

AC 7/6/2013

Item no. 4.25

# **University of Mumbai**



## **Syllabus and Question Paper Pattern of Courses of M.Com. Programme at M.Com. Semester III and IV**

**Under Credit, Grading and Semester System**

**With Effect from Academic Year 2013-2014**

**Syllabus and  
Question Paper Pattern of  
Courses of M.Com. Programme  
at  
M.Com.  
Semester III**

**Special Group-I: Advanced Accounting**

- **Course-III: Advanced Financial Management Paper-I**
- **Course-IV: Advanced Auditing Paper-I**
- **Course-V: Direct and Indirect Taxes Paper-I**  
*Direct Tax*

**Syllabus and Question Paper Pattern of Courses of M.Com.  
Programme at M.Com. Semester III with Effect from the Academic  
Year 2013-2014**

**Course-III: Advanced Financial Management  
Paper-I**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	Scope and Objectives of Financial Management
2	Time Value of Money
3	Financial Analysis - Application of Ratio Analysis in Financial Decision Making
4	Financial Decision

Sr. No.	Modules / Units
1	<b>Scope and Objectives of Financial Management</b>
	Introduction Meaning Importance Scope Objectives Profit v/s value maximization
2	<b>Time Value of Money</b>
	The concept, Present value, Annuity, Techniques of discounting, and Techniques of compounding
3	<b>Financial Analysis - Application of Ratio Analysis in Financial Decision Making</b>
	<b>Management Analysis</b> Profitability Ratios: Gross Profit Ratio, Operating Profit Ratio, Return on Capital Employed. Efficiency Ratios: Sales to Capital Employed, Sales to Fixed Assets, Profit to Fixed Assets, Stock Turnover Ratio, Debtors Turnover Ratio, Creditors Turnover Ratio Liquidity Ratios: Current Ratio, Quick Ratio. Stability Ratio: Capital Gearing Ratio, Interest Coverage Ratio. Investors Analysis Earnings Per Share, P/E Ratio, Dividend Yield  <i>Note: Problems should be on analysis and decision making with / without calculation of ratios</i>
4	<b>Financial Decision</b>
	<b>Cost of Capital</b> Introduction Definition of Cost of Capital, Measurement of Cost of Capital, WACC Marginal Cost of Capital
	<b>Capital Structure Decisions</b> Meaning Choice of Capital Structure. Importance Optimal capital Structure EBIT-EPS Analysis Cost of Capital, Capital structure and Market Price of Share Capital Structure Theories Dividend Policy - Payout Ratio
	<b>Business Risk and Financial Risk</b> Introduction Debt v/s Equity Financing Types of Leverage Investment objective / criteria for individuals / Non-business purpose

## Question Paper Pattern

Maximum Marks: 60

Questions to be Set: 04

Duration: 2 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Full Length Practical Question	15 Marks
	OR	
Q-1	Full Length Practical Question	15 Marks
Q-2	Full Length Practical Question	15 Marks
	OR	
Q-2	Full Length Practical Question	15 Marks
Q-3	Full Length Practical Question	15 Marks
	OR	
Q-3	Full Length Practical Question	15 Marks
Q-4	Objective Questions* (*Multiple choice / True or False / Match the columns / fill in the blanks)	15 Marks
	OR	
Q-4	Theory questions* (*Short notes / short questions)	15 Marks

Note: Full length question of 15 marks may be divided into two sub questions of 08 and 07 marks.

**Allocation of the Syllabus and Question Paper Pattern of Courses of  
M.Com. Programme at M.Com. Semester III with Effect from the  
Academic Year 2013-2014**

**Course-IV: Advanced Auditing Paper-I**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	Audit of Ledgers
2	Special Considerations in Audits

Sr. No.	Modules / Units
1	<b>Audit of Ledgers</b>
	General Considerations Scrutiny of Ledgers of Assets, Personal, Revenue Accounts
2	<b>Special Considerations in Audits</b>
	<b>Government Audit</b> <b>Miscellaneous Audits</b> Audit of a sole trader Audit of a firm Audit of a small company Audit of educational institutions Audit of Hospital Audit of Club Audit of Hotels Tax Audit Audit of Insurance Company Audit of Banks

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**Allocation of the Syllabus and Question Paper Pattern of Courses of  
M.Com. Programme at M.Com. Semester III with Effect from the  
Academic Year 2013-2014**

**Course-V: Direct and Indirect Taxes Paper-I**  
*Direct Tax*

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	Definitions: S:2
2	Basis of Charge (S:3 to 9)
3	Exclusions from Total Income (S:10)
4	Heads of Income
5	Deduction u/s 80
6	Computation of Income and Tax of individual, firm and company (Excluding MAT)
7	Advance Tax Payments Sec 208
8	Provision for filing of return of income (Including Forms of Return) Sec 139 (1), 139 (5)

<b>Sr. No.</b>	<b>Modules / Units</b>
1	<b>Definitions: S:2</b>
	Person, Assessee, Income
2	<b>Basis of Charge (S:3 to 9)</b>
	Previous Year , Assessment Year, Residential Status, Scope of Total Income, Deemed Income
3	<b>Exclusions from Total Income (S:10)</b>
	Exemptions related to Specific Heads of Income to be covered with relevant provisions such as Salary, Income from Other Sources. Agricultural Incomes Sums received From HUF by member Share of Profits from Firm Income from Minor Child Dividend
4	<b>Heads of Income</b>
	(Including relevant items from S:2 and S:10) Salary (S:15 to 17) Income from House Property (S:22to 27) Profits and Gains From Business, Profession and Vocation : (S:28 to 32, 35, 36, 37, 40, 40A and 43B ) Capital Gains – (S:45 to S:50 C) Income from Other Sources – S:56 to 59)
5	<b>Deduction u/s 80</b>
	80 C, 80CCF, 80D, 80DD, 80DDB, 80E, 80U
6	<b>Computation of Income and Tax of individual, firm and company (Excluding MAT)</b>
7	<b>Advance Tax Payments Sec 208</b>
8	<b>Provision for filing of return of income (Including Forms of Return) Sec 139 (1), 139 (5)</b>

**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 1<sup>st</sup> April immediately preceding the commencement of Academic year will be applicable for ensuing Examinations.

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Q-2	Full Length Practical Question	15 Marks
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Q-3	Full Length Practical Question	15 Marks
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**Allocation of the Syllabus and  
Question Paper Pattern of  
Courses of M.Com. Programme  
at  
M.Com.  
Semester IV**

**Special Group-I: Advanced Accounting**

- **Course-III: Advanced Financial Management Paper-II**
- **Course-IV: Advanced Auditing Paper-II**
- **Course-V: Direct and Indirect Taxes Paper-II**  
*Indirect Tax*

**Allocation of the Syllabus and Question Paper Pattern of Courses of  
M.Com. Programme at M.Com. Semester IV with Effect from the  
Academic Year 2013-2014**

**Course-III: Advanced Financial Management  
Paper-II**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	Types of Financing
2	Investment Decisions
3	Management of Working Capital

Sr. No.	Modules / Units
1	<b>Types of Financing</b>
	<p><b>Introduction</b></p> <p><b>Needs of Finance and Sources: Long Term, Medium Term, Short Term</b></p> <p><b>Long Term Sources of Finance</b>  Owners Capital / Equity Capital  Preference share capital  Retained Earning  Debentures or Bonds  Loans from Financial Institutions / Banks</p> <p><b>Short Term Sources of Finance</b>  Trade Credit  Accrued Expenses and Deferred Income  Advances From Customers  Commercial Papers  Bank Advances: Loans, O/D, Clean O/Ds, Cash Credit, Advances against goods, Bills Purchased, Discounted, Advances against documents of title of goods, Advances against supply of bills, Term Loans  Inter Corporate Deposits  Certificate of Deposits  Public Deposits</p>
2	<b>Investment Decisions</b>
	<p>Introduction  Purpose of Capital Budgeting  Capital Budgeting Process  Types of Capital Investment Decisions  Project Cash Flows and Net profit Approval  Basic Principle of Measuring Project Cash Flows  Increment principle, Long Term Funds Principle, Exclusion of Financial Cost Principle, Post Tax Principle  Probability technique for measurement of cash flow  Capital Budgeting Techniques (Only Time adjusted / discounted cash flows)  Net present value, PI, IRR, Discounted pay back  Capital Rationing</p> <p><i>(Note: Problems on computation of cash flow, ranking of projects on various techniques, selection and analysis with / without capital rationing. Comparison of IRR with Required rate of return i.e. cut off rate, IRR and mutually exclusive projects with unequal lives, multiple IRR)</i></p>
3	<b>Management of Working Capital</b>
	<p>Meanings, Concepts and policies of working capital  Meaning and Concept  Management of working capital  Issues in working capital  Estimating working capital needs (only Theory)  Operating or working capital cycle (only Theory)</p> <p><b>Cash Management</b></p>

	Management of Inventory Management of Receivables Financing of Working Capital
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**Allocation of the Syllabus and Question Paper Pattern of Courses of  
M.Com. Programme at M.Com. Semester IV with Effect from the  
Academic Year 2013-2014**

**Course-IV: Advanced Auditing Paper-II**

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	The Company Audit
2	New Standards on Auditing (SAs)



Sr. No.	Modules / Units
1	<b>The Company Audit</b>
	General consideration in a company audit Special requirements of company audit Audit report: Basic Elements of the Auditor's Report, Format of Audit Report (Including -Companies (Auditor's Report) Order, 2003)
2	<b>New Standards on Auditing (SAs)</b>
	SA 200 (Revised) Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing SA 200 A Objective and scope of audit of Financial Statement SA 210 (Revised) Agreeing the Terms of Audit Engagements SA 220 (Revised) Quality Control for an Audit of Financial Statements SA 230 (Revised) Audit Documentation SA 240 (Revised) The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements SA 300 Planning and Audit of Financial Audit SA 500 Audit Evidence SA 501 Audit Evidence - Specific Considerations for Selected Items SA 505 (Revised) External Confirmations SA 510 (Revised) Initial Audit Engagements - Opening Balances SA 520 Analytical Procedures SA 610 (Revised) Using the Work of Internal Auditors

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**Course-V: Direct and Indirect Taxes Paper-II**  
*Indirect Taxes*

**Modules at a Glance**

<b>Sr. No.</b>	<b>Modules</b>
1	Service Tax
2	Maharashtra Value Added Tax (MVAT)

Sr. No.	Modules / Units
1	<b>Service Tax</b>
1.1	<b>Basic Terms</b> Terms-Service, Activity, Consideration, Person, Declared Services Applicability of Service Tax Registration under Service Tax law (Sec 69) Registration Procedure General Exemptions from Service Tax in certain cases, Threshold Exemption Service Tax Returns and Penalty for late filing Payment of service tax and rate of service tax Penal consequences for delay and default in service tax payments Books and records maintained by the assessee Time limit for issue of an invoice Negative List (Sec 66 D Specifies services which are not taxable)
1.2	<b>Services Specifically Excluded</b> Transfer of title in goods or immovable property Transfer delivery or supply of any goods which is deemed sale Transactions on money or actionable claims Provision of service by employee to employer Services provided by MP, MLA, etc Duties preferred by persons who hold posts in pursuance of provision of constitution e.g. Central Vigilance Committee Duties performed as a chairperson or member or director in body established by central, state Govt or local authority
1.3	<b>Point of Taxation</b> Determination of point of taxation Point of Taxation for export of services from 1.4.2012 Special provision for individual, partnership, LLP's
1.4	<b>Valuation of Taxable Services</b> Value for the purpose of taxable services Rules for valuation The essential ingredients of the rules Value of similar services Valuation on the basis of equivalent monetary value of consideration where value of similar services can not be ascertained Inclusion/Exclusion of certain expenditure or cash Taxable services provided from outside India Value of services involved in execution of works contracts Value of services involved In supply of food and any other article of human consumption in a restaurant or as outdoor catering
1.5	<b>Place of Provision of Services</b> Introduction Basic Framework Rule 3- Location of the Receiver Rule 5- Location of Immovable Property Rule 7- Part performance of a service at different locations
2	<b>Maharashtra Value Added Tax (MVAT)</b>

2.1	Introduction Definitions, Sec 3, 4, 5, 6, 7, 8 (Only theory)
2.2	Registration procedure and rules: Section 16
2.3	Audit Section 22 & 61
2.4	Penalty and Interest
2.5	Set-Off- Refund-Composition scheme

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