

## DIPLOMA IN TAXATION, FINANCE AND INVESTMENT

### 1. SCHEME OF EXAMINATIONS

PAPER	SUBJECTS	CREDIT	MAX MARKS		TOTAL
			INT	EXT	
<b>I SEMESTER</b>					
Paper - I	Financial Management	6	25	75	100
Paper - II	Financial Markets and Services	4	25	75	100
Paper - III	Structure of Taxation and General Principles of Income Tax	4	25	75	100
Paper - IV	Income tax Law and Practice	6	25	75	100
<b>II SEMESTER</b>					
Paper - V	Customs Law and Basic Framework of GST	4	25	75	100
Paper - VI	Administrative Mechanisms of GST	4	25	75	100
Paper - VII	Stock and Commodity trading	6	25	75	100
Paper - VIII	Investment analysis and Portfolio Management	6	25	75	100

### 2.SYLLABUS

#### SEMESTER I

##### Paper I- 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 debtors.

**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. Srivatsava, Financial Management, Himalaya Publications

## Paper II- 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

### **Paper III - Structure of Taxation and General Principles of Income Tax**

#### **Learning Objectives:**

- To enable the students to gain in depth knowledge about the Indian Taxation structure
- To provide comprehensive understand to the students on the Income Tax Act and various concepts associated with Income Tax Act

**Unit I- Tax Structure in India:** Tax system in India- Direct Tax- Indirect Tax- Tax collection bodies in India- GST- Constitutional Provisions- Seventh schedule (Article 246) Central list, State list and Concurrent List.

**Unit II - Merits and demerits of Direct and Indirect Tax:** Merits and Demerits of Direct Tax- Special features of indirect Taxes- Merits and demerits of indirect Taxes- Difference between direct and indirect taxes.

**Unit III- Income Tax:** Income Tax Act 1961 & Relevance of Finance Act – Definition of important terms – Income- Sources of Income- Basic Concepts- Person- Assessee- Assessment Year and Previous Year.

**Unit IV - Capital and Revenue:** Classification of Capital and Revenue Items- Capital receipts Vs Revenue Receipts- Capital expenses Vs Revenue expenses-capital losses Vs Revenue Losses.

**Unit V - Residential Status And Exempted Incomes:** Taxable entities – Classification of Residential Status of taxable entities - Residential Status – Individuals, Firms, AOP, HUF and Companies – Incidence of Tax- Classification of exempted incomes – Incomes excluded from total income – Income forming part of total income but exempted from Tax.

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

#### **Reference Books**

1. Indirect Taxation, Sultan Chand & Sons - V. Balachandran
2. Indirect Taxes, Dr Jaya Vasudevan susheela, Eastern Book company
3. Indirect Taxes, by Dr. H.C. Mehrotra (Author), Prof. V.P. Agarwal
4. Income Tax Law and Practice, V.P Gaur, D.B Narang, Puja Gaur and Rajeev Puri
5. Income Tax Law and Practice, Dr H C Mehrotra, Dr S P Goyal
6. Principles of Income Tax Law and Practice, Dr Naveen Mittal
7. Dr. Vinod K Singhanian & Dr. Kapil Singhanian - Income Tax
8. T.S. Reddy & Dr. Y. Hari Prasad Reddy - Income Tax theory, law and practice.

### **Paper IV - Income Tax Law and Practice**

#### **Learning Objectives:**

- To provide the understanding to the students on the legal provision and computation of Income under various heads of the Income tax Act
- To impart the knowledge to the students with regard to assessment of individuals and computation of tax liabilities for the individuals

**Unit I - Income from Salaries:** Different forms of salary – Provident Funds – Allowances – Perquisites – Other items included in Salary – Qualifying amount for deduction u/s 80(c).

**Unit II - Income from House Property :** Computation of Income from House Property –

Let-out house – Self occupied house – Deduction allowed from house property – Unrealized rent – Loss under the head house property.

**Unit III- Profits and Gains of Business and Profession: Introduction** – Computation of profits and gains of business and profession – Admissible deductions – Specific Disallowances – Depreciation – Loss under the head business and profession.

**Unit IV - Capital Gains and Income from Other Sources:** Capital Assets – Meaning and Kinds – Procedure for computing Capital Gains – Cost of Acquisition – Exemption of Capital Gains – Loss under head Capital Gains.- Income chargeable to tax under the head Income from Other Sources – Dividends – Interest on Securities – Casual Income – Other Incomes – Deduction from Income from Other Sources – Loss under the head Other Sources

**Unit V- Assessment of Individuals:** Assessment of Individuals – Tax rates – Computation of Tax liability of Individuals- Income tax authorities – procedure for assessment – PAN (Permanent Account Number) – Types of assessment- Tax deducted at source- Concept of TDS, TDS on Salary, TDS on Interest other than Securities, TDS on Rent and TDS on Contractor

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

#### **Reference Books**

1. Income Tax Law and Practice, V.P Gaur, D.B Narang, Puja Gaur and Rajeev Puri
2. Income Tax Law and Practice, Dr H C Mehrotra, Dr S P Goyal
3. Principles of Income Tax Law and Practice, Dr Naveen Mittal
4. Dr. Vinod K Singhania & Dr. Kapil Singhania - Income Tax
5. T.S. Reddy & Dr. Y. Hari Prasad Reddy - Income Tax theory, law and practice.

## **SEMESTER II**

### **Paper V-Customs Law and Basic Framework of Goods and Services Tax**

#### **Learning Objectives:**

- To provide conceptual understanding of various Tax legal framework replaced by GST
- To facilitate the students to gain in depth knowledge about the legal provisions related to Customs duty
- To impart knowledge on the basic principles of Goods and Services Tax (GST)

**Unit I- Introduction to Indirect Taxation and Tax laws before GST:** Indirect taxation in India – Tax laws replaced by GST -Excise duty (Central and State)- Sales Tax- Kinds of Sales Tax- Features and Objectives- Tax liability- Subsequent sales- Provisions relating to inter-state sales-Service Tax – concept of service tax- Service tax registration- Service Tax payment- Service Tax exemptions- VAT-Meaning, Setoff- Input Tax Credit.

**Unit II – Customs Duty:** Customs Duty - Meaning - Levy and Collection of Customs Duty - Organization of the Customs Department - Officers of the Customs - Powers - Appellate Machinery - Infringement of the law - Offences and Penalties - Exemption from customs Duty - Customs Duty Drawback - Duty Free Zones

#### **Unit III –Overview of Goods and Services Tax**

Goods and services Tax- Concept- Salient features of GST- Definition – Objectives- Scope

and Coverage- Advantages and Limitations of GST- Components of GST-Power to levy GST-GST Rates on Goods & Services- HSN Codes & SAC codes.

**Unit IV- Taxation Mechanism – Taxable Event, Input Tax Credit, RCM:** Meaning and Scope of Supply -Exemptions, Exempted Supplies and zero rated supplies- Time, Value and Place of Supply - Input Tax Credit (ITC)- Concept- definition- Who can Claim ITC- Documents for claiming ITC- Reconciliation of ITC-Reverse Charge Mechanism (RCM) – Purchases from Unregistered Dealers- P&L items covered under RCM- Goods exempted from RCM

**Unit V- Levy and Collection of GST:** Levy and collection of GST- Components of GST- CGST/SGST/IGST, Liability of being taxed under CGST/SGST/IGST- Taxable Persons - Composition Levy- GST on Exports and Imports - Valuation of taxable services- Major services and rates of GST on Taxable services- Exempted services- Job work, E-Commerce and Online transactions- Practical problems related to valuation of various services.

**Reference Books**

1. Goods and services Tax, Dr H.C. Mehrotra and Prof. V.P Agarwal, Sahitya Bhawan Publications
2. GST Law & Practice, Taxman Publishers- Shweta Jain
3. GST in India, New Century Publications
4. Layman's Guide on GST, Taxman Publications-. Datta, D C,

## Paper VI- Administrative Mechanisms of GST

### Learning Objectives:

- To enable the students to gain knowledge on the GST councils and registration under GST
- To provide in-depth understanding about the accounting practices, returns and payment of Tax pertaining to GST
- To facilitate the students to understand the conceptual framework pertaining to administrative aspects of GST

**Unit 1: GST Council and GST Network:** Meaning of GST council- Role and Functions of GST council- GST Network- Functions and Services of GST Network- Goods and Service Tax Identification Number- GSTIN- Role of GSTN with Tax administration- Salient features of GSTN- GST portal and services of GST- Common portal to taxpayers

**Unit II- Registration under GST:** Need for Registration- Persons liable for Registration- Procedure of Registration- Documents for registration- GSTIN – multiple GST registrations – Registration under Composition Scheme—Benefits of registering under GST-amendment of Registration- cancellation of registration- Various forms of registration under GST

**Unit III- Returns and Payment of Tax:** E-way Bill System- GST Returns – Filing of Returns-Auto population mechanism- Types of Returns –Regular dealers, Dealers under Composition scheme, Specific registered dealers- Annual Returns-Due dates for filing returns, Late fees for non-filing of returns-Tax deduction at Source (TDS) under GST- Tax collection at source (TCS) under GST- Payment of Tax- Taxes to be paid under GST- IGST,CGST, SGST- Calculation of Tax to be paid- Dealers liable to pay GST-Methods of Payment of GST- Electronic cash ledger- Electronic Credit ledger-Availing Input tax credit –Penalty for non-payment or delayed payment.

**Unit IV - Invoices, Accounts and Refund of Tax:** Tax invoice- Contents of Tax invoice- Time of Issuance of Tax invoice- Details about Tax invoice- Receipt voucher in case of advance collection- delivery challan- credit and debit notes- Accounts and record maintenance - Refund of Tax to taxpayer- Time limit of refund of Tax- Procedure for claiming refund of tax

**Unit V- GST Assessment, Audit and Administration:** Assessment- Types- GST Audit- Provisions related to Demand of Tax- Mode of recovery of Tax- GST administration- Powers of Officers- Penalties and Prosecution- Offences under GST- Appeals- Appellate authorities- Advance ruling- Impact of GST on trade- manufacture and services etc.

### Reference Books

1. Goods and services Tax, Dr H.C. Mehrotra and Prof. V.P Agarwal, Sahitya Bhawan Publications
2. GST Law & Practice, Taxman Publishers- Shweta Jain
3. GST in India, New Century Publications
4. Layman's Guide on GST, Taxman Publications-. Datta, D C,

## Paper VII- Stock and Commodity Trading

### Learning Objectives:

- To enable the students to gain in depth knowledge of operations of capital market
- To motivate the students to learn security trading and settlement procedures
- To impart knowledge on the commodity trading practices and enable the student to become a successful trader and entrepreneur

**Unit 1- An Introduction to Primary Market:** Initial Public offer (IPO)- Book building through online IPO- Eligibility to issue securities, Pricing of Issues- Fixed versus Book building issues- Allotment of shares- Dematerialization of shares- Basis of Allotment- Private placement.

**Unit II- Operations of Secondary market:** Securities and Exchange board of India (SEBI)- Depositories- Stock exchanges in India- Stock price- Indices- Brokers- Sub brokers- International Stock Exchanges- Foreign Institutional Investors (FIIs)- Portfolio Managers- Custodians- Merchant Bankers- Bankers to Issue.

**Unit III- Security Trading:** Trading- Mechanism- Trading system user hierarchy- Market phase- Log on- Log off- Market screen- Invoking an Inquiry screen- Market watch- Previous trades- Outstanding Orders- Activity Log, order status- Market Movement.

**Unit IV- Security Settlement Procedure:** Introduction- Transaction Cycle, Settlement process, settlement agencies, Risks in settlement- Settlement cycle- Securitizes Settlement- Funds settlement.

**Unit V- Commodity Trading:** Introduction to Commodity Derivatives, Commodity Exchanges and Commodity Contracts- Pricing Commodity Forward, Futures & Options- Agricultural Price Risk Management- Gold & Electricity Price Risk Management- the cost of carry model- clearing settlement- clearing days and scheduled time.

### Reference Books

1. Sidney Cottle, Roger F Murray, Frank E Block, Graham and Dodd (2010) Security analysis, 5<sup>th</sup> Edition, Tata Mc Graw Hill company Limited
2. Gurusamy S, Essentials of Financial Services, Vijay Nicole Imprints, Chennai, 2014
3. Gomez Clifford, Prentice Hall of India, Financial Markets, Institutions and Financial Services, 2008
4. Meir Kohn, Financial Institutions and Markets, Oxford University Press
5. Rajesh Kothari, Financial Services in India: Concept and Application, Sage publications, 2012, New Delhi.
6. Madhu Vij & Swati Dhawan, Merchant Banking and Financial Services, Jain Book Agency, 2000, Mumbai
7. Vasant Desai, Financial Markets and Financial Services, Himalayan Publishing House Pvt Ltd, 2000, Mumbai



## **Paper VIII- Investment Analysis and Portfolio Management**

### **Learning Objectives:**

- To provide knowledge on basics of investment management and to develop skill for investment analysis and portfolio building
- To enable the students to understand Portfolio management techniques and gain knowledge in wealth management and derivatives

**Unit I- Investment Management- An Introduction:** Nature and scope of investment management -investment objectives, constraints and factors of investment- Investment Vs speculation- savings Vs Investment - Understanding the investment environment -sources of investment information - investment process -investment management and portfolio management -Factors for investment analysis

**Unit II- Fundamental Analysis and Technical analysis:** Economic analysis-industry analysis-impact of industrial analysis -Role of capital markets- Company analysis components -non financial aspects -financial analysis -financial statement - Analysis of prospectus -Ratio analysis -BPS, dividend yield -payout ratio -ROI, ROCI -Risk return - market risk -interest rate risk -purchasing power risk -business risk - financial risk -measurement of risk- technical analysis- charts- Fundamental analysis Vs Technical analysis.

**Unit III- Portfolio Management:** Portfolio-Meaning - Objectives - Terms relating to Portfolio - Securities - Risk - Return - Management of portfolios - Role of Portfolio Managers.

**UNIT IV: Portfolio Analysis Planning - Selection - Evaluation – Revision:** Portfolio Analysis Planning - Selection - Evaluation - Revision - Various Steps involved in Portfolio Development - Theories relating to Portfolio Analysis- Portfolio Diversification - Markowitz's approach- Capital market theory -assumptions -risk, investors preference -capital asset pricing model (CAPM) -estimating Betas -significance of betas in portfolio theory.

**UNIT V: Wealth Management and Derivates:** Need and Importance of Portfolio Management- Wealth management- Portfolio Management Vs Wealth Management – Introduction to derivates- futures- swaps-options.

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

### **Reference Books**

1. Francis - Management of Investments, McGraw Hill
2. V.K. Bhalla - Investment Management, S Chand & Co
3. Gurusamy S, Security Analysis and Portfolio Management, Vijay Nicole Imprints, Chennai
4. Fisher & Jordan - Security Analysis & Portfolio Management, prentice Hall
5. Punithaathi Pandian- Security Analysis & Portfolio Management, Vikas Publishing House

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