GDR- Euro currencies- International commercial papers. International Financial institutions – Introduction to IMF – Importance –Functions and significance.

**Practical Components**

- Students should learn the concept of International trade and their theories
- Analyse the foreign exchange markets who are the participants and understanding of SPOT and forward rates by observing stock exchange sites.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make collect information regarding the companies in ADR, Euro currencies through search engines.
- Students should analyse the overview of fluctuating and fixed exchange rates.

**Reference Books**

1. International Economics: Theory and Policy, Paul Krugman
2. The Economics of Exchange Rates, Lucio Sarno, Mark P. Taylor
3. International Finance, G.Shailaja, Universities Press
4. International Finance, Maurice D. Levi, Routledge Taylor & Francis Group

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**GROUP A: ACCOUNTING AND FINANCE**  
**SEMESTER VIII – FINANCIAL REPORTING**

**Course Code: 8.2 (B)**

**Credits: 05**

**Max marks 100**

**Course objectives:**

To provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions.

**Learning outcomes:**

- To learn about introduction of financial reporting, concept, advantage and disadvantages also objectives
- To understand the scope and modes of restricting competitive advantage
- To evaluate the consolidated financial statements of holding and subsidiary companies
- To gain knowledge on valuation of shares
- To gain knowledge on corporate financial accounting, new trends in accounting and accounting standards.

**Syllabus:**

**Unit 1: Financial Reporting:**

Concept, objectives, uses, purpose of financial reporting & specific purpose of report- difficulties in corporate reporting – issues and problems with special reference to published financial statements.

**Unit 2: Corporate Restructuring:**

Scope and modes of restructuring competitive advantage – various types corporate restructuring strategy.

**Unit 3: Consolidated Financial Statements of holding & subsidiary Companies:**

Purposes of consolidated financial statements, Consolidation procedures – minority interests, Goodwill, Treatment of pre-acquisition and post-acquisition profit- balance sheet.

**Unit 4: Valuation of Shares:**

Need for valuation of shares, factors effecting value of shares - methods of valuation of shares: valuation of goodwill: need and methods – normal profit method, super profit method, and capitalization method.

**Unit 5: Corporate Financial Accounting:**

Objectives scope role of corporate accountant, analysis & interpretation of financial statements, accounting standards. New trend in accounting: human resources accounting, environmental accounting, social responsibility accounting (Theory only).

**Practical components:**

- Students should learn the concept of objectives of financial reporting with reference to published financial statements
- Analyse the scope and modes of various types of corporate restructuring strategy with real environment.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make collect information regarding different top companies who have subsidiary companies.
- Students should analyse the overview of valuation of shares.

**Reference Books**

1. R.S.N. Pillai, Bagarathi & Suma, Fundamentals of Advanced Accounting, Vol1, S Chand, New Delhi.
2. Nehru J. Financial Reporting by diversified companies vision Books, New Delhi.
3. Hawkins David Financial Statements corporations Dow Jones-Irwin Homewood1973.
4. S.P Jain & K.L Narang, Corporate accounting, Kalyani publishers.
5. S.P Jain & K.L Narang, Advanced corporate accounting, Kalyani publishers

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**GROUP A: ACCOUNTING AND FINANCE**  
**SEMESTER VIII – BEHAVIOURAL FINANCE**

**Course Code: 8.3 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To enlighten the student with the concepts of behavioural finance, behavioural corporate finance and investment decisions.

**Learning outcomes:**

- To learn about basics of behavioural finance.
- To understand the expected utility theory and decisions making under risk and uncertainty
- To gain knowledge of behavioural factors and financial markets
- To learn behavioural corporate finance and corporate decisions
- To understand about decision making related to risks.

**Syllabus:**

**Unit 1: Introduction to Behavioural finance:**

Nature, scope, objectives and application; Investment Decision Cycle: Judgment under Uncertainty: Cognitive information perception - Peculiarities (biases) of quantitative and numerical information perception - Representativeness – Anchoring - Exponential discounting - Hyperbolic discounting

**Unit 2: Utility/ Preference Functions:**

Expected Utility Theory [EUT] and Rational Thought: Decision making under risk and uncertainty - Expected utility as a basis for decision-making – Theories based on Expected Utility Concept - Investor rationality and market efficiency.

**Unit 3: Behavioural Factors and Financial Markets:**

The Efficient Markets Hypothesis – Fundamental Information and Financial Markets - Market Predictability –The Concept of limits of Arbitrage Model - Asset management and behavioural factors - Active Portfolio Management:. - Fundamental information and technical analysis – the case for psychological influence.

**Unit 4: Behavioural Corporate Finance:**

Behavioural factors and Corporate Decisions on Capital Structure and Dividend Policy -. Systematic approach to using behavioural factors in corporate decision making--External Factors and Investor

Behaviour: Mechanisms of the External Factor influence on risk perception and attitudes - Connection to human psychophysiology and emotional regulation.

**Unit 5: Emotions and Decision:**

Making, Experimental measurement of risk-related - Measuring Risk - Emotional mechanisms in modulating risk-taking attitude - Neurophysiology of risk taking. Personality traits and risk attitudes in different domains.

**Practical Components:**

- Students should learn the concept of objectives of behavioural finance and investment decision cycle.
- Analyse the scope of expected utility theory and rational thought.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make collect information regarding market predictability and concept of limits of arbitrage model.
- Students should analyse the types of emotions and decision.

**Reference Books**

1. Behavioural Finance: Psychology, Decision-Making, and Markets", by Ackert and Deaves.
2. Understanding Behavioral Finance by Ackert
3. The Psychology of Investing by John R. Nofsinger, Pearson Prentice Hall, (4th Edition)
4. What Investors Really Want - Learn the lessons of behavioral Finance, Meir Statman, McGraw-Hill
5. Handbook of Behavioral Finance – Brian R. Bruce
6. Behavioral finance - Wiley Finance - Joachim Goldberg, Rüdiger von Nitzsch
7. Plous, Scott, 1993, The Psychology of Judgment and Decision Making, Ch 10-15

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**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – FINANCIAL DERIVATIVES**

**Course Code: 8.4 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To introduce the participants to derivative instruments, namely, forwards, futures, options and swaps, and their valuation.

**Learning outcomes:**

- To gain knowledge about various instruments
- To learn about forward contracts and advantages, disadvantages
- To understand about future contracts, mechanics of future contracts, advantages and disadvantages
- To learn about historical uses of options and types of options
- Knowledge regarding financial swaps

**Syllabus:**

**Unit 1: Introduction:**

Meaning of Derivatives - Common Derivatives- Characteristics of Derivatives- Significance of Derivatives - Origin and Evolution of Derivatives – types of derivatives- Derivatives vs. Shares- Derivatives Markets-Growth and Functions- Traders in Derivatives Markets

**Unit 2: Forward Contracts:**

Meaning – Classification- Features- Advantages- Disadvantages-Pricing Forwards Contracts - Hedging with Forward Contracts Offsetting the Forward Position

**Unit 3: Futures contracts:**

Meaning -Nature - Characteristics - Significance - Types- Comparison between Futures and Badla - Mechanics of Futures Contracts- Advantages and Risks of Trading in Futures over Cash- Margin Requirements in Futures Trading- Settlement of Futures Position- Participants in Futures Markets

**Unit 4: Options contracts:**

Meaning - Historical Uses of Options - Types of Option- Participants in the Options Market – Regulatory Frameworks & Terminology - Options vs. Futures

**Unit 5: Financial swaps:**

Meaning –Nature-Evolution - Features – Types of swaps: Interest Rate Swaps-currency swaps-Debt Equity Swap- Commodity Swap –Equity Index Swaps

**Practical components:**

- Students should learn the meaning and characteristics of derivatives with reference to traders in derivatives market.
- Analyse the knowledge of forward contracts with advantages and disadvantages with reference to real time environment.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should collect information regarding concept of future contracts and option contracts.
- Students should analyse the meaning of financial swaps evolution and features.

**Reference Books:**

1. Financial Derivatives: Bishnupriya Mishra, Sathya Swaroop Debasish –Excel Books 2007
2. Financial Derivatives: S.L.Gupta –PHI publications
3. Fundamentals of Financial Derivatives: Prafulla Kumar Swain –Himalaya publications.

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**DOMAIN SUBJECT: COMMERCE**  
**Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)**

**GROUP A: ACCOUNTING AND FINANCE**

**SEMESTER VIII – SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

**Course Code: 8.5 (B)**

**Credits: 05**

**Max marks 100**

**Course objective:**

To enlighten the students with the Concepts and Practical applications of Measure risk and return of different security instruments and portfolio.

**Learning outcomes:**

After completion of the course, the student is able to

- Understand the various forms of investment, security Markets and other concepts.
- Understand risks associated with investment.
- Measure risk and return of different security instruments and portfolio.
- Analyse the fundamental strength of stocks and predict the price trends of securities using technical analysis and valuation of stocks and fixed income securities.
- Evaluate the performance of portfolio.

**Syllabus:**

**Unit 1: Concept of Investment:**

Objectives – Investment Vs Speculation – Security Investment Vs Non-security Forms of Investment – Investment Process – Sources of Investment Information – Security Markets – Primary and Secondary – Market Indices.

**Unit 2: Return and Risk:**

Meaning and Measurement of Security Returns – Types of Security Risks – Systematic Vs Non-systematic Risk – Measurement of Total Risk.

**Unit 3: Fundamental Analysis of Stocks:**

Economy, Industry and Company Analysis, Intrinsic Value – Approach to Valuation of Bonds, Preference Shares and Equity Shares.

**Unit 4: Technical Analysis:**

Concept and Tools of Technical Analysis – Technical Analysis Vs Fundamental Analysis – Efficient Market Hypothesis – Concept and Forms of Market Efficiency.

**Unit 5: Elements of Portfolio Management:**

Portfolio Models – Markowitz Model, Efficient Frontier, Sharpe Single Index Model and Capital Asset Pricing Model – Performance Evaluation of Portfolios – Sharpe Model, Treynor model – Jensen’s Model for PF Evaluation – Portfolio Revision.

**Practical components:**

- Students should learn the concept of investment also differences between investment and speculation, sources of investment information.
- Analyse the measurement of security returns and types of security risks
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should collect information regarding concept and forms of market efficiency
- Students should analyse the elements of portfolio management.

**Reference Books:**

1. Fisher and Jordan, Security Analysis & Portfolio Management 6e, (2011) Pearson, PHI.
2. S. Kevin, Security Analysis & Portfolio Management, 2e (2015) Prentice Hall India.
3. Avadhani VA, Securities Analysis & Portfolio Management, 9e (2017) Himalaya Publishing House.
4. Prasanna Chandra, Investment Analysis and Portfolio Management 3e, (2011) Tata McGraw-Hill Education
5. P. Pandian, Security Analysis and Portfolio Management, 1e (2014), Vikas Publishing House Pvt. Limited.