

M.Com (MASTER OF COMMERCE)
ELECTIVE – I ACCOUNTING & TAXATION

Paper	Subjects	IA	Exam	Total
4.1	Common Paper Commodity Markets	30	70	100
4.2	Corporate reporting practices and Ind AS	30	70	100
4.3	Strategic Cost Management - II	30	70	100
4.4	Goods and Service Taxes	30	70	100
4.5	Dissertation	30	70	100

4.1 COMMODITY MARKETS

Objective:

1. To expose students to the world of commodity markets
2. To expose students to the financial instruments used in commodity markets.

MODULE – I Commodity Markets and Exchanges: Growth of Global and Domestic Commodities Derivatives Markets, Agricultural Commodities Market and Non-Agricultural Commodities Markets Commodity Exchanges: Exchanges around the World and its Importance, Commodity Exchanges in India. National Exchanges and Regional Exchanges, platform – Structure, Exchange membership, Capital requirements, commodities traded on National exchanges, instruments available for trading and Electronic Spot Exchanges.

MODULE – II Quality Assurance: Quality Assurance, Concepts of Quality in Commodities, Methods of Quality Assurance Grading and Standardization: Meaning of grading and Standardization, purpose of grading, advantages of grading, inspection and quality control, Indian standards.

MODULE – III Commodity Derivatives: Commodity Derivatives: Evolution of Commodity, Derivatives, Evolution of Commodity, Derivatives in India, Types of Derivatives, Other Classifications of Derivatives, Pricing Derivatives, Derivative Markets and Participants, Economic Importance of Commodity Derivatives Markets.

MODULE – IV Warehousing Trading and Settlement: Warehousing and Warehouse Receipts, Storage, practices in India, Risks in Storage, Structures, Essentials of storage structures, cost of storage/carry, returns of storage cost, warehousing, types of warehouses, Central warehousing corporation(CWC) FCI, functioning, growth, capacity and utilization. Trading on ‘Commodity Exchanges: the Exchange platform, Exchange Membership, Commodity Brokerage, trading systems, participants in Commodity Markets, Role of speculators, Trading mechanism – Margin Trading, Mark to Market, Conflict Management; Arbitration and International Legal provisions, Market Positions, Order Types, Access to Commodity Exchanges, Volume and Open Interest.

Clearing and Settlement on Commodity Exchanges, Clearing House Operations and Risk Management, procedures, Delivery related issues like delivery centers, Deliverable varieties, Issues related to monitoring and surveillance by exchanges and regulator, Margining Method and the settlement process.

MODULE – V Regulatory Framework: FCR Act 1952, FMC and Regulatory structure of commodities Derivatives markets in India (Objective, Functions, Power and responsibilities, Scope of Regulation), Essential Commodities Act and role of central and state Governments, Intermediaries, Investor Grievances and arbitration, Commodities Board in India – Coffee Board of India, Tea Board of India, Spice Board of India, Rubber Board of India, Tobacco Board of India.

Books for Reference:

1. Location in Space: A Theoretical Approach to Economic Geography, Lloyd and peter.
2. Land, Work and Resource: An Introduction to Economic Geography, Patterson J.H.
3. Annals of an Abiding Liberal, Galbraith.
4. Economic Geography, Truman A. Harshron and John W. Alexander.
5. World Resources and Trade, Khanna and Gupta.
6. World Resources, Zimmerman.
7. Economic Geography – A Resources Approach – Gun and Chatterji.
8. CD of IIPM Commodity Futures National Seminars.
9. Economic Geography – Prentice Hall of India.
10. Economic Times & Business Line (Daily)
11. Business India (Magazine).

4.2 CORPORATE REPORTING PRACTICES AND IND AS

Objective:

To familiarize with recent developments in the area of financial reporting and to gain ability to solve financial reporting problems in special cases.

MODULE 1: Evolution and Convergence of International Financial Reporting Standards (IFRS) in India: GAAP in India and Hierarchy of GAAP in India, International Financial Reporting Standards, First time adoption (IFRS 1) – Convergence with IFRS – Stage-wise Approach, Advantages of converting to IFRS, Significant Criticisms of IFRS, Key Business issues that will need to be addressed for successful implementation of IFRS, challenges and opportunities faced by India in the implementation of IFRS - An overview of IND ASs: list of converged Indian Accounting Standards notified by Ministry of Corporate Affairs (MCA) - Comparison of IFRS with Ind AS.

MODULE 2: Accounting and Reporting for Business Combinations (As per Ind AS): Relevant Terms, Types of merger, methods of accounting, treatment of Goodwill arising on merger, purchase consideration and settlement; Accounting in books of vendor/transferor company, Accounting for investment in subsidiary, Accounting for holding companies (including chain holdings, multiple holdings), Corporate Financial Restructuring (including intercompany holdings), Reconstruction schemes, De-merger.

MODULE 3: Group Financial Statements/ Consolidated Financial Statements: Consolidation of foreign-Holding company, Subsidiary Company and Associate Company including multiple subsidiaries, Concept of a group, Purposes of consolidated financial statements, consolidation procedures-Minority interest, Goodwill, Treatment pre-acquisition profit and concept of Fair value at the time of acquisition.

MODULE 4: Consolidated Income Statements: balance Sheet and cash Flow Statements for Group companies, Impact of group financial statements at the point of acquisition, Treatment of investment in associates in consolidated financial statements, compare and contrast acquisition and equity methods of accounting, Treatment of investment in Joint ventures in consolidated financial statements.

MODULE 5: Accounting for Industry based standards: Agriculture –Insurance contracts- Exploration for and Evaluation of Mineral Resources-Regulatory Deferral Accounts.

References:

1. IFRS for India, Dr.A.L.Saini, Snow white publications
2. Roadmap to IFRS and Indian Accounting Standards by CA Shibarama Tripathy
3. IFRS explained – A guide to International financial reporting standards by BPP learning Media
4. IFRS for finance executives by Ghosh T P,taxman allied services private limited
5. IFRS concepts and applications by Kamal Garg, Bharath law house private limited
6. IFRS: A Quick Reference Guide by Robert J. Kirk, Elsevier Ltd.
7. First lesson to International Financial ReportingStandards beginners guide by MP Vijay Kumar, prime knowledge services.
8. A student's guide to international financial reporting standards by Clare Finch, Kalpan Publishing.

4.3 STRATEGIC COST MANAGEMENT – II

Objective: To expose the students to the external environment of business and to enable them to formulate strategies relating to cost and pricing.

MODULE –1: Pricing Strategies in Decision Making: Pricing strategies: Pricing policy, process, Role and methods: cost plus pricing, Marginal cost pricing, pricing for target rate of return, added value method of pricing, differential cost pricing going rate pricing, opportunity cost pricing, standard cost pricing, customary pricing, pricing strategy for Export oriented products, methods of export pricing, pricing strategies for new products, management accountant role in product pricing.

MODULE –2: Transfer Pricing: Transfer Pricing – meaning, necessity, Objectives, applications, Methods (Cost Based, Market Price Based and Negotiated Pricing), Advantages and Disadvantages, Criteria for setting Transfer Prices, Guiding Principles in the fixation of transfer prices, Transfer Price in different situations. International transfer pricing: meaning, factors affecting international transfer pricing.

MODULE 3: Learning Curve Theory: Introduction, meaning and definition of learning curve, phases in learning curve, applications of learning curve, factors affecting learning curve, comparison between learning curve and experience curve.

MODULE – 4: Cost of Quality and TQM: Definition, classification of quality costs, cost of Conformance, Prevention costs, appraisal costs, cost of Non-conformance, optimization of quality cost, TQM Core concepts of TQM, Benefits of TQM. TQM –basics, stages, principles, control, corrective actions, PRAISE- steps, problems, implementation Cost of quality report Continuous process improvement.

MODULE – 5: Balanced Scorecard and Benchmarking: BSC: Introduction, drawback of traditional financial measures, attributes to good performance measurement system, concept of balanced score card, perspectives of B.SC and implementation of Balanced score Card, case studies on BSC. Benchmarking – Concepts, Benchmarking process, Impact on Indian Industry, Types of Benchmarking

Books for Reference:

1. Ravi. M. Kishore, Cost Management, Taxman, Allied Services (p) Ltd.,
2. S.K.R. Paul, *Management Accounting*, New Central Book Agency Private Ltd., Calcutta.
3. Charles T. Horngren, George Foster, Srikant M. Data, *Cost Accounting: A Managerial Emphasis*, Prentice Hall of India, New Delhi.

4. Roger Cowe, *Hand Book of Management Accounting*, A Grower Handbook.
5. S. Mukherjee & A.P. Roychowdhury, *Advanced Cost and Management Accountancy*, New Central Book Agency, Calcutta.
6. Anthony R.N, *Management Accounting Principles*, Grawin Publishing.
7. Batty J, Mc Donald & Evans, *Management Accountancy*, London.
8. Bierman H & Drabin A.R, *An Introduction Managerial Accounting*, McMillan Company, New York.
9. Broad H.W & Carmichael K.S, *A Guide to Management Accounting*, HFL (Pub) Ltd., London.
10. Brown & Haward, Mac Donald , Evans, *Principles of Management Accountancy*, London.
11. De Pauls, *Management Accounting in Practice*, F.C. Europe Pub. Ltd., London.
12. Keith Ward, *Strategic Management Accounting*, Butterworth Heirmann Pub.
13. John K. Shank, *Cases in Cost Management: A Strategic Emphasis*, South-Western Publishing, Thomson Learning.

4.4 GOODS AND SERVICE TAXES

Objective: To familiarize the students with the indirect tax laws.

MODULE - 1 : Introduction : Special features of indirect tax levied, all pervasive nature, contribution to Government Revenues, fiscal preference as instrument of planning and development—role of indirect tax laws.

MODULE - 2: Central Excise and Salt Act 1944: Nature of levy of excise duty, classification of excisable goods, price lists and their significance, valuation of excisable goods, central excise licensing – detailed procedure.

Clearance of excisable goods – procedure under physical control, compounded levy scheme and self-removal procedures, gate passes, personal ledger account and daily stock accounts.

Exemption from excise duty levies – nature and types of exemption notifications. Procedure for clearance of samples, semi-finished goods and return and retention of duty paid goods. CENVAT, CENVAT on Capital goods. Tariff item 68 – significance of the levy, exemption and clearance procedure. Set off of duties – meaning schemes of set-off and details of procedure. An overview of accounts records and returns to be maintained/filed under the Act. Adjudication and appeals – detailed procedure before various excise authorities and the appellate tribunal – Transfer pricing

MODULE - 3: Customs Act 1962: Details of procedure in relation to the levy, collection and exemption from customs duties – documents to be prepared and presented to customs authorities, valuation of goods, clearance of imported and exported goods procedure. Detailed procedure in relation to transportation and warehousing – relevant rules and regulations. Drawback of customs duties paid, preparation and submission of drawback claim forms. Adjudication and appeals before the customs authorities and the appellate Tribunal.

MODULE - 4: Central Sales Tax Act 1956 : Constitutional background of CST, Inter-state trade and commerce restriction of powers of taxation on sales by state – liability of sales tax – inter-state sale – occasions movement of goods, sale by transfer of documents, sale under CST – transactions which are not sales – persons liability of sales tax. Persons liable to pay CST – exemptions from CST – sales outside the state – sale in course of import/export – declared goods, forms of declaration. KST – VAT, advantages, disadvantages.

MODULE - 5: G.S.T (GST should be taught after introduction by the Government along with the amendments time to time).

Books for Reference:

1. L.K. Jain, *Central Excise Mannual*, Contay Publishers P. ltd.
2. D.N. Khole, B.N. Sharma etal, *Customs Tariff*, Census Publishers.
3. Bare Acts of CST and KST
4. B.K. Ghargava, *Indirect Tax Laws*, Taxman Allied Services.
5. V.S. Datey, U.K. Bhargava, *Indirect Tax Law and Practice*.