

**Academic Council 7/4/2014**

**Item No. 4.12**

# **University of Mumbai**



**Revised Syllabus and  
Question Paper Pattern of Courses  
of  
B.Com. (Accounting and Finance)  
Programme  
at  
Second Year  
Semester III and IV**

**Under Credit, Grading and Semester System**

**With Effect from Academic Year 2014-2015**

**Revised Syllabus and  
Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme  
at  
Semester III and IV**

Semester III		Semester IV	
Course No.	Title of the Course	Course No.	Title of the Course
2.3.1	Financial Accounting Paper – III (Special Accounting Areas)	2.4.1	Financial Accounting Paper –IV (Special Accounting Areas)
2.3.2	Cost Accounting Paper – II (Methods of costing)	2.4.2	Management Accounting Paper – I (Introduction to Management Accounting)
2.3.3	Auditing Paper – II (Techniques of Auditing and Audit Procedures)	2.4.3	Taxation Paper – II (Indirect Taxes)
2.3.4	Economics Paper – II (Macro Economics)	2.4.4	Commerce Paper – II (Financial Market Operations)
2.3.5	Business Law Paper – II (Business Regulatory Framework )	2.4.5	Business Law Paper – III (Company Law)
2.3.6	Management Paper – II (Introduction to Management)	2.4.6	Information Technology Paper – II (Applications in Business)
2.3.7	Quantitative Methods for Business Paper – II	2.4.7	Foundation Course - II (Value Education and Soft Skill)

**With effect from Academic Year 2014-2015**

**Revised Syllabus and  
Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance)  
Programme  
at  
Semester III**

<b>Course No.</b>	<b>Title of the Course</b>
2.3.1	Financial Accounting Paper – III (Special Accounting Areas)
2.3.2	Cost Accounting Paper – II (Methods of costing)
2.3.3	Auditing Paper – II (Techniques of Auditing and Audit Procedures)
2.3.4	Economics Paper – II (Macro Economics)
2.3.5	Business Law Paper – II (Business Regulatory Framework )
2.3.6	Management Paper – II (Introduction to Management)
2.3.7	Quantitative Methods for Business Paper – II

**With effect from Academic Year 2014-2015**

**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.1. Financial Accounting - Paper III  
Special Accounting Areas**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Partnership Final Accounts based on Adjustment of Admission or Retirement / Death of a Partner during the Year	15
2	Piecemeal Distribution of Cash	10
3	Amalgamation of Firms	15
4	Conversion / Sale of a Partnership Firm into a Ltd. Company	10
5	Accounting with the Use of Accounting Software	10
<b>Total</b>		<b>60</b>

Sr. No.	Modules / Units
1	<b>Partnership Final Accounts based on Adjustment of Admission or Retirement / Death of a Partner during the Year</b>
	<p>Simple final accounts questions to demonstrate the effect on final Accounts when a partner is admitted during the year or when partner Retires / dies during the year</p> <p>Allocation of gross profit prior to and after admission / retirement / death when stock on the date of admission / retirement is not given and apportionment of other expenses based on time / Sales/other given basis</p> <p>Ascertainment of gross profit prior to and after admission/retirement / death when stock on the date of admission / retirement is given and apportionment of other expenses based on time / Sales / other given basis</p> <p>Excluding Questions where admission / retirement / death takes place in the same year</p>
2	<b>Piecemeal Distribution of Cash</b>
	<p>Excess Capital Method only</p> <p>Asset taken over by a partner</p> <p>Treatment of past profits or past losses in the Balance sheet</p> <p>Contingent liabilities / Realization expenses/amount kept aside for expenses and adjustment of actual</p> <p>Treatment of secured liabilities</p> <p>Treatment of preferential liabilities like Govt. dues / labour dues etc</p> <p>Excluding: Insolvency of partner and Maximum Loss Method</p>
3	<b>Amalgamation of Firms</b>
	<p>Realization method only</p> <p>Calculation of purchase consideration</p> <p>Journal/ledger accounts of old firms</p> <p>Preparing Balance sheet of new firm</p> <p>Adjustment of goodwill in the new firm</p> <p>Realignment of capitals in the new firm by current accounts / cash or a combination thereof</p> <p>Excluding : Common transactions between the amalgamating firms</p>
4	<b>Conversion / Sale of a Partnership Firm into a Ltd. Company</b>
	<p>Realisation method only</p> <p>Calculation of New Purchase consideration, Journal / Ledger Accounts of old firms. Preparing Balance sheet of new company</p>
5	<b>Accounting with the Use of Accounting Software</b>
	<p>Cost Centre, Cost Categories</p> <p>Inventory- Creation of groups, Creation of stocks, Stock Categories</p> <p>Inventory vouchers-Stock Journal, Manufacturing Journal, Godown Management, Batch wise Management.</p>

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – Practical	15 Marks
Q-2	Compulsory – Objective Type True or false, Match the following and/or multiple choice	15 Marks
Q-3	Practical OR	15 Marks
Q-3	Practical	15 Marks
Q-4	Practical OR	15 Marks
Q-4	Theory/ Practical	15 Marks

Note: Relevant Law / Statute/ Rules In force and Relevant Accounting Standards In force on 1st April immediately preceding commencement of Academic Year is applicable for ensuring examinations after relevant year.

**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.2 Cost Accounting - Paper II  
Methods of Costing**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Classification of Costs And Cost Sheets	20
2	Reconciliation of Cost and Financial Accounts	10
3	Contract Costing	15
4	Process Costing	15
<b>Total</b>		<b>60</b>

<b>Sr. No</b>	<b>Modules/ Units</b>
1	<b>Classification of Costs and Cost Sheet</b>
	Classification of costs, Cost of Sales, Cost Centre, Cost Unit, Profit Centre and Investment Centre Cost Sheet, Total Costs and Unit Costs, Different Costs for different purpose Simple practical problems on preparation of cost sheet
2	<b>Reconciliation of cost and financial accounts</b>
	Practical problems based on reconciliation of cost and Financial accounts.
3	<b>Contract Costing</b>
	Progress payments, Retention money, Contract accounts, Accounting for material, Accounting for Tax deducted at source by the contractee, Accounting for plant used in a contract, treatment of profit on incomplete contracts, Contract profit and Balance sheet entries. Excluding Escalation clause Note- Simple practical problems
4	<b>Process Costing</b>
	Process loss, Abnormal gains and losses, Joint products and by products. Excluding Equivalent units, Inter-process profit Note- Simple Practical problems Process Costing and joint and by products



## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – Practical	15 Marks
Q-2	Compulsory – Objective Type True of false, multiple choice, answer in one sentence, match the following	15 Marks
Q-3	Practical OR	15 Marks
Q-3	Practical	15 Marks
Q-4	Practical OR	15 Marks
Q-4	Theory/ Practical	15 Marks

**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.3 Auditing - Paper II  
Techniques of Auditing & Audit Procedures**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Vouching	15
2	Verification	15
3	Audit and Assurance Standards	15
4	Audit of Limited Companies	15
<b>Total</b>		<b>60</b>

<b>Sr. No.</b>	<b>Modules/ Units</b>
<b>1</b>	<b>vouching</b>
1.1	Audit of Income Revenue from Sales and Services, Rental Income, Interest & Dividends Income, Royalties Income, Recovery of Bad debts written off, Commission Received
1.2	Audit of Expenditure Purchases, Salaries & Wages, Rent, Insurance Premium, Telephone expense , Petty cash payment, Advertisement, Travelling Salesmen's Commission, Freight Carriage and Custom Duties
<b>2</b>	<b>Auditing Techniques :- verification</b>
2.1	Audit of assets Plant & Machinery, Furniture and fixtures, Accounts Receivable, Investments, Inventory, Goodwill, Patent Rights
2.2	Audit of Liabilities Outstanding Expenses, Accounts Payable, Secured loans, Unsecured Loans, Contingent Liabilities, Public Deposits
<b>3</b>	<b>Audit and Assurance Standards</b>
3.1	Significance of the Audit and Assurance Standards issued by Institute of Chartered Accountants of India. Responsibility of auditor for AAS
3.2	Understanding of following standards SA 200 Basic principles of Governing an Audit SA 200A Objective and scope of the audit of financial statements SA 230 Audit documentation SA 320 Audit materiality SA 570 Going Concern
<b>4</b>	<b>Audit of Limited Companies</b>
4.1	Qualifications, Disqualifications, Appointments (First & Subsequent auditor), Reappointment, Removal of auditors.

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – No Option	15 Marks
Q-2	Compulsory – No Option - Objective Type True of false, multiple choice, answer in one sentence, match the following	15 Marks
Q-3	Theory	15 Marks
	OR	
Q-3	Theory	15 Marks
Q-4	Theory	15 Marks
	OR	
Q-4	Theory	15 Marks

Note: Question may be sub-divided into smaller questions if necessary

**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.4 Economics - Paper II  
Macro Economics**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Macroeconomics: Nation Income, Theory of Income and Employment	08
2	Monetary Economics	10
3	Integration of Product and Money Market Equilibrium	06
4	Public Finance	10
5	International Trade, Balance of Payment and WTO	10
6	Foreign Exchange Market	06
<b>Total</b>		<b>60</b>

Sr. No.	Modules/ Units
1	<b>Macroeconomics: Nation Income, Theory of Income and Employment</b>
	National Income: Concept and Measurement - Real Vs Nominal GNP – PPP Income - Circular Flow of Income: Closed (two and three sector models) and Open Economy Models – Trade Cycles: Features and Phases – Concept of Aggregate Demand – Keynes’ Theory of Income Determination – Theory of Multiplier – Acceleration Principle
2	<b>Monetary Economics</b>
	Supply of Money: Concept, Constituents and Determinants of Money Supply – Velocity of Circulation of Money: Meaning and Factors Determining – Demand for Money: Keynes’ Theory of Demand for Money – Liquidity Preference Theory of Rate of Interest – Inflation: – Demand Pull and Cost Push Inflation – Causes, Effects and Measures to Control Inflation.
3	<b>Integration of Product and Money Market Equilibrium</b>
	Monetary Policy: Objectives and Instruments – Fiscal Policy: Objectives and Instruments – IS-LM Model: Framework, Impact of Fiscal and Monetary Policy Changes.
4	<b>Public Finance</b>
	Concept of Public Finance: Meaning, Scope and Functions - Distinction between Public and Private Finance - Principles of Maximum Social Advantage: Dalton & Musgrave versions - Modern Trends in Public Finance: Sound Finance v/s Functional Finance, Redistribute Taxation, Anti-Inflationary Taxation - Public Revenue: Sources of Revenue (Tax & Non – Tax Revenue) – Merits and Demerits of Direct & Indirect Tax- Public Expenditure: Classification and Causes of increase in Public Expenditure - Public Debt :Types, Burden and Management - Concepts of deficit.
5	<b>International Trade, Balance of Payment and WTO</b>
	Theories of International Trade: Comparative Cost Theory, Hecksher - Ohlin Theory - Terms of Trade: Meaning & Types – Gains from Trade (with offer curves) - Concept & Structure of BOP, Causes of disequilibrium, Measures to correct disequilibrium in BOP -WTO Agreements with reference to TRIPS, TRIMS and GATS

6	<b>Foreign Exchange Market</b>
	Concept of Foreign Exchange Rate: Spot and Forward, Foreign exchange market: Functions & Dealers - Arbitrage and Speculation - Equilibrium Exchange Rate Determination – Purchasing Power Parity theory – Types of Floating Rate System.

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – No Option	15 Marks
Q-2	Compulsory – No Option - Objective Type True of false, multiple choice, answer in one sentence, match the following	15 Marks
Q-3	Theory	15 Marks
	OR	
Q-3	Theory	15 Marks
Q-4	Theory	15 Marks
	OR	
Q-4	Theory	15 Marks

Note: Question may be sub-divided into smaller questions if necessary



**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.5 Business Law - Paper II  
Business Regulatory Framework**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	The Indian Partnership Act - 1932	30
2	Limited Liability Partnership Act - 2008	10
3	Factories Act - 1948	20
<b>Total</b>		<b>60</b>

Sr. No.	Modules/ Units
1	<b>The Indian Partnership Act - 1932</b>
	a) Concept of Partnership <ul style="list-style-type: none"> <li>- Partnership and Company</li> <li>- Test for determination of existence for partnership</li> <li>- Kinds of partnership</li> </ul> b) Registration and effects of non-registration of Partnership c) Rights and Duties of Partners d) Authority and Liability of partners e) Admission, Retirement and Expulsion of Partner f) Dissolution of Partnership
2	<b>Limited Liability Partnership Act - 2008</b>
	a) Concept , Formation, Membership and Functioning of Partnership b) Dissolution of Partnership
3	<b>Factories Act - 1948</b>
	a) Definitions <ul style="list-style-type: none"> <li>• Section 2 (k) – Manufacturing Process,</li> <li>• Section2 (l) –Workers</li> <li>• Section 2 (m)– Factory</li> </ul> b) Provisions pertaining to <ul style="list-style-type: none"> <li>i. Health- Section 11 to Section 20</li> <li>ii. Safety- Section 21 to Section 41</li> <li>iii. Welfare- Section 42 to Section 49</li> </ul>

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – No Option	15 Marks
Q-2	Compulsory – No Option - Objective Type True of false, multiple choice, answer in one sentence, match the following	15 Marks
Q-3	Theory	15 Marks
	OR	
Q-3	Theory	15 Marks
Q-4	Theory	15 Marks
	OR	
Q-4	Theory	15 Marks

Note: Question may be sub-divided into smaller questions if necessary

**Revised Syllabus and Question Paper Pattern of Courses of  
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with Effect from the Academic Year 2014-2015**

**2.3.6 Management - Paper II  
Introduction to Management**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction to Basic Management Concepts	10
2	Planning	10
3	Organising	10
4	Staffing	10
5	Directing and Controlling	10
<b>Total</b>		<b>50</b>

<b>Sr. No.</b>	<b>Modules / Units</b>
<b>1</b>	<b>Introduction to Basic Management Concepts</b>
1.1	Introduction to Management, Definition of Management
1.2	Nature of Management
1.3	Objectives of Management
1.4	Administration vs Management
1.5	Levels of Management
1.6	Principles of Management
<b>2</b>	<b>Planning</b>
2.1	Definition and Importance of Planning
2.2	Process of Planning
2.3	Limitations of Planning
2.4	Features of Sound Planning
2.5	Features and process of decision making
<b>3</b>	<b>Organising</b>
3.1	Definition, nature and significance
3.2	Process of organisation
3.3	Principles of organisation
3.4	Formal and Informal organisation - features, advantages and disadvantages
3.5	Centralisation and decentralisation – factors, merits and demerits
3.6	Departmentation and Delegation
<b>4</b>	<b>Staffing</b>
4.1	Meaning, Importance of Staffing
4.2	Recruitment and its sources
4.3	Selection procedure
4.4	Distinction between Recruitment and Selection
4.5	Employment tests and types of Interview
<b>5</b>	<b>Directing and Controlling</b>
5.1	Meaning and Importance of directing
5.2	Principles of Directing
5.3	Leadership traits and Styles
5.4	Motivation – Importance and Factors
5.5	Co-ordination – Meaning, features and Importance
5.6	Meaning and steps in controlling
5.7	Essentials of a good control system

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – No Option	15 Marks
Q-2	Compulsory – No Option - Objective Type True of false, multiple choice, answer in one sentence, match the following	15 Marks
Q-3	Theory OR	15 Marks
Q-3	Theory	15 Marks
Q-4	Theory OR	15 Marks
Q-4	Theory	15 Marks

Note: Question may be sub-divided into smaller questions if necessary

**Revised Syllabus and Question Paper Pattern of Courses of  
B.Com. (Accounting and Finance) Programme at Semester III  
with Effect from the Academic Year 2014-2015**

**2.3.7 Quantitative Methods for Business -Paper II**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Decision Theory	15
2	Linear Programming Models	15
3	Transportation Models	15
4	Assignment Models	15
<b>Total</b>		<b>60</b>

Sr. No.	Modules/unit
1	<b>Decision Theory</b>
1.1	Introduction to Probability - Definition of Sample space & Event, probability of an event and simple examples . (No question to be asked in exam.)
1.2	Elements of Decision Problem: Concepts such as decision making, Decision maker, Courses of action, States of nature, Pay-off values , Pay-off Table, Opportunity Loss Table.
1.3	Decision Making process and decision making categories
1.4	Decision Making Environments -
	a) Decision Making under Certainty
	b) Decision Making under Uncertainty -Criteria such as Maximin, Minimax, Maximax, Laplace, Hurwicz Alpha, Regret.
	c) Decision Making under Risk – Criteria such as EMV, EOL and EVPI
1.5	Decision Tree techniques - Concept of Decision Tree and Examples
2	<b>Linear Programming Models</b>
2.1	Mathematical formulation and graphical solution of Linear Programming Problems.
2.2	Standard Linear Programming form – slack and surplus variables
2.3	Determination of Basic Feasible solution: Simplex Method - The Big “M” Method Two phase Method.
2.4	Special cases in Simplex method –Alternative optima, unbounded solutions, Infeasible solutions, Degeneracy.
3	<b>Transportation Models</b>
3.1	Introduction, Characteristics and Assumptions
3.2	Solution of Transportation Problem using –
	a) North – West Corner Method b) MODI Method
	c) Least- Cost Method d) Vogel’s Approximation Method
3.3	Unbalanced Transportation Problem , Degeneracy in Transportation Problem
4	<b>Assignment Models</b>
4.1	Introduction, Characteristics and Assumptions
4.2	Formulation of an Assignment Problem
4.3	Hungarian Method
4.4	Variation of the Assignment Problem



## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – Practical	15 Marks
Q-2	Compulsory – Objective Type True or false, Match the following and/or multiple choice	15 Marks
Q-3	Practical OR	15 Marks
Q-3	Practical	15 Marks
Q-4	Practical OR	15 Marks
Q-4	Theory/ Practical	15 Marks