



**DEPARTMENT OF DISTANCE EDUCATION
PUNJABI UNIVERSITY, PATIALA**

SYLLABUS

M.COM. PART-II (ANNUAL SYSTEM)

For

2011-2012 EXAMINATION

MC 2.1	Financial Management	100 Marks
MC 2.2	Strategic and Functional Management	100 Marks
MC 2.3	Direct Tax Laws and Planning	100 Marks
MC 2.4	Quantitative Techniques for Business	100 Marks
MC 2.5	Financial Services and Markets	100 Marks
MC 2.6	Funds Management in Commercial Banks and Insurance Sector	100 Marks
MC 2.7	Security Analysis and Portfolio Management	100 Marks
MC 2.13	Viva-Voce	50 Marks

PAPER MC 2.1: FINANCIAL MANAGEMENT

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Financial Statements: Nature & attributes, Need to shareholders, Creditors & other interested parties, Limitations of financial statements.

Analysis & interpretation of financial statements: Ratio analysis (including AS-20), Fund flow and cash flow analysis (with special reference to AS-3).

Cost volume profit analysis; Standard costing (including Variance Analysis); Budgetary control.

SECTION-B

Financial Management : Meaning, Scope and Objectives, Finance Functions : Investment, Financing and Dividend decisions; Capital Budgeting :

Nature of investment decisions, Investment evaluation criteria - Payback period, Accounting rate of return, Net present value, Internal rate of return, profitability Index, Capital rationing, Capital budgeting under risk and uncertainty.

SECTION-C

Cost of capital : Meaning and significance, Cost of debt, preference capital, equity capital and retained earnings, Weighted average cost of capital.

Financial, operating and combined leverage: Their measurement and effect on profit; Capital structure : Concept and significance, Theories of capital structure, Capital structure in practice; Dividend policy : Forms of dividend, stability in dividend policy, Dividend theories, Dividend policy in practice.

SECTION-D

Working Capital : Meaning, significance and types, Factors affecting working capital requirements, Determining capital needs, Working capital management, Sources of working capital, Financing of working capital, Management of Cash, Receivable and inventories; Mergers and acquisitions: Reasons and Financial considerations.

Project Planning : Environment scanning and opportunity analysis, Market and demand analysis, technical analysis, Cost of project : Major components, Means of financing, Profitability, Financial projections and Tax considerations.

PAPER MC 2.2: STRATEGIC AND FUNCTIONAL MANAGEMENT

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Concept of Strategy: Defining strategy, levels at which strategy operates; Approaches to strategic decision making; Mission and purpose, objectives and goals; Strategic business unit (SBU); Functional level strategies.

Environmental Analysis and Diagnosis: Concept of environment and its components; Environment scanning and appraisal; Organizational appraisal;

Strategic advantage analysis and diagnosis; SWOT analysis.

Strategy Formulation : Modernization, diversification, integration; Merger, take-over and joint strategies; Turnaround, disinvestment and liquidation strategies; Process of strategic choice: Industry, competitor and SWOT analysis, Factors affecting strategic choice.

SECTION-B

Functional Strategies : Marketing, production/operations and R&D plans and policies, Personnel and financial plans and policies, Strategy Implementation : Inter-relationship between formulation and implementation; Issues in implementation; Resource allocation.

Strategy and Structure : Structural consideration, Structures for strategies; Organizational design and change ; Strategy Evaluation: Strategic evaluation and control; Global Issues in strategic management.

SECTION-C

Marketing Management : Meaning & different concepts consumer Behaviour, Market Segmentation, Marketing Mix : Product, Pricing, Promotion and Place, Marketing Research, on line marketing, social, ethical & legal issues in marketing.

SECTION-D

HRM - Concept, Role & functions of HRM, HR Planning, Recruitment and Selection, Training & Development, Compensation Management : Wages and Salary Administration, Incentives & Fringe Benefits, Performance Appraisal and its Techniques, Introduction to Social Security and Labour Welfare. Regulatory Framework for labour welfare and social security.

PAPER MC 2.3 : DIRECT TAX LAWS AND PLANNING

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Definition, exemptions and basis of charge under the Income Tax Act 1961, Computation of taxable income under various Heads; Agricultural income and its treatment.

Rules for set off and carry forward of losses; Clubbing of incomes: Deductions from gross total income: Computation of total income and tax liability.

SECTION-B

Assessment of individuals, HUF, Partnership firms, Companies.

Wealth Tax : Definition, basis of charge, exemptions and exclusions. Determination of value of assets.

SECTION-C

Introduction to Tax Management: Concept of Tax Planning; Tax avoidance and tax evasions; Methods of tax planning; Justification of tax.

Tax Planning for New Business: Tax planning with reference to location, nature and form of organisation of new business.

Tax Planning and Financial Management Decisions: Tax planning relating to capital structure decisions, dividend policy, inter-corporate dividends and bonus shares.

Tax Planning and Managerial Decisions: Tax planning in respect of own or lease, sale of assets used for scientific research, make or buy decisions; Repair, replace, renewal or renovation, and shutdown or continue decisions.

SECTION-D

Special Tax Provisions: Tax provisions relating to free trade zones, infrastructure sector and backward areas.

Tax issues Relating to Amalgamation: Tax Planning with reference to amalgamation and demerger of companies.

Tax planning and compensations package; Double taxation avoidance agreements; tax planning and non-residents; Tax payment: Tax deductions and collection at source, Advance payment of tax.

PAPER MC 2.4: QUANTITATIVE TECHNIQUES FOR BUSINESS

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Operations Research: Concept and significance of operations research; Evolution of operations research; Steps in designing operations research studies; Operations research models.

Linear Programming and its Applications: Graphic method and simplex method; Quality problem; Transportation problem; Assignment problem.

SECTION-B

Introduction to other types of Programming: Goal programming; Integer programming; Dynamic programming; Non-linear programming (introductory only).

Waiting Line Models: Waiters and services; Mathematical distribution of queues; Basic models of queuing theory and applications.

SECTION-C

Inventory Control: Deterministic models and probabilistic models.

Game Theory: Zero sum game; Pure and mix strategies; Criteria of sharing strategies.

SECTION-D

Simulation: Application of simulation techniques; Monte-Carlo approach.

Net-work Analysis: Introduction to PERT and CPM; Application areas of PERT and CPM.

PAPER MC 2.5 : FINANCIAL SERVICES AND MARKETS

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Introduction: Nature and role of financial system; Financial system and

financial markets; Financial system and economic development; Indian financial system an overview.

Financial Markets: Money and capital market; Money Market : Meaning, constituents, functions of money market; Money market instruments - call money, treasury bills, certificates of deposits, commercial bills, trade bills etc; Recent trends in Indian money market; Capital market: primary and secondary markets; their role and recent developments; Government securities market.

SECTION-B

SEBI: Objectives and Functions, Reserve Bank of India: Organisation, management and functions; Credit creation and credit control; Monetary policy.

Financial services: Nature and types, Regulatory environment of financial services, Marketing of financial services.

SECTION-C

Leasing : Introduction, growth and types, Leasing and hire-purchase, Leasing as a tax planning instrument, Recent developments relating to leasing industry in India; Underwriting: Concept, SEBI regulations, recent developments.

Merchant Banking: Role, Services provided by merchant banks, Structure of merchant banking in India, SEBI regulations, recent developments; Mutual Funds: Meaning, types, Measuring return of mutual funds, SEBI guidelines, Performance of mutual funds in India, Current developments.

SECTION-D

Housing Finance: Introduction, growth and types, NHB and other housing finance institutions, Prudential norms for housing finance companies, Securitisation of housing loans; Reverse mortgaging, Consumer Finance: Introduction, Growth and Types, Regulation and prospects of consumer finance in India, Consumer Credit Cards.

Credit Rating: Meaning, significance, types; SEBI regulations for credit rating, Credit rating agencies, Venture Capital: Characteristics, SEBI guidelines, Venture capital funds in India; Factoring : Characteristics and forms, Factoring in India; Forfaiting.

PAPER MC 2.6: FUNDS MANAGEMENT IN COMMERCIAL BANKS AND INSURANCE SECTOR

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C

and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Liquidity Management in Banks: Significance and theories; Priorities in the employment of bank funds; Problems in resource allocation in India.

Management of Capital Funds in commercial banks: Meaning and functions of capital funds; Necessity of adequate capital funds; Basel I & II, Present position in India with respect to capital adequacy.

SECTION-B

Management of Primary Reserves: Nature and purpose of primary reserves; Legal reserves-nature and function; Working reserve: nature and function; Cash management in commercial banks.

Management of Secondary Reserves: Nature and function of secondary reserves; Factors influencing secondary reserves; Estimation and management of secondary reserves.

Management of Bank Deposits: Relevance of marketing approach to deposit mobilisation in banks: Concept of bank marketing; Formulating marketing strategies for commercial banks: opportunity analysis, target market, competitive positioning; Implementing marketing strategy.

SECTION-C

Management of Bank Loans: Characteristics of commercial loans: Loan policy in a commercial bank; Evaluating loan application: credit information, credit analysis, credit decision; Priority sector lending policies of commercial banks in India.

Management of Bank Investments: Nature and principles of security investment of commercial banks: Formulating investment policy; Volume and pattern of investment of commercial banks in India.

Performance Evaluation and Monitoring in Banks: Performance of banks: branch expansion, deposit mobilisation and credit deployment; Profitability performance; Structure and pattern of income and expenditure in commercial banks in India.

SECTION-D

Meaning, functions and Scope of Insurance: Life and General, Insurance

Regulatory and Development Authority : Role and functions, Recent Insurance scenario, Risk Management practices in Insurance Sector, Investment practices of LIC and GIC.

PAPER MC 2.7 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Internal Assessment : 20 Marks

External Assessment : 80 Marks

INSTRUCTIONS FOR THE PAPER-SETTER

The question paper will consist of five sections : A, B, C, D and E. Sections A, B, C and D will have two questions from the respective sections of the syllabus and will carry 15 marks each. Section E will have one question having 8 short-answer type questions (answer to be around 100 words each) of four marks each which will cover the entire syllabus uniformly. In all, nine questions are to be set.

INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt one question each from sections A, B, C and D of the question paper and 5 short-answer type questions (answer to be around 100 words each) from section E.

SECTION-A

Principles of investment; Risk and Return; Investment alternatives: UTI, PF, NSC, NSS, Post Office and Bank Deposits, Public deposits, Mutual Funds, Shares, Debentures, Govt. Securities, Derivatives; Options & Futures.

SECTION-B

Valuation models of equity shares, preference shares and debentures; Investment Analysis; Fundamental analysis covering economic, industry and company analysis.

SECTION-C

Technical Analysis and chartist techniques; Efficient Market Hypothesis: Forms and tests, Random Walk Analysis; Portfolio Management; Concept, objectives and significance.

SECTION-D

Portfolio Theories: Markowitz model, Sharpe model, Capital Asset Pricing model, Arbitrage Pricing Theory; Portfolio selection and international diversification; Techniques of portfolio revision: scope and formula plans; Portfolio performance evaluation.

Type Setting By : Computer Lab, Deptt. of Distance Education, Punjabi University, Patiala.
