

## B. Com. FIFTH SEMESTER

**Nomenclature of Course : Financial Management**

**Duration of Examination : 3 Hours**

**Maximum Marks : 100 (Internal Assessment: 30, External Evaluation: 70)**

**Course Objective:** The objective of this course is to familiarize the students with the principles and practices of financial management.

### **Course Learning Outcomes:**

After completing the course, the student shall be able to:

**CO1:** Enables learning of the basic concept of financial management, investment and capital investment options.

**CO2:** Provides knowledge of long-term investment decisions, planning and risk of investment projected with it.

**CO3:** Ensures students learning as to how to take proper financing decisions.

**CO4:** Aware the students about the available dividend distribution theories and the working capital decisions.

### **UNIT-I**

Financial Management: Nature, Significance, Scope and Objectives of financial management; Functions of finance executive in an organization; Functional areas of financial management; Changing role of financial management in India; Financial planning and forecasting: Its need & importance, drafting a financial plan; Capitalization: Over- capitalization and Under-capitalization; Financial forecasting: meaning, benefits and Techniques of financial forecasting

### **UNIT-II**

Investment Decisions: The Capital Budgeting Process, Cash flow Estimation, Payback Period Method, Accounting Rate of Return, Net Present Value (NPV), Net Terminal Value, Internal Rate of Return (IRR), Profitability Index; Capital budgeting under Risk – Certainty Equivalent Approach and Risk- Adjusted Discount Rate.

### **UNIT-III**

Financing Decisions: Sources of finance- short-term, medium term and long term; Cost of Capital- Estimation of components of cost of capital, Methods for Calculating cost of equity capital, Cost of Retained Earnings, Cost of Debt and Cost of Preference Capital, Weighted Average cost of capital (WACC) and Marginal cost of capital; Capital structure: Theories of Capital Structure (Net Income, Net Operating Income, MM Hypothesis, Traditional Approach), Determinants of capital structure; Operating and financial leverage;

### **UNIT-IV**

Dividend Decisions: Theories for Relevance and irrelevance of dividend decision for corporate valuation; Cash and stock dividends; Dividend policies in

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practice, Working Capital Decisions: Concepts of working capital, the risk-return trade off, sources of short-term finance, working capital estimation; Cash management, Receivables management, Inventory management and Payables management

### Suggested Readings

Brigham & Houston, *Fundamentals of Financial Management*, Cengage Learning

Khan & Jain. *Basic Financial Management*, McGraw Hill Education

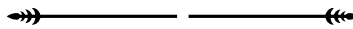
Levy H. & M. Sarnat. *Principles of Financial Management*. Pearson Education

Chandra, P. *Fundamentals of Financial Management*. McGraw Hill Education

Rustagi, R.P., *Fundamentals of Financial Management*. Taxmann Publication Pvt. Ltd.

Singh, J.K., *Financial Management- text and Problems*. Dhanpat Rai and Company, Delhi.

**Note for the Paper Setter:** The question paper will consist of nine questions in all. The first question will be compulsory and will consist of seven short questions of 2 marks each covering the whole syllabus. In addition, eight more questions of 14 marks each will be set unit-wise comprising of two questions from each of the four units. The candidates are required to attempt one compulsory question and four more questions selecting at least one question from each unit.



**Nomenclature of Course : Cost Accounting**

**Duration of Examination : 3 Hours**

**Maximum Marks : 100 (Internal Assessment: 30, External Evaluation: 70)**

**Course Objective:** The objective of this course is to acquaint the students with basic concepts used in cost accounting, various methods involved in cost ascertainment and cost accounting book keeping systems.

### Course Learning Outcomes:

After completing the course, the student shall be able to:

**CO1:** Basic understanding of conceptual framework of Cost Accounting.

**CO2:** Determination of material and labour cost, material and labour cost control and accounting.

**CO3:** Understanding the classification, allocation, apportionment and absorption of overheads in cost determination. Compute the unit cost, jobs, contract cost and total cost of production and also prepare cost statement.

**CO4:** Calculate processes and services costing and basic understanding of cost accounting book keeping system and reconciliation of cost and financial account profits.

### UNIT-I

Introduction: Meaning, objectives and advantages of cost accounting; Difference between cost accounting and financial accounting; Cost concepts and

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classifications; Elements of cost; Installation of a costing system; Role of a cost accountant in an organization.

### UNIT-II

Elements of Cost: Material and Labour:(a) Materials- Material/inventory control techniques, Accounting and control of purchases, storage and issue of materials, Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard Cost, Treatment of Material Losses(b) Labour: Accounting and Control of labour cost, Time keeping and time booking, Concept and treatment of idle time, over time, labour turnover and fringe benefits, Methods of wage payment and the Incentive schemes- Halsey, Rowan, Taylor's Differential piece wage.

### UNIT-III

Elements of Cost: Overheads- Classification, allocation, apportionment and absorption of overheads; Under- and over absorption; Methods of Costing: Unit costing; Job costing; Contract costing.

### UNIT-IV

Methods of Costing: Process Costing (process losses, valuation of work in progress, joint and by-products); Operation Costing (only transport); Book Keeping in Cost Accounting: Integral and non-integral systems; Reconciliation of cost and financial accounts

#### Suggested Reading:

Arora, M.N. *Cost Accounting – Principles and Practice*. Vikas Publishing House, New Delhi.

Charles T. Horngren, Srikant M. Datar, Madhav V. Rajan, *Cost Accounting: A Managerial Emphasis*, Pearson Education.

H.V. Jhamb, *Fundamentals of Cost Accounting*, Ane Books Pvt. Ltd.

Jain, S.P. and K.L. Narang. *Cost Accounting: Principles and Methods*. Kalyani Publishers

Jawahar Lal, *Cost Accounting*. McGraw Hill Education

Nigam, B.M. Lall and I.C. Jain. *Cost Accounting: Principles and Practice*. PHI Learning

Singh, Surender. *Cost Accounting*, Scholar Tech Press, New Delhi.

**Note for the Paper Setter:** The question paper will consist of nine questions in all. The first question will be compulsory and will consist of seven short questions of 2 marks each covering the whole syllabus. In addition, eight more questions of 14 marks each will be set unit-wise comprising of two questions from each of the four units. The candidates are required to attempt one compulsory question and four more questions selecting at least one question from each unit.

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**Nomenclature of Course : Financial Institutions and Markets**

**Duration of Examination : 3 Hours**

**Maximum Marks : 100 (Internal Assessment: 30, External Evaluation: 70)**

**Course Objective:** The objective of this course is to provide the student basic knowledge of financial markets and institutions.

**Course Learning Outcomes:** After completion of the course the learners will be able to:

**CO1:** enable the students with Financial Markets and its various segments.

**CO2:** give the students an understanding of SEBI and RBI

**CO3:** acquaint them to gain an insight into the functioning and role of Development banks.

**CO4:** gain knowledge about different types of mutual funds.

### UNIT-I

Introduction: Nature and role of financial system and financial markets; Financial system and economic development; An overview of Indian financial system; Financial markets: Money and Capital markets; Money market - meaning, constituents and functions, money market instruments, Recent developments in Indian money market; Capital market- primary and secondary market; government securities market; Industrial securities market; Recent developments in Indian capital market;

### UNIT-II

SEBI- Its formation, Role and recent developments; Reserve Bank of India: Organization, management and functions; Credit creation and Credit control; Monetary policy.

### UNIT-III

Commercial banks: meaning and functions, Structure and recent developments in commercial banking in India; Development banks: Concept, objectives and functions of development banks; Operational and promotional activities of development banks; IFCI, ICICI, IDBI, IRBI, SIDBI, NABARD and state level development banks.

### UNIT-IV

Mutual funds: Concept, types, and regulation of mutual funds (with special reference to SEBI guidelines), Designing and marketing of mutual fund schemes, Appraisal and latest mutual fund schemes in India.

### **Suggested Readings:**

Avdhani, *Investment and Securities Markets in India*, Himalaya Publications, Bombay.

Averbach, Robert D. *Money, Banking and Financial Markets*; MacMillan, London.

Bhole, L.M. *Financial Markets and Institutions*, Tata McGraw Hill, Delhi.

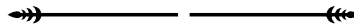
Ghosh, D. *Banking Policy in India*, Allied Publications, Delhi.

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Giddy, I.H. *Global Financial Markets*, A.I.T.B.S., Delhi.

Khan, M.Y. *Indian Financial System*, Tata McGraw Hill, Delhi.

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**Nomenclature of Course : Bank Management**

**Duration of Examination : 3 Hours**

**Maximum Marks : 100 (Internal Assessment: 30, External Evaluation: 70)**

**Course Objective:** The objective of this course is to provide basic knowledge of bank management.

**Course Learning Outcomes:**

After completing the course, the student shall be able to;

**CO1:** Familiarizes students with management functions for banks.

**CO2:** Conceptual understanding of forms of banking.

**CO3:** Acquires sound knowledge of liquidity management.

**CO4:** Enable students with credit management.

### UNIT I

Management functions for banks: planning and MBO (Management by Objectives) in banks; strategic and operational planning in banks; need and process of manpower planning in banks; various services offered by banks; recent trends in banking

### UNIT II

Forms of banking: meaning and definition of form of banking; forms of banking; unit banking (merits and demerits); branch banking (merits and demerits); mixed banking (merits and demerits); chain banking (merits and demerits); group banking (merits and demerits).

### UNIT III

Liquidity management: meaning, concept, need and significance of liquidity; theories of liquidity management; liquidity risks – determinants of liquidity; asset-liability management of bank.

### UNIT IV

Credit management: Credit management in banks; regulations related to loan and advance; credit exposure limit; directed lending; risk in banks.

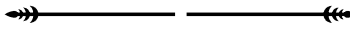
**Suggested Readings:**

Rao, P. Subba, *Principles and Practice of Bank Management*, Himalaya Pub. House.

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Gupta C.B., *Principles of Management for Bankers*, Sultan Chand & Sons.  
Rao, V.S.P., *Bank Management*, S. Chand Pub.

**Note for the Paper Setter:** The question paper will consist of nine questions in all. The first question will be compulsory and will consist of seven short questions of 2 marks each covering the whole syllabus. In addition, eight more questions of 14 marks each will be set unit-wise comprising of two questions from each of the four units. The candidates are required to attempt one compulsory question and four more questions selecting at least one question from each unit.



**Nomenclature of Course : Security Market Operations**

**Duration of Examination : 3 Hours**

**Maximum Marks : 100 (Internal Assessment: 30, External Evaluation: 70)**

**Course Objective:** The objective of this course is to provide knowledge about Security markets and trading of securities.

**Course Learning Outcomes:**

After completing the course, the student shall be able to:

**CO1:** Familiarizes students with Primary and secondary Security Markets and its instruments.

**CO2:** Conceptual understanding of Listing of securities in stock exchanges.

**CO3:** Acquires sound knowledge of SEBI and NSDL.

**CO4:** Enable students with future and option trading.

### UNIT-I

Security Markets: Primary and secondary market; Primary market – its role and functions, Methods of selling securities in primary market; New financial instruments; SEBI guidelines for public issues;

### UNIT-II

Stock exchanges; Listing of securities in stock exchanges; Trading mechanism – Screen based trading; Internet based trading; National stock exchange and Bombay stock exchange – Role, Organization and management;

### UNIT-III

Listing procedure (Accounting and participants regulation) 1996; SEBI (Custodian of Securities) Regulation, 1996; National Securities Depository Ltd. (NSDL).

### UNIT-IV

Derivative Trading: Future and Options – Concept, Meaning and Importance, Methods of Trading, Valuation of options; Raising funds from international markets: FITs Euro issues, ADR's, GDR's and FDI; SEBI guidelines.

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### Suggested Readings:

Dalton, John M.: *How the Stock Market Works*, Prentice Hall, New Delhi.

Donald E. Fisher, Ronald J. Jordan: *Security Analysis and Portfolio Management*; Prentice Hall, New Delhi.

Gupta, L.C.: *Stock Exchange Trading in India; Society for Capital Market Research and Development*, Delhi.

Machi Raju, H.R.: *Merchant Banking*; Wiley Eastern Ltd., New Delhi.

Raghunathan V.: *Stock Exchanges and Investments*, Tata McGraw Hill, New Delhi.

**Note for the Paper Setter:** The question paper will consist of nine questions in all. The first question will be compulsory and will consist of seven short questions of 2 marks each covering the whole syllabus. In addition, eight more questions of 14 marks each will be set unit-wise comprising of two questions from each of the four units. The candidates are required to attempt one compulsory question and four more questions selecting at least one question from each unit.