

**BFM- syllabus from Birla College:**

Sem III		Sem IV	
3.1	Business Law	4.1	Corporate Law
3.2	Direct Tax Paper 1	4.2	Indirect Tax Paper 1
3.3	Corporate Accounts- 1	4.3	Corporate Accounts- 2
3.4	Managerial Communication	4.4	Cost Accounting - 1
3.5	Business Economics- Macro Economics	4.5	Auditing - 1
3.6	Entrepreneurial Development	4.6	IT in Management

## **4.1 Corporate Law – Based on Companies Act 2013**

### **UNIT I**

**Introduction** -Characteristics of a company; lifting of corporate veil; types of companies including one person company, small company and producer company; association not for profit; illegal association; formation of company – promoters, their legal position, pre-incorporation contract and provisional contracts; online registration of a company.

### **UNIT II**

**Documents** –Memorandum of association, articles of association, doctrine of constructive notice and indoor management, prospectus-shelf and red herring prospectus, misstatement in prospectus; GDR; book building; issue, allotment and forfeiture of share, transmission of shares, buyback and provisions regarding buyback; issue of bonus shares.

### **UNIT III**

**Management**- classification of directors, women directors, independent director, small shareholder's director; disqualifications, director identity number (DIN); appointment; legal positions, powers and duties; removal of directors; key managerial personnel, managing director, manager; meetings of shareholders and board; types of meeting, convening and conduct of meetings, postal ballot, meeting through video conferencing, e-voting.

### **Unit IV**

**Miscellaneous Provisions**- Books of accounts, registers; online filing of documents; dividend provisions; auditor's appointment; rotation of auditors; auditor's report; secretarial audit; concept and modes of winding up; national company law tribunal (NCLT); special courts.

### **Suggested Readings:**

1. Hicks, Andrew & Goo S H, *Cases and Material on Company Law*, Oxford University Press
2. Kershaw, David, *Company Law in Context*, Oxford University Press, UK
3. Gowar, LCB, *Principles of Modern Company Law*, Stevens & Sons, London.
4. Hannigan, Brenda, *Company Law*, Oxford University Press, UK
5. Sharma, J. P, *An Easy Approach to Corporate Laws*, Ane Books Pvt Ltd, New Delhi.

6. Ramaiya, *A Guide to Companies Act*, Wadhwa and Company Nagpur
7. Kannal, S., & V.S. Sowrirajan, *Company Law Procedure*, Taxman's Allied Services (P) Ltd., New Delhi
8. *Companies Act and Corporate Laws*, Bharat Law House Pvt Ltd, New Delhi

## **4.2 Indirect Tax Paper 1-**

### **1 Maharashtra Value Added Tax (MVAT), Act 2002:**

Introduction

#### **Definitions**

Section:

2 (4) Businesses, 2 (8) Dealers, 2 (12) Goods, 2 (13) Importer  
2 (15) Manufacturer, 2 (20) Purchase Price, 2 (22) Resale  
2 (24) Sales, 2 (25) Sales Price, 2 (27) Service  
2 (33) Turnover of Sales and Rule 3

#### **Incidence of Levy of Tax**

Sec. 3 Incidence of Tax, Sec. 4 Tax Payable, Sec. 5 Tax Not Leviable on Certain Goods. Sec. 6 Levy of Sales Tax on Goods specified in the Schedule  
Sec. 7 Rate of Tax on Packing Material,  
Sec. 8 Certain Sale and Purchase not Liable for Tax

#### **Payment of Tax and Recovery**

Section: 42 - Composition of Tax and Notification 1505/CR-105/Taxation-1

#### **Set Off, Refund, etc.**

Section 48 and 49 Set Off, Refund etc. Along with Rules 52, 53, 54, 55

### **2 Maharashtra Value Added Tax (MVAT), Act 2002:**

Registration Procedure and Rules: Section 16

### **3 Maharashtra Value Added Tax (MVAT), Act 2002:**

Audit Section 22 and 61

### **4 Maharashtra Value Added Tax (MVAT), Act 2002:**

## Penalty and Interest

### **Notes:**

1. The Syllabus is Restricted to Study of Particular Sections, Specifically Mentioned Rules and Notifications Only.
2. All Modules / Units include Computational Problems / Case Study.
3. The Law in force on 1st April Immediately Preceding the Commencement of Academic Year will be Applicable for Ensuing Examinations.

### **Reference Books**

Indirect Taxes: Law and Practice by V.S. Datey, Taxmann, New Delhi  
Commentary on M.V.A.T. ACT, 2002 by M.S. Mathuria and Dilip Phadke by  
Maharashtra Sales Tax Vat News, Mumbai  
Indirect Taxes by V.S. Balchandra, Sultan Chand and Sons, New Delhi  
Maharashtra Value Added Tax by Shah Shantilal, Snow White Publications Pvt.  
Ltd., Mumbai  
Direct Taxes by B.B. Lal and N. Vashishta, Pearson Education

## **4.3 Corporate Accounts 2**

### **Unit - 1**

Amalgamation – Absorption and external reconstruction of a company - (Inter company investments excluded)

### **Unit – II**

Alteration of share capital - Internal reconstruction and reduction of capital.

### **Unit – III**

Liquidation - Statement of affairs and deficiency accounts - Liquidator's final statement of receipts and payments.

### **Unit – IV**

Human Resource Accounting - Accounting standards - Financial reporting practices - Accounting for price level changes.

## **REFERENCE BOOKS**

1. Shukla and Grewal - Advanced Accounts S. Chand
2. T.S. Reddy and A. Murthy - Corporate Accounting
3. Jain and Narang - Company Accounts
4. R.L. Gupta - Corporate Accounting
5. Chakraborti - Advanced Account
6. Mukherji and Hanif - Modern Accounts, Vol. I and Vol. II, Tata Mcgraw Hill.

#### 4.4 Cost Accounting Paper 1

### **1 Introduction to Cost Accounting**

Evolution, Objectives and Scope of Cost Accounting, Importance and Advantages of Cost Accounting, Difference between Cost Accounting and Financial Accounting Limitations of Financial Accounting , Definitions: Cost, Costing and Cost Accounting. Classification of Cost on Different Bases, Cost Allocation and Apportionment. Coding System, Essentials of Good Costing System

### **2 Material Cost**

Material Cost: The Concept, Material Control Procedure, Documentation, Stock Ledger, Bin Card, Stock Levels, Economic Order Quantity (EOQ)

### **3 Labour Cost**

Labour Cost: The Concept, Composition of Labour Cost, Labour Cost Records, Overtime / Idle Time / Incentive Schemes

### **4 Overheads**

Overheads: The Concept, Classification of overheads on different bases, Apportionment and Absorption of Overheads

### **Reference Books**

Lectures on Costing by Swaminathan: S. Chand and Company (P) Ltd., New Delhi

Cost Accounting by C.S. Rayudu, Tata Mc. Grow Hill and Co. Ltd., Mumbai

Cost Accounting by Jawahar Lal and Seema Srivastava, Tata Mc. Grow Hill and Co. Ltd., Mumbai

Cost Accounting by Ravi M. Kishore, Taxmann Ltd., New Delhi

Principles and Practices of Cost Accounting by N.K. Prasad, Book Syndicate Pvt. Ltd., Calcutta

Cost Accounting Theory and Practice by B.K. Bhar, Tata Mc. Grow Hill and Co. Ltd. Mumbai

Cost Accounting Principles and Practice by M.N. Arora, Vikas Publishing House Pvt. Ltd. New Delhi

Advanced Cost and Management Accounting: Problems and Solutions by V.K. Saxena and C.D. Vashist, S. Chand and Company (P) Ltd., New Delhi

Cost Accounting by S.P. Jain and K.L. Narang, Kalyani Publishers, Ludhiana

Modern Cost and Management Accounting by M. Hanif, Tata McGraw Hill Education Pvt. Ltd., New Delhi



## 4.5 Auditing- Paper 1

### **1 Introduction to Auditing**

Financial Statements, Users of Financial Information, Definition of Auditing, Objectives of Auditing - Primary and Secondary, Expression of Opinion, Detection of Frauds and Errors, Inherent Limitations of Audit

Errors and Frauds, Concepts, Reasons and Circumstances, Types of Errors - Commission, Omission, Principle and Compensating, Types of Frauds, Risk of Fraud and Error in Audit, Auditor's Duties and Responsibilities in Respect of Fraud

Principles of Audit, Integrity, Objectivity, Independence, Confidentiality, Skills and Competence, Materiality and Work Performed by Others, Documentation, Planning, Audit Evidence, Accounting System and Internal Control, Audit Conclusions and Reporting

Types of Audit, Meaning, Advantages and Disadvantages of Balance Sheet Audit, Interim Audit, Continuous Audit, Concurrent Audit, Annual Audit

Miscellaneous, Advantages of Independent Audit, Qualities of Auditors, Auditing Vs Accounting, Auditing Vs Investigation, View the Concept True and Fair

### **Audit Planning, Procedures and Documentation-**

Audit Planning: Meaning, Objectives, Factors to be Considered, Sources of Obtaining Information, Discussions with Client, Overall Audit Plan. Audit Programme Meaning, Factors to be Considered, Advantages, Disadvantages, Overcoming Disadvantages, Methods of Work, instructions before Commencing Works of Audit, Overall Audit Approach. Audit working Papers Meaning, Importance, Factors Determining Form and Contents, Main Functions / Importance, Features, Contents of Permanent Audit File, Temporary Audit File, Ownership, Custody, Access of Other Parties to Audit Working Papers, Auditors Lien on Working Papers, Auditors Lien on Client's Books. Audit Notebook, meaning, Structure, Contents, General Information, Current Information and Importance

### **Auditing Techniques: Test Check, Sampling**

Test Checking Vs Routing Checking, Test Check Meaning, Features, Factors to be Considered, When Test Checks can be Used, Advantages, Disadvantages and Precautions.

Audit Sampling, Meaning, Purpose, Factors in Determining Sample Size – Sampling . Risk, Tolerable Error and Expected Error, Methods of Selecting Sample Items. Evaluation of Sample Results Auditors Liability in Conducting Audit based on Sample

### **Internal Control & Internal Audit**

Meaning and Purpose, Review of Internal Control, Advantages, Auditors Duties, Review of Internal Control, Inherent Limitations of Internal Control, Internal Control Samples for Sales and Debtors, Purchases and Creditors, Wages and Salaries. Meaning, Basic Principles of Establishing Internal Audit, Objectives, Evaluation of Internal Audit by Statutory Auditor, Usefulness of

Internal Audit, Internal Audit Vs External Audit, Internal Checks Vs Internal Audit

### **Reference Books**

Contemporary Auditing by Kamal Gupta, Tata Mc-Graw Hill, New Delhi

Hand-Book of Practical Auditing by B.N. Tandon, S. Chand and Company, New Delhi

Fundamentals of Auditing by Kamal Gupta and Ashok Arora, Tata McGraw Hill, New Delhi

Auditing: Principles and Practice by Ravinder Kumar, Virender Sharma, PHI Learning Pvt. Ltd., New Delhi

Auditing and Assurance for CA IPCC by Sanjib Kumar Basu, Pearson Education, New Delhi

Contemporary Auditing by Kamal Gupta, McGraw Hill Education Pvt. Ltd., New Delhi

Fundamentals of Auditing by Kamal Arora and Ashok Gupta, Tata McGraw Hill, New Delhi

## **4.6 Subject: IT in Management**

### **Unit 1 Managing Hardware and Software Assets:**

Computer Hardware and Information Technology Infrastructure.

Categories of Computers and Computer System. Types of Software's.

Managing Hardware and Software Assets.

### **Unit 2 Managing Data Resources:**

Organizing Data in a Traditional File Environment. The Database Approach to

Data Management. Creating a Database Environment. Database Trends.

### **Unit 3 Networking:**

Concept, Basic elements of a Communication System, Data transmission media, Topologies, LAN, MAN, WAN, Internet.

### **Unit 4 Current Trends in IT management:**

Use of Social Networks in Business. Use of ICT enabled application in Business.

(design a case study to understand the requirement of IT infrastructure in management of business)

### **Unit 4 The Internet and The New Information Technology Infrastructure :**

The IT infrastructure for the Digital Firm, The Internet : The IT infrastructure for

the Digital Firm. The World Wide Web. Management Issues and Decisions.

### **Unit 5 Understanding the Business values of System and Managing Change:**

Understanding the Business Values of Information System.

The Importance of Change Management in Information System Success and Failure. Managing Implementations.

**Books Recommended:-**

- 1) Computer Fundamentals by P.K. Sinha & Priti Sinha, 3rd edition, BPB pub.
- 2) Computers Today by S. Basandra Galgotia Pub.
- 3) Microsoft Office 2000 by Vipra Computers,
- 4) Advanced Microsoft Office 2000 by Meredith Flynn, Nita Rutkosky, BPB Pub
- 5) Microsoft office 2007 by Ed Bott ,Woody Leonhard , Pearson publication
- 6) Microsoft office 2010 by , Pearson publication