

# **VSUPGCET-2015 :: COMMERCE SYLLABUS**

## **SECTION-A FINANCIAL ACCOUNTING**

**INTRODUCTION TO ACCOUNTING:** Need for Accounting – definition, features, objectives, functions, systems and bases and scope of accounting - Book keeping and Accounting - Branches of Accounting - Advantages and limitations-basic terminology used- – Accounting concepts and conventions.

Accounting Process-Accounting cycle-Accounting equation-classification of accounts-rules of double entry book keeping – identification of financial transactions- Journalizing –Posting to Ledgers, Balancing of Ledger Accounts – Computerized Accounting: Meaning and Features-Advantages and disadvantages of computerized Accounting Creating of an Organization - Grouping of accounts – Creation of Accounts – creation of inventory-creation of stock groups- ,stock categories, units of measurement-stock items-entering of financial transactions-types of vouchers-voucher entry-editing and deleting of vouchers-voucher numbering-customization of vouchers

**SUBSIDIARY BOOKS AND BANK RECONCILIATION STATEMENT:**Sub Division of Journal-Preparation of Subsidiary Books including different types of cashbooks- simple cashbook, cashbook with cash and discount columns, cashbook with cash, discount and bank columns, cashbook with cash and bank columns and petty cash book. Preparation of sales register, purchase register, journal proper, debit note register, credit note register, and different cash books including interest and discount transactions using computers.

**BANK RECONCILIATION STATEMENT-** Need - Reasons for difference between cash book and pass book balances - problems on favorable and over draft balances - Ascertainment of correct cash book balance. Preparation of bank reconciliation statement using computers

**TRIAL BALANCE, FINAL ACCOUNTS; ERRORS AND RECTIFICATION:**Trial Balance: meaning, objectives, methods of preparation - Final Accounts: Meaning, features, uses and preparation of Manufacturing, Trading Account, Profit & Loss Account and Balance Sheet- Adjusting and Closing entries. Preparation of trial balance, trading, profit and loss account, processing of year ending and closing the books, adjusting and closing entries and balance sheet using computers

Errors and their Rectification - Types of Errors - Rectification before and after preparations of final Accounts - Suspense Account - Rectification of errors using computers.

**CONSIGNMENT AND JOINT VENTURES:** Consignment - Features, Terms used Proforma invoice - Account sale Delcredere commission -Accounting treatment in the books of the consignor and the consignee - Valuation of consignment stock - Normal and abnormal Loss - Invoice of goods at a price higher than the cost price.

Joint ventures -features-difference between joint venture and consignment, Accounting Procedure – Methods of keeping records for Joint venture accounts-method of recording in co ventures books-separate set of books method .

**Depreciation - Provisions and Reserves:** Meaning of Depreciation - Causes- objects of providing for depreciation -Factors affecting depreciation - Accounting Treatment- Methods of providing depreciation - Straight line method - Diminishing Balance Method, Depreciation fund method and Annuity only.

Provisions and Reserves - preparation of baddebts A/c, provision for baddebts A/c, provision for discount on debtors A/c and provision for discount on creditors A/cs.

# **VSUPGCET-2015 : : COMMERCE SYLLABUS**

## **BUSINESS ECONOMICS**

**INTRODUCTION** : Economic and Non-Economic Activities—Business Economics - Meaning—Definitions--micro and macro economics-methods of economics-positive and normative—Utility-cardinal utility analysis -Law of diminishing marginal utility- Ordinal utility analysis: Properties of indifference curves and consumer's equilibrium with the help of indifference curve analysis.

**DEMAND AND SUPPLY** Demand-meaning, determinants of demand, types of demand, law of demand, individual demand and Market Demand, demand function, properties of demand curve, income effect and substitution effect-exceptions to the law of demand—Elasticity of demand-price elasticity, meaning, types and measurements of price elasticity -income elasticity- cross elasticity-Supply-law of supply-determinants of supply.

**PRODUCTION AND COSTS** Production function— Factors of function - Distinction between short-run and long-run—Production with one variable input-relationship between total, marginal and average production functions-law of variable proportion-scale of production-economies and diseconomies of scale—Cost of production-cost function—short-run total and average costs—long-run total and average cost Breakeven Analysis uses and limitations.

### **MARKETS STRUCTURE AND PRICE DETERMINATION**

Market structure—characteristics—perfect competition-characteristics-equilibrium price—profit maximizing output in the short and long-run—Monopoly-characteristics-profit maximizing output in the short and long run-defects of monopoly—monopolistic competition-characteristics—product differentiation-profit maximizing price and output in the short and long-run—Oligopoly-characteristics-price rigidity-the kinked demand curve.

### **NATIONAL INCOME, TRADE CYCLES AND INTERNATIONAL TRADE**

National Income—definition-measurement—GDP-meaning—fiscal deficit—Concepts of Economic Liberalisation, privatization, Globalisation—WTO—objectives—agreements—functions—Trade cycles-meaning-phases-consequences-remedies—International Trade-Balance of payments.

## **SECTION-B**

### **ADVANCED ACCOUNTING**

**ROYALTIES ACCOUNTS & HIRE PURCHASE AND INSTALLMENT PURCHASE SYSTEM.** Royalties – Preparation of Minimum rent Account, Royalties Account, Short workings Account and Land Lord Account.

Hire Purchase System – Features – Accounting Treatment in the Books of Hire Purchaser and Hire Vendor – Installment Purchase System – Difference between Hire purchase and Installment purchase systems – Accounting Treatment in the books of purchaser and Vendor.

**BRANCH ACCOUNTS & INSOLVENCY ACCOUNTS** Branch Accounts – Dependent Branch Features – Books of Accounts, Methods of Accounting of dependent branches – Debtors systems, Stock and Debtor system and Recording of transactions relating to branch accounts using computers.. Insolvency Accounts of Individuals – Preparation of Statement of Affairs & Deficiency Account.

**ACCOUNTING OF NON-PROFIT ORGANIZATIONS & ACCOUNTS FROM INCOMPLETE RECORDS:** Non-Profit entries – Features of non-profit entries – Accounting process – Preparation of summaries – Receipts and payments Account meaning and special

# **VSUPGCET-2015 :: COMMERCE SYLLABUS**

features – Procedure for preparation – uses and limitations. Income and Expenditure Account – features – procedure for preparation – preparation of Balance Sheet

Single Entry: Features – books and accounts maintained – Recording of transactions – Ascertainment of Profit – (Statement of Affairs method only)

**PARTNERSHIP ACCOUNTS:** Legal provisions in the absence of Partnership Deed – Fixed and Fluctuating Capitals – preparation of final accounts – Accounting Treatment of Goodwill and Admission of a partner.

Accounting treatment of Retirement and Death of a Partner – Dissolution of Firm (Excluding Sale to Firm, Company and Amalgamation) – recording of partnership transaction and preparation of final accounts using computers (24 hours)

**COMPANY ACCOUNTS** Issue of share as par, Premium and at discount – forfeiture and Reissue of Shares -Rights issue (Simple problems) - Recording of Transactions relating to issue of share using computers. Issue and redemption of Debentures – Redemption out of profits – sinking fund method. Recording of transaction relating to issue and redemption of debentures using computers (Simple Problem)

## **TAXATION**

**INTRODUCTION** Taxes – Meaning – Direct and indirect Taxes – Union List – Tax Rates – Blanket Rate Method – Slab Rate Method – Surcharge – class – Progressive v/s Regressive Taxes – An Overview of Taxation System in India. Income Tax Act 1961 – Important Definitions – Income – Person – Assesses – Assessment year – Previous year – Residential Status – Incidence of Tax – Agricultural Income – Exemption.

**INCOME FROM SALARIES – INCOME FROM HOUSE PROPERTY** Computation of Income under the head ‘Salaries’ – Different types of Rental Values – Determination of Annual Value of let out House Property – Self occupies Houses – Adjustments out of Annual Rental Value for let Out House Property – Deductions u/s 24 (Simple problems)

**PROFITS AND GAINS OF BUSINESS AND PROFESSION, CAPITAL GAINS, INCOME FROM OTHER SOURCE** Calculation of Income from Business – Calculation of Professional Income of Doctor, Lawyer – Accountant – Gain or Loss on Transfer of capital Assets – Types of Capital Assets – Short Term capital Asset – Long Term Capital Asset – Indexing of Cost of Long Term Capital Asset – Income from other Sources – Assessment of total income of individual – Computation of tax – Income – Preparation of returns of income – self assessment – set-off and carry forward of losses, Computation of taxable income – Deductions Given out of Gross Total Income U/S 80 (Simple problems)

**WEALTH TAX** Wealth Tax Act 1957 – Charge of Wealth Tax – Valuation Date – Location of Assets – Assets – Meaning - Deemed Assets – Exempted Assets – Net Wealth – Computation of Net Wealth – Valuation of Assets – Return of Wealth and procedure of Assessment – Time Limit for Completion of Assessment (Including Problems) (Simple problems)

**SALES TAX & SERVICE TAX** Central Sales Tax – Definitions – Dealer, Declared Goods, Place of Business, Sale, Sale Price, Turnover – Inter State Trade or Commerce – Computation of Taxable Turnover – Assessment and Returns under CST Act (Including Simple Problems)

**APVAT ACT, 2005** – Statement of Objectives and Reasons – Definitions, Business Casual Trader, Dealer, Input Tax, Output Tax, Place of Business, Tax Invoice, Total Turnover, Turnover Tax – Computation of Taxable Turnover – Registration Procedure (only theory)

# **VSUPGCET-2015 :: COMMERCE SYLLABUS**

## **SECTION-C**

### **COST AND MANAGEMENT ACCOUNTING**

**COST ACCOUNTING:** Definitions, features, objectives, functions, scope, advantages and limitations.

**MANAGEMENT ACCOUNTING:** Definitions, features, objectives, functions, scope, advantages and limitations. Relation between cost, management and financial accounting.

Cost concepts – Cost classification – preparation of cost sheet and tenders.

**ELEMENTS OF COSTS:** Material Cost: direct and indirect material cost, Inventory control techniques – stock levels, EOQ, pricing methods – FIFO, LIFO, average methods.

Labor cost: direct and indirect labor cost – methods of payment of wages including incentive plans – Halsey and Rowan plans, Tailors Piece Rate method.

**OVERHEADS:** features, classification, methods of allocation and appointment of overheads excluding machine hour rate.

**METHODS OF COSTING:** Single or Output Costing, job and contract costing : Features, Computation of profits on incomplete contracts.

**Costing Techniques** for Decision Making: Marginal Costing – Break Even Analysis – **STANDARD COSTING** – Material and labour Variances – simple problem.

**FINANCIAL STATEMENT ANALYSIS:** Financial statements – features, limitations. Need for, Meaning, objectives, and process of financial statement analysis – Methods and techniques of analysis.

**RATIO ANALYSIS.** Calculation of liquidity, solvency, profitability and turnover ratios – Interpretation of ratios – simple problem

### **BUSINESS LAWS**

**GENERAL CONTRACTS-I :** Agreement and Contract: Definition and meaning – Essentials of a valid contract – types of contracts.

Offer and Acceptance: Definition – Essentials of a valid offer and acceptance – communication and revocation of offer and acceptance.

Consideration: Definition and importance – Essentials of valid consideration – the Doctrines of ‘Stranger to Contract’ and ‘No Consideration – No Contract’

**GENERAL CONTRACTS-II:** Capacity to contract – special rules regarding Minor’s contract.

Discharge of a contract – various modes of discharge of a contract. Remedies to breach to contract.

**CONTRACT OF INDEMNITY AND GUARANTEE BAILMENTS:** Meaning and definition of Contract of indemnity and Contract of guarantee, difference between contract of indemnity and contract of guarantee. Bailments – Meaning, definition and kinds of Bailments. Rights and duties of Bailee and Bailor.

**SALE OF GOODS ACT AND CONSUMER’S PROTECTION ACT:** Contract of sale: Definition – features – definition of the term goods – types of goods – rules of transfer of property in goods – differences between sale and agreement to sell.

**RIGHTS OF AN UNPAID SELLER.**

Conditions and warranties – meaning and distinction – express and implied conditions and warranties. - Definitions of the terms consumer, unfair practices, restrictive trade practices and complainant – rights of consumers – consumer protection councils – consumer redressal agencies – penalties for violation.

**COMPANY LAW:** Doctrine of indoor management – exceptions.

Management of companies – directors – qualifications – disqualifications – appointment – removal – rights and duties -inding up of company – Compulsory winding up and voluntary winding up.

-oOo-