

B.Com (G)(H) 8 Semester
Syllabus & Model Question Papers

VIII SEMESTER

GROUP A: ACCOUNTING AND FINANCE

YEAR	SEMESTER	COURSE CODE	NAME OF THE COURSE	Hrs/week	Credits
4	VIII	23COMGH801A/ 23COMGH801B	ADVANCED COST AND MANAGEMENT ACCOUNTING/ INTERNATIONAL FINANCIAL SYSTEM ✓	5	5
4	VIII	23COMGH802A/ 23COMGH802B	ADVANCED FINANCIAL ACCOUNTING/ FINANCIAL REPORTING ✓	5	5
4	VIII	23COMGH803A/ 23COMGH803B	CORPORATE REPORTING/ BEHAVIOURAL FINANCE ✓✓	5	5
4	VIII	23COMGH804A/ 23COMGH804B	STRATEGIC COST MANAGEMENT/ FINANCIAL DERIVATIVES ✓	5	5
4	VIII	23COMGH805A/ 23COMGH805B	ACCOUNTING FOR MANAGERIAL DECISION MAKING/ SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT ✓	5	5
4	VIII		ONLINE COURSE TO BE COMPLETED		

- Students may choose any one option from the above two (A & B) options

GOVERNMENT COLLEGE FOR MEN (A), KADAPA
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 –23COMGH801A: ADVANCED COST AND MANAGEMENT
ACCOUNTING ✓
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

GOVERNMENT COLLEGE FOR MEN (A), KADAPA
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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 – 23COMGH801B : INTERNATIONAL FINANCIAL SYSTEM
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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DOMAIN SUBJECT: COMMERCE
Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)
GROUP A: ACCOUNTING AND FINANCE
SEMESTER VIII – 23COMGH802A: ADVANCED FINANCIAL ACCOUNTING ✓
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 apportion 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.Gupa and Radhaswamy, Sultan Chand & Co
5. Advanced Accountancy- Vol 1&2 Sp Jain and Kl. Narang, Kalyani Publications
6. Advanced Accountancy- Vol 1&2 Shukla & Grewal , S.Chand 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 –23COMGH802B: FINANCIAL REPORTING
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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PROGRAMME: FOUR-YEAR B Com. (Hons)
DOMAIN SUBJECT: COMMERCE
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GROUP A: ACCOUNTING AND FINANCE
SEMESTER VIII – 23COMGH803A : CORPORATE REPORTING ✓
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 SMEs to understand their accounting practices.

5. Financial accounting and reporting by Barry Elliott and Jamie Elliott. Prentice Hall

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GROUP A: ACCOUNTING AND FINANCE
SEMESTER VIII – 23COMGH803B: BEHAVIOURAL FINANCE
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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Semester-wise Syllabus under CBCS (w.e.f. 2020-21 Admitted Batch)
GROUP A: ACCOUNTING AND FINANCE
SEMESTER VIII – 23COMGH804A : STRATEGIC COST MANAGEMENT
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. Herrngren, Datar and Foster, Cost Accounting: A Managerial Emphasis. Pearson Education, Eleventh Edition, 2003
5. Advanced cost accounting, J Made Gowda, Himalaya Publishing house.

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GROUP A: ACCOUNTING AND FINANCE
SEMESTER VIII – 23COMGH804B: FINANCIAL DERIVATIVES ✓
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, Satya 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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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 – 23COMGH805A : ACCOUNTING FOR MANAGERIAL DECISION
MAKING ✓
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 VIII – 23COMGH805B : SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT

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, PHL.
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 McGrawHill Education
5. P. Pandian, Security Analysis and Portfolio Management, 1e (2014). Vikas Publishing House Pvt. Limited.