

**Revised Syllabus of the Courses of B.Com. Programme at T.Y.B.Com.
with Effect from the Academic Year 2015-2016 for IDOL Students**

Financial Accounting and Auditing Paper-III

Financial Accounting

SECTION I

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Amalgamation of Companies (w.r.t AS-14, Excluding inter Company holdings)	18
2	Capital Reduction & Internal Reconstruction	10
3	Investment Accounting w.r.t. AS 13	12
4	Preparation of Final Accounts of Companies.	15
5	Introduction to IFRS	05
Total		60

Note: Final accounts of limited companies wherever applicable should be as per the format prescribed by Revised Schedule VI of Companies Act 1956 as per NOTIFICATION NO. S.0.447 (E), DATED 28-2-2011 [AS AMENDED BY NOTIFICATION NO. F.NO. 2/6/2008-CL-V, DATED 30-3-2011]

Sr. No.	Modules / Units
1	Amalgamation of Companies (w.r.t. AS 14) (Excluding Intercompany Holdings)
	<ul style="list-style-type: none"> (i) In the nature of merger and purchase with corresponding accounting treatments of pooling of interests and purchase methods respectively (ii) Computation and meaning of purchase consideration (iii) Problems based on purchase method of accounting only
2	Capital Reduction and Internal Reconstruction
	<ul style="list-style-type: none"> (i) Need for reconstruction and Company Law provisions (ii) Distinction between internal and external reconstructions (iii) Methods including alteration of share capital, variation of share holder rights, sub division, consolidation, surrender and reissue/cancellation, reduction of share capital, with relevant legal provisions and accounting treatments for same
3	Investment Accounting w.r.t. AS -13
3.1	(a) For Shares (Variable income bearing securities)
	(b) For Debentures, bonds etc. (Fixed Income bearing securities)
3.2	Accounting for transactions of purchase and sales of investments with ex and cum interest prices and finding cost of investment sold and carrying cost as per weighted average method
3.3	Columnar format for investment account
4	Preparation of Final Accounts of Companies
	<ul style="list-style-type: none"> (i) Relevant provisions of Companies Act related Final Account (excluding cash flow statement) (ii) Preparation of profit and loss a/c and balance sheet as per revised schedule VI of - Companies act 1956 (iii) AS 1 in relation to final accounts of companies (disclosure of accounting policies)
5	Introduction to IFRS
	<ul style="list-style-type: none"> (i) Purpose and objectives of Financial statements – Its framework – Its Assumptions, characteristics, elements, recognition and measurement (ii) Convergence and first time adoption of IFRS [IFRS – 1]

SECTION II

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Final accounts of Co-operative Housing Society	16
2	Ascertainment and Treatment of Profit Prior to Incorporation	10
3	Valuation of Goodwill and Shares	12
4	Accounting for Translation of Foreign Currency Transactions. Vide AS-11 (Excluding foreign Branches & forward Exchange Contracts & Headings Contracts)	12
5	Buy Back of Equity Shares	10
Total		60

Note: Final accounts of limited companies wherever applicable should be as per the format prescribed by Revised Schedule VI of Companies Act 1956 as per NOTIFICATION NO. S.0.447 (E), DATED 28-2-2011 [AS AMENDED BY NOTIFICATION NO. F.NO. 2/6/2008-CL-V, DATED 30-3-2011]

Sr. No.	Modules / Units
1	Final accounts of Co-operative Housing Society
	(i) Provisions of Maharashtra State Co-operative Societies Act & Rules (ii) Accounting provisions including appropriations to various fund (ii) Format of final accounts – Form N (iii) Simple Practical problems on preparation of final accounts of Co-operative Housing Society
2	Ascertainment and Treatment of Profit Prior to Incorporation with :
	(i) Principles for ascertainment (ii) Preparation of separate, combined and columnar profit and loss a/c including different basis of allocation of expenses/ incomes
3	Valuation of goodwill and Shares
3.1	Valuation of goodwill i. Maintainable Profit method ii Super Profit Method- based on simple average method iii Capitalisation Method- based on simple average method Valuation of shares i. Intrinsic value method 3.2 ii Yield Method
4	Accounting for translation of foreign currency transactions vide AS 11 (excluding foreign branches and forward exchange contracts and hedging contracts)
4.1	“In relation to purchase and sale of goods, services and assets and loan and credit transactions.”
4.2	Computation and treatment of exchange differences
5	Buy Back of Equity Shares
	(i) Company Law/ Legal Provisions (including related restrictions, power, transfer to capital redemption reserve account and prohibitions) (ii) Compliance of conditions including sources, maximum limits and debt equity ratio

Financial Accounting and Auditing Paper-IV:
Cost Accounting- Introduction and Basic Concepts

SECTION I
Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Introduction to Cost Accounting	05
2	Material Cost	10
3	Labour Cost	10
4	Overheads	10
5	Classification of Costs And Cost Sheets	15
6	Reconciliation of Cost and Financial Accounts	10
Total		60

Sr. No.	Modules /Units
1	Introduction to Cost Accounting
	<ul style="list-style-type: none"> (a) Objectives and scope of Cost Accounting (b) Cost centres and Cost units (c) Cost classification for stock valuation, Profit measurement, Decision making and control (d) Coding systems (e) Elements of Cost (f) Cost behaviour pattern, Separating the components of semi- variable costs
2	<p>Material Cost</p> <ul style="list-style-type: none"> (i) Procurement procedures—Store procedures and documentation in respect of receipts and issue of stock, Stock verification <p>Inventory control —Techniques of fixing of minimum, maximum and reorder levels, Economic Order Quantity, ABC classification; Stocktaking and perpetual inventory</p> <ul style="list-style-type: none"> (i) Inventory accounting <p>Simple practical problems based on</p> <ul style="list-style-type: none"> Calculation of EOQ Raw Material Turnover ratio Preparation of stock ledger and pricing of material cost based on FIFO and Weighted average cost and valuation of inventory
3	<p>Labour Cost</p> <ul style="list-style-type: none"> (i) Attendance and payroll procedures, Overview of statutory requirements, Overtime, Idle time and Incentives (ii) Labour turnover (iii) Utilisation of labour, Direct and indirect labour, Charging of labour cost, Identifying labour hours with work orders or batches or capital jobs (iv) Efficiency rating procedures (v) Remuneration systems and incentive schemes. <p>Simple practical problems based on</p>

	<p>Preparation of labour cost statement</p> <p>Remuneration and incentive systems based on Piece work plan, Haley Premium Plan, Rowan system, Gantt's Task</p>
4	<p>Overheads</p> <p>Functional analysis — Factory, Administration, Selling, Distribution, Behavioural analysis — Fixed, Variable, Semi variable cost</p> <p>Simple practical problems on</p> <p>Departmentalization and apportionment of primary overheads,</p> <p>Computation of overhead rates including Machine overhead rates</p> <p>Basic concepts of treatment of over/under absorption of overheads- Direct Labour method and Prime Cost method</p>
5	<p>CLASSIFICATION OF COSTS AND COST SHEET</p> <p>Classification of costs, Cost of Sales, Cost Centre, Cost Unit, Profit Centre and Investment Centre</p> <p>Cost Sheet, Total Costs and Unit Costs, Different Costs for different purpose</p> <p>Simple practical problems on preparation of cost sheet</p>
6.	<p>Reconciliation of cost and financial accounts.</p>
	<p>Practical problems based on reconciliation of cost and Financial accounts.</p>

SECTION II
Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Cost Control Accounts	10
2	Contract Costing	15
3	Process Costing	15
4	Introduction to Marginal Costing	08
5	Introduction to Standard Costing	08
6	Some Emerging concepts of cost accounting	04
Total		60

Sr. No	Modules/ Units
1	<p>COST CONTROL ACCOUNTS Costing Books, Advantages and Disadvantages, Ledgers to be maintained Principal Accounts Note- Simple practical problems on preparation of cost control accounts</p>
2	<p>CONTRACT COSTING Progress payments, Retention money, Contract accounts, Accounting for material, Accounting for Tax deducted at source by the contractee, Accounting for plant used in a contract, treatment of profit on incomplete contracts, Contract profit and Balance sheet entries. Excluding Escalation clause Note- Simple practical problems</p>
3	<p>PROCESS COSTING Process loss, Abnormal gains and losses, Joint products and by products. Excluding Equivalent units, Inter-process profit Note- Simple Practical problems Process Costing and joint and by products</p>
4	<p>INTRODUCTION TO MARGINAL COSTING Marginal costing meaning, applications, advantages, limitations, Contribution, Breakeven analysis and profit volume graph. Note:-Simple Practical problems based on Marginal Costing excluding decision making</p>
5	<p>INTRODUCTION TO STANDARD COSTING Various types of standards, Setting of standards, Basic concepts of material and Labour variance analysis. Note:-Simple Practical problems based on Material and labour variances excluding sub variances and overhead variances</p>
6	<p>SOME EMERGING CONCEPTS OF COST ACCOUNTING Target Costing Life cycle Costing Benchmarking ABC Costing Note- No practical problems</p>

Financial Accounting and Auditing Paper-V:

SECTION I

Related Applied Component - Introduction to

Management Accounting

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Introduction to Management Accounting	04
2	Analysis and Interpretation of Accounts	10
3	Ratio Analysis	12
4	Cash Flow Statement	10
5	Working Capital Concept	09
Total		45

Sr. No	Modules /Units
1	Introduction to Management Accounting
	Meaning - Nature - Scope and Functions of Management Accounting - Role of Management Accounting in Decision Making - Management Accounting and Financial Accounting
2	<p>Analysis and Interpretation of Accounts:</p> <ul style="list-style-type: none"> a) Vertical Forms of Balance Sheet and Profit and Loss Account suitable for analysis b) Trend Analysis. c) Comparative Statement. d) Common Size Statement. <p>NOTE: Simple Problems based on the above (a) to (d)</p>
2	Ratio Analysis and Interpretation based on vertical Financial statements as above -
	<ul style="list-style-type: none"> a) Balance Sheet Ratios: <ul style="list-style-type: none"> i) Current Ratio ii) Liquid Ratio iii) Stock Working Capital Ratio iv) Proprietary Ratio v) Debt Equity Ratio vi) Capital Gearing Ratio
	<ul style="list-style-type: none"> a) Revenue Statement Ratios: <ul style="list-style-type: none"> i) Gross Profit Ratio ii) Expenses Ratio iii) Operating Ratio iv) Net Profit Ratio v) Net Operating Profit Ratio vi) Stock Turnover Ratio
	<ul style="list-style-type: none"> b) Combined Ratio <ul style="list-style-type: none"> i) Return on Capital employed (Including Long Term Borrowings) ii) Return on proprietor's Fund (Shareholders Fund and Preference Capital) iii) Return on Equity Capital iv) Dividend Pay-out Ratio v) Debt Service Ratio vi) Debtors Turnover vii) Creditors Turnover
3	Preparation of Cash Flow Statement with reference to Accounting Standard No .3. (Indirect method only)
4	<p>Working Capital-Concept</p> <p>Estimation /Projection of Working Capital Requirements in case of Trading and Manufacturing Organization.</p>

SECTION II
Introduction to Auditing
Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Auditing Concepts	09
2	Audit planning and procedures and Documentation	09
3	Auditing Techniques	09
4	Vouching	09
5	Verification	09
Total		45

Sr. No.	Modules/ Units
1	Auditing Concepts
1.1	Basics Financial Statements, Users of Financial Information, Definition of Auditing, Objectives of Auditing - Primary & Secondary , Expression of opinion, Detection of Frauds & Errors
1.2	Errors and Frauds Definition, Reasons & Circumstances, Types of Errors –Commission, Omission, Principle & Compensating, Types of Frauds, Risk of fraud & Error in Audit, Inherent limitations of Audit, Auditors Duties & Responsibilities in respect of fraud.
1.3	Principles of Audit Documentation, Planning, Audit Evidence, Accounting System & Internal Control, Audit Conclusions & Reporting
1.4	Auditing Concepts Materiality, Going Concern, True and Fair, Independence
2	Audit planning and procedures and Documentation
2.1	Audit Planning Meaning, Objectives, Factors to be considered, Sources of obtaining information, Discussions with Client, Overall Audit Plan
2.2	Audit Programme Meaning, Factors ,Advantages, Disadvantages, Overcoming Disadvantages, Methods of Work , Instruction before commencing work, Overall Audit Approach
2.3	Audit working Papers Meaning, importance, Factors determining Form & 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
2.4	Audit notebook Meaning ,Structure, Contents, General Information Current Information Importance
3	Auditing Techniques

3.1	<p>Test Check</p> <p>Test Checking V/s Routing Checking, test Check meaning, features, factors to be considered, when Test Checks can be used, advantages ,disadvantages precautions</p>
3.2	<p>Audit Sampling</p> <p>Audit Sampling, meaning, purpose, factors in determining sample size –Sampling Risk, Tolerable Error & expected error, methods of selecting Sample Items Evaluation of Sample Results auditors Liability in conducting audit based on Sample</p>
3.3	<p>Internal control</p> <p>meaning & purpose, review of internal control, advantages, auditors duties, review of internal control, Inherent Limitations of Internal control, internal control samples for sales & debtors, purchases & creditors, wages & salaries</p>
4	vouching
4.1	<p>Audit of Income</p> <p>Revenue from Sales and Services, Rental Income, Interest & Dividends Income, Royalties Income</p>
4.2	<p>Audit of Expenditure</p> <p>Purchases, Salaries & Wages, Rent, Insurance Premium, Telephone expense , Advertisement</p>
5	Auditing Techniques :- verification
5.1	<p>Audit of assets</p> <p>Plant & Machinery, Accounts Receivable, Investments, Inventory</p>
5.2	<p>Audit of Liabilities</p> <p>Outstanding Expenses, Accounts Payable, Secured loans Unsecured Loans</p>