

DIPLOMA IN ACCOUNTING AND FINANCE

1. SCHEME OF EXAMINATIONS

PAPER	SUBJECTS	CREDIT	MAX MARKS		TOTAL
			INT	EXT	
I SEMESTER					
Paper-I	Accounting standards and Financial Reporting	4	25	75	100
Paper-II	Financial Accounting	6	25	75	100
Paper-III	Corporate Accounting	6	25	75	100
Paper-IV	Practical Auditing	4	25	75	100
II SEMESTER					
Paper-V	Financial Management	6	25	75	100
Paper-VI	Cost accounting	4	25	75	100
Paper-VII	Management accounting	6	25	75	100
Paper-VIII	Financial Markets and Services	4	25	75	100

2. SYLLABUS

Semester – I

Paper I – Accounting standards and Financial Reporting

Learning Objectives:

- To enable the students to gain in depth knowledge on Indian Accounting standards and International Financial Reporting System
- To motivate the students to obtain insights in the financial reporting for financial institutions and development in financial reporting

Unit 1: Introduction to Indian Accounting Standards: Process of formulation of accounting standards including Ind AS and IFRS, objectives, benefits & limitations, standard setting Process, applicability- An overview of NFRA

Unit II- Accounting Standards 1-15: Accounting standards 1-15- Concept- disclosure requirements and interpretation, significant differences and similarities between Indian Accounting Standards and IAS/IFRS

Unit III- Accounting Standards 16-29: Accounting Standards 16-29- Concept, Disclosure requirements and interpretation, significant differences and similarities between Indian Accounting Standards and IAS/IFRS

Unit IV Financial Reporting for Financial Institutions: Financial Reporting for Financial Institutions- Merchant bankers, stock and Commodity market Intermediaries, Accounting for Financial Instruments

Unit V- Developments in Financial Reporting: Developments in Financial Reporting- Value added Statement, Economic Value Added, Market Value Added, Share Based

payment.

Reference Books

1. Gupta ND & Naveen Gupta 2005, Indian Accounting Standards: IFRS Vs GAAP Comparison, Butterworths India
2. Barry Elliot & Jamie Elliott (2007) Financial Accounting and Reporting, 12th Edition
3. Das Guptha, Financial Reporting, Sultan Chand Publications
4. Tulsian (2014) Financial Reporting, S Chand

Paper II- Financial Accounting

Learning Objectives:

- To enable the students to equip with the principles of accounting in general.
- To understand the system of keeping financial accounting records

Unit I: Basics of Accounting- Accounting Conventions- Accounting Equations- Trial Balance- Ledger accounts- Final Accounts.

Unit II: Depreciation – Meaning, Causes, Types – Straight-Line Method – Written Down Value Method – Insurance Claims – Average Clause (Loss of Stock only).

Unit III: Single Entry – Meaning, Features, Defects, Differences between Single Entry and Double Entry System – Statement of Affairs Method – Conversion Method.

Unit IV: Branch accounts – Dependent Branches – Stock & Debtors System - Departmental Accounts – Basis for allocation of expenses – Interdepartmental transfer at cost or selling price – Hire-purchase and Installment System – Default and Repossession – Installment Purchase System.

Unit V: Partnership Accounts – Admission of a Partner – Retirement of a Partner – Death of a Partner. Dissolution of partnership – Insolvency of a partner (application of Indian Partnership Act, 1932) – Insolvency of all partners – Gradual realization of asset and Piece – meal distribution.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. R.L. Gupta & V.K Gupta – Advanced Accounting
2. T.S. Reddy & A. Murthy – Financial Account
3. Shukla & Grewal – Advanced Accounting
4. Jain & Narang – Financial Accounting
5. P.C.Tulsian – Financial Accounting

Paper III –Corporate Accounting

Learning Objectives:

- To impart knowledge on corporate accounting methods and procedures and to develop skills in the preparation of company accounting statements and in their analysis
- To bring a comprehensive understanding of the advanced issues in accounting for assets, liabilities and owner's equity

Unit I: Issue of Shares and Debentures – various kinds – Forfeiture – Re-issue – Underwriting of Shares and Debentures

Unit II: Purchase of Business— Profits prior to Incorporation. – Computation of Managerial Remuneration- Schedule III for Financial Statements- Valuation of Goodwill and Shares.

Unit III: Alteration of Share Capital – Internal Reconstruction and Reduction of Capital - Amalgamation – Absorption and external reconstruction of a company –

Unit IV: Liquidation – Calculation of Liquidator's Remuneration - Liquidator's final statement of receipts and payments.

Unit V: Accounts of holding companies (inter - company investments excluded) - Preparation of Company Final Accounts – Company Balance Sheet preparation.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. R.L.Gupta – Corporate Accounting
2. T.S.Reddy&A.Murthy – Corporate Accounting
3. Shukla & Grewal – Advanced Accounting
4. Jain & Narang – Company Accounts
5. Chakraborty – Advanced Accountancy

Paper IV – Practical Auditing

Learning Objectives:

- To enable the students to understand the auditing procedures and contemporary auditing practices
- To facilitate the students to gain knowledge of various techniques and importance of auditing

UNIT I: Introduction - Meaning and Definition of Auditing - Objectives - Advantages and Limitations of Audit - Scope of Audit - Classifications of Audit - Audit Planning - Audit programme- Audit Note Book, - Audit working papers - Ownership and Custody - Test checking and Routine checking - Internal control - Objectives - Technique for evaluation of Internal Control System. Internal check - difference between Internal control, Internal check and Internal Audit .

UNIT II: Vouching and Verification - Vouching - Meaning and Definitions - Objectives. Trading Transactions - Audit of Ledger- Scrutinizing of ledgers - Vouching of cash Receipts and Payments - Vouching of outstanding Assets and Liabilities - Verification - Meaning - Objectives and Process - Valuation of Assets and liabilities - Distinction between Verification and Valuation.

UNIT III: Audit and Accounting Standards - Types of Audit - Statutory Audit - Concurrent Audit - Stock Audit - Cost Audit - Secretarial Audit - CAG Audit - Management Audit. Accounting Standards - Standards on Auditing - Standards on Internal Audit - Penal Provisions - Role of National Financial Reporting Authority (NFRA)

UNIT IV: Auditors and Audit Report Appointment - Procedures - Eligibility and Qualifications - Powers and Duties - Rotation and Removal of Auditors - Resignation of Auditors - Remuneration of Auditors - Audit report - Preparation and presentation. Auditor's responsibilities and liabilities towards Shareholders, Board and Audit Committee. Restriction on other Services.

UNIT V: Recent Trends in Auditing - EDP Audit - Meaning - Division of auditing in EDP environment. Impact of Computerization on Audit Approach -Procedure of Audit under EDP system- Social Audit- Environmental (Green) Audit- Forensic Audit.

Reference Books

1. Auditing, D.P. Jain Konark Publishers Pvt. Ltd.
2. Auditing, Principles and Practice, Ravinder Kumar and Virender Sharma, Eastern Economy Edition.
3. Practical Auditing, B.N. Tandon, Sultan Chand and Co., New Delhi.
4. Contemporary Auditing, Kamal Gupta, Tata Mc Graw Hill.
5. Practical Auditing, DinkarPagare, Sultan Chand & Sons
6. Sundar. K &Paari. K, Practical Auditing, Vijay Nicole Imprints Pvt. Ltd. Chennai

Semester - II
Paper V - Financial Management

Learning Objectives:

- To impart knowledge on the fundamentals of finance function in business and to develop skills in financial analysis and decision making
- To enable the students to obtain in depth knowledge on capital structure theories and working capital management in the business

UNIT I: Financial Management- An Introduction: Introduction Meaning and Objectives of Financial Management - Functions of Financial Management. Finance - Importance of Finance - Sources of Finance - Role of Financial Manager in Financial Management.

UNIT II: Capital Structure: Capital Structure Meaning and definition - Factors affecting Capital Structure - Planning - Theories of Capital Structure - Determining Debt Equity Proportion - Leverage Concept.

UNIT III: Cost of Capital: Cost of Capital Meaning and Definition - Cost of Equity Capital - Cost of Preference Capital - Cost of Debt - Cost of Retained Earnings - Weighted Average (or) Composite cost of capital (WACC)

UNIT IV: Dividend: Dividend Meaning and Definition - Dividend Policies - Factors affecting Dividend Payment - Provisions on Dividend Payment in Company Law - Dividend Models - Walter's Model - Gordon's Model - M.M. Model - Hypothesis Model.

UNIT V: Working Capital: Working Capital - Meaning and importance - Factors Influencing Working Capital - Determining (or) Forecasting of Working Capital requirements – Working Capital Operating cycle- management of cash- management of Debtor.

Note: Questions in Section A, B & C shall be in the proportion of 40:60 between theory and problem.

Reference Books

1. I.M. Pandey, Financial Management, Vikas Publishing House
2. Prasanna Chandra, Financial Management, Tata McGraw Hill Publications
3. S.N. Maheswari, Financial Management, Sultan Chand & Sons
4. Y. Khan and Jain, Financial Management, Sultan Chand & Sons
5. P. Periyasamy.P, Financial Management, Vijay Nicole Imprints Pvt. Ltd. Chennai

Paper VI – Cost Accounting

Learning Objectives:

- To motivate the students to understand the various costing techniques
- To enable the students to evaluate the costs and benefits of different conventional and contemporary costing systems

UNIT I: Definition, meaning and objectives- Advantages and Importance- Distinction between Cost and Financial Accounting - Elements of Cost and Preparation of Cost Sheets and Tenders- Cost audit.

UNIT II: Materials- Stores record- purchase records- purchase order- Goods received note- Bin card- Stores Ledger - Inventory Control- ABC Analysis – Economic Ordering Quantity – Maximum, Minimum and Reordering levels – Methods of Pricing Issues - Perpetual Inventory System.

UNIT III: Labour- Importance of Labour Cost Control- Various Methods of Wage Payments - Calculation of Wages - Methods of Incentives (Bonus) Schemes - Recording Labour time- Treatment of “Over Time” and “Idle Time”- Labour Turn Over (L.T.O)

UNIT IV: Overheads- (Factory, Administration, Selling and Distribution) Definition and Meaning of Overheads – Classification – Apportionment of Overheads – Redistribution (Secondary Distribution) – Absorption of Overheads including “Machine Hour Rate”.

UNIT V: Methods of Costing Unit Costing – Job Costing (Excluding Contract Costing)– Process Costing – Simple Process Accounts (Excluding Inter Process Profits and Equivalent Production, Joint Product) – Operation and Operating Costing.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. B.K.Bhar – Cost Accounts
2. Jain & Narang – Cost and Management Accounts
3. S.N.Maheshwari – Cost & Management Accounts
4. S.P.Iyengar – Cost and Management Accounting
5. T.S. Reddy and Y. Hari Prasad Reddy – Cost Accounting

Paper VII- Management Accounting

Learning Objectives:

- To enable the students to understand the management accounting concepts, marginal costing and budgetary control techniques
- To foster the students to gain in depth knowledge to analyse ratios, prepare fund flow and cash flow statement

Unit I: Management Accounting – Meaning, Scope, Importance and Limitations - Management Accounting vs. Cost Accounting - Management Accounting vs. Financial Accounting.

Unit II: Analysis and interpretation of Financial Statements, nature, objectives, and tools – methods - Comparative Statements, Common Size Statement and Trend Analysis.

Unit III: Ratio analysis - interpretation, benefits and limitations. Classifications of ratios - liquidity, profitability, turnover, capital structure and leverage.

Unit IV: Funds Flow & Cash Flow Statements - Budget and budgetary control- meaning, objectives, merits and demerits - types of budgets- production, cash and flexible budgets.

Unit V: Marginal Costing (excluding Decision-Making) - Absorption Costing and Marginal Costing - CVP Analysis - Break-Even Analysis - Break Even Chart.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. Dr. Maheswari S.N.- Management Accounting
2. Chadwick- The Essence of Management Accounting
3. Charles T. Horngen and Gary N. Sundem- Introduction to management accounting
4. Sharma and Shashi K.Gupta- Management accounting 5. T.S. Reddy &Y. Hari Prasad Reddy.
5. Hansen/ Mowen- Cost management accounting and control.

Paper VIII- Financial Markets and Services

Learning Objectives:

- To provide conceptual understanding to the students pertaining to the working mechanism of financial markets
- To enable the students to gain in depth knowledge of merchant banking and financial services offered by various financial institutions in India

UNIT I – Financial Markets – An Introduction : Meaning, role, functions and constituents of financial markets – Financial instruments – Indian Money and Capital Markets – Money Market: Meaning, characteristics, objectives, importance, general functions and segments of money market - Characteristics of a developed money market.

Unit II- Capital Markets and Stock Exchange: Indian Capital Market – Functions- Constituents of Indian Capital Market - New Financial Institutions and Instruments -Money market Vs Capital market –Investor Protection - Stock Exchange Functions - Services - Features - Role - Stock Exchange Traders -Regulations of Stock Exchanges - Depository - SEBI - Functions and Working- Credit rating- Mutual Funds- Types- Benefits.

Unit III- Financial Services- Concept and Players: Financial Services - Concept - Objectives - Functions - Characteristics - Financial Services Market - Concept - Constituents - Growth of Financial Services in India - Financial Services Sector Problems - Financial Services Environment - The Forces - Players in Financial Markets - Interest Rate Determination - Macro Economic Aggregates in India.

Unit IV- Merchant Banking and Public Issue Management : Definition - Functions - Merchant Bankers Code of Conduct - Public Issue Management-Concept - Functions - Categories of Securities Issue - Mechanics of Public Issue Management - Issue Manager – Role of issue Manager - Marketing of Issue - New Issues Market Vs Secondary Market - Underwriting - Types - Benefits Functions.

Unit V- Financial Services: Leasing - Types - Participants - Hire Purchase - Lease Financing Vs Hire Purchase Financing - Factoring - Consumer Finance - Sources - Modes - Demand for Consumer Finance -Consumer Finance Insurance- Venture capital- Hedge funds

Reference Books

1. Gurusamy S, Essentials of Financial Services, Vijay Nicole Imprints, Chennai, 2014
2. Gomez Clifford, Prentice Hall of India, Financial Markets, Institutions and Financial Services, 2008
3. Meir Kohn, Financial Institutions and Markets, Oxford University Press
4. Rajesh Kothari, Financial Services in India: Concept and Application, Sage publications, 2012, New Delhi.
5. Madhu Vij& Swati Dhawan, Merchant Banking and Financial Services, Jain Book Agency, 2000, Mumbai
6. Vasant Desai, Financial Markets and Financial Services, Himalayan Publishing House Pvt Ltd, 2000, Mumbai
