

# **LECTURE PLAN**

**B.Com(H)**

**SEMESTER IV**

**FOR PRIVATE CIRCULATION**

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# **LECTURE PLAN**

## **FINANCIAL MANAGEMENT**

### **B.COM-202**

**COURSE OUTLINE**  
**BCOM(H) – IV SEMESTER**  
**FINANCIAL MANAGEMENT – B.COM(H) 202**

**L - 4 Credits - 04**

**OBJECTIVES**

The course is aimed at building an understanding of concepts, vital tools and techniques applicable for financial decision-making by a business firm.

**COURSE OUTCOMES:**

After completion of this course students will be able to

- Describe the effects of decision making of finance manager on shareholders wealth maximization. Analyze the role of time value of money and its use for valuing asset and have a thorough understanding of financial statements be able to evaluate and analyze cash flows statements.
- Interpret and illustrate the investment, financing and dividend policy decision making in an organization.
- Recall different procedures in deciding the best alternatives out of various alternatives.
- Appraise different capital budgeting methods and their applications.
- Examine the working capital needs and financing of the firm and apply methods to measure the operating efficiency of business.

**INTERNAL ASSESSMENT AND ASSIGNMENT**

**25 marks**

- |                                  |          |
|----------------------------------|----------|
| 1. Class Test-- (Written Test)   | 10 marks |
| 2. Class Assessment + Attendance | 15 marks |

**UNIT-1**

- **Financial Management**
  - Meaning of Financial Management
  - Scope of Financial Management
  - Objectives of Financial Management
  - Profit vs Wealth Maximization
  - Financial Management and other areas of management
  - Liquidity vs Profitability
  - Methods of Financial Management
  - Organization of Finance Function
  - Time Value of Money
  - Valuation Concepts
  - Valuation of Securities
  - Valuation of Debentures
  - Valuation of Preference Shares
  - Valuation of Equity Shares Debentures, Preference shares and Equity Shares.

- **Sources of Financing**
  - Classification of Sources of Finance
  - Security Financing
  - Loan Financing
  - Project Financing
  - Loan Syndication
  - Book Building
  - New Financial Institutions and Instruments
  - Depositories
  - Factoring
  - Venture Capital
  - Credit Rating
  - Commercial Paper
  - Certificate of Deposit
  - Stock Invest
  - Global Depository Receipts

(12 Hours)

## UNIT-2

- **Capital budgeting**
  - Concept of Capital Budgeting
  - Importance of Capital Budgeting
  - Techniques of Capital Budgeting/  
Appraisal Methods of Capital Budgeting
    - Conventional and DCF Methods
    - Pay Back Period
    - ARR (Accounting Rate of Return)
    - NPV
    - IRR
  - Capital Rationing
  - Concept of Risk
  - Risk Analysis and Capital Budgeting
  - Incorporation of Risk Factor
  - General Techniques
    - Certainty Equivalent Factor
    - Risk Adjusted Discounting Rate
  - Quantitative Techniques
  - Sensitivity Analysis
  - Probability Assignment
  - Standard Deviation
  - Coefficient of Variation
  - Decision Tree

(12 Hours)

### UNIT-3

- **Cost of Capital**
    - Concept of Cost of Capital
    - Importance of Cost of Capital
    - Classification of Cost of Capital
    - Determination of Cost of Capital
  - **Capital Structure**
    - Meaning of Capital Structure
    - Capital Structure and Financial Structure
    - Patterns of Capital Structure
    - Optimum Capital Structure
    - Capital Structure Theories
    - Factors Determining Capital Structure
    - Capital Structure Practices in India
    - Capital Structure Techniques
      - Net Income Approach
      - Net Operating Income Approach
      - Traditional Approach
      - MM Approach
  - **Leverages**
    - Concept of Leverage
    - Types of Leverages
      - Operating Leverage
      - Financial Leverage
      - Combined Leverage
    - Significance of Leverage
- (14 hours)

### UNIT-4

- **Working Capital Management**
    - Concept of Working Capital Management
    - Operating cycle
    - Management of Cash
    - Inventory Management
    - Management of Accounts Receivable
    - Management of Accounts Receivable
    - Over and Under Trading
  - **Concept of Dividend Policy**
  - Relevance and Irrelevance Concept of Dividend
  - Models of Dividend
    - Gordon Model
    - Walter Model
    - MM Approach
  - Corporate Dividend Practices in India
- (12 Hours)



## STUDY MATERIAL FOR THE SUBJECT

The given below would be the study material for topics of Financial Management and students are advised to go through the material for thorough understanding of the subject.

### MAIN TEXT BOOKS

- 1. Author's Name(s):** Khan, M.Y. and Jain P.K.  
**Title:** Financial Management  
**Edition:** 7<sup>th</sup> **Year:** 2015  
**Publisher:** McGraw Hill Education (ibid 1)
- 2. Author's Name(s):** Maheshwari, S.N.  
**Title:** Financial Management – Principles & Practice  
**Edition:** 14<sup>th</sup> and Enlarged **Year:** 2014  
**Publisher:** Sultan Chand & Sons (ibid 2)

### REFERENCE BOOKS

- 1. Author's Name(s)** R.P. Rustagi  
**Title:** Financial Management- Theory, Concepts and Problems  
**Edition:** 6<sup>th</sup> **Year:** 2014  
**Publisher:** Taxmann Publications (ibid 3)
- 2. Author's Name(s):** Prasanna Chandra  
**Title:** Financial Management- Theory and Practice  
**Edition:** 9<sup>th</sup> **Year:** 2015  
**Publisher:** Tata McGraw Hill (ibid 4)
- 3. Author's Name(s):** Kapil, Sheeba  
**Title:** Financial Management  
**Edition:** 4<sup>th</sup> **Year:** 2014  
**Publisher:** Pearson Education (ibid 5)

### E BOOKS:

- 1 Mathur, Satish B., Rangarajan, C.(2015) [http://web.a.ebscohost.com/ehost/ebookviewer/ebook/bmx1YmtfXzEyMjM5MzdfX0FO0?sid=7b523f62-4f56-4639-b5dd\\_5fa008cde84b@sessionmgr4006&vid=5&format=EB&rid=1](http://web.a.ebscohost.com/ehost/ebookviewer/ebook/bmx1YmtfXzEyMjM5MzdfX0FO0?sid=7b523f62-4f56-4639-b5dd_5fa008cde84b@sessionmgr4006&vid=5&format=EB&rid=1)
- 2 Brigham, E. F., & Houston, J. F. (2012). *Fundamentals of financial management*. Cengage Learning. [https://books.google.co.in/books?hl=en&lr=&id=9P9u4IDBKyQC&oi=fnd&pg=PR8&dq=financial+management&ots=6bVNi6NPkE&sig=XiR8d3gR5jeYTJsSdt2VPYajwV0&redir\\_esc=y#v=onepage&q=financial%20management&f=false](https://books.google.co.in/books?hl=en&lr=&id=9P9u4IDBKyQC&oi=fnd&pg=PR8&dq=financial+management&ots=6bVNi6NPkE&sig=XiR8d3gR5jeYTJsSdt2VPYajwV0&redir_esc=y#v=onepage&q=financial%20management&f=false)



**JOURNALS:**

1. Journal of Financial Management
2. The Chartered Accountant
3. The Chartered Secretary
4. Finance India
5. Effulgence
6. Vikalpa
7. BVIMR Management Edge
8. The IUP Journal of Applied Finance

## **UNIT-I LECTURES 1-3**

### **CONCEPT OF FINANCIAL MANAGEMENT**

#### **OBJECTIVE:**

Finance is one of the significant and critical area to be managed in a company. Not even a single Corporate can work without an adequate amount of finance. The lecture aims to make the students understand the concept, scope and significance of Financial Management.

#### **CONTENTS:**

- Meaning of Financial Management
- Scope of Financial Management
- Objectives of Financial Management
- Profit vs Wealth Maximization
- Financial Management and other areas of management
- Liquidity vs Profitability
- Methods of Financial Management
- Organization of Finance Function

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1,10, 15, 18, 25

**LONG ANSWER TYPE QUESTIONS:** Q 6 to 8, 12, 18 to 24

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 2, Page No. A.1.3-A.1.30

#### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 3-21
- 2 ibid 4, Page No. 3-20

#### **ARTICLES:**

- 1 Titus M. Mweta “Assessment of the Determinants of Funds Allocation and Utilization by NGOs and Donor Agencies in Kenya” International Journal of Advanced Research in Management and Social Sciences, Volume 7 (2018), pp 134-154
- 2 RizwanUllah, M., Ishfaq, M., Mahmood, S., & Randhawa, N. R. (2015). An Examination of the Empirical Relationship between Investment Decision and Financing Decision: The Case Study on Pakistani Banks.

## **LECTURES 4-6**

### **SOURCES OF FINANCING**

#### **OBJECTIVE:**

The acquisition of Finance (Funds) can be done from different sources. The objective of lectures is to make the students aware about the types of sources of finance.

#### **CONTENTS:**

- Security Financing
- Loan Financing
- Project Financing
- Loan Syndication
- Book Building
- New Financial Institutions and Instruments
- Depositories

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 5 to 10, 19, 24

**LONG ANSWER TYPE QUESTIONS:** Q 6, 9

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 2, Page No. A.1.3-A.1.30

#### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 3-21
- 2 ibid 4, Page No. 3-20

#### **ARTICLES:**

- 1 Siddiqui Shamim Ahmad, “The Controversy over Time Value of Money among Contemporary Muslim Economists”, Journal of Management and Social Sciences Vol. 2, No. 2, Fall 2006, pp. 144-153.
- 2 Chendroyaperumal C., “Time Value of Money – What it is really?” SSRN Financial Electronic Journal, Vol 3, June 2016, pp 234-254.

## **LECTURES 7-8**

### **SOURCES OF FINANCING**

#### **OBJECTIVE:**

As procurement of funds is an important activity and decision as well in a Corporate. The objective of lectures is to make the students aware about the types of sources of finance with their benefits and limitations.

#### **CONTENTS:**

- Factoring
- Venture Capital
- Credit Rating
- Commercial Paper
- Certificate of Deposit
- Stock Invest
- Global Depository Receipts
- Meaning of Financial Management

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1, 3, 4, 16, 25

**LONG ANSWER TYPE QUESTIONS:** Q 5, 10

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 2, Page No. A.1.3-A.1.30

#### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 3-21
- 2 ibid 4, Page No. 3-20

#### **ARTICLES:**

- 1 Mohamed Fairouz Abdul Khir, "The Concept Of The Time Value Of Money: A Shari‘Ah Viewpoint", International Journal of Islamic Banking & Finance, Vol. 3, Issue 2, September, 2013, pp. 256-264.
- 2 Eric Osei-Assibey, (2016) "Source of finance and small enterprise's productivity growth in Ghana", African Journal of Economic and Management Studies, Vol. 4 Issue: 3, pp.372-386

## **LECTURES 9-12**

### **CONCEPT OF VALUATION**

#### **OBJECTIVE:**

The concept of Valuation of Securities is a prominent task in Financial Management. The valuation of shares, debentures and preference shares cannot be done without knowledge of time value of money. So, time value of money is integral part of Finance. The lectures aim to familiarize the students with the concept of time value of money and the various valuation concepts associated with it.

#### **CONTENTS:**

- Time Value of Money
- Rationale
- Techniques
  - Compounding Techniques
  - Discounting Techniques
    - PV of future cash flows
    - PV of perpetuity
    - PV of annuity
    - PV of annuity due
    - PV of growing annuity and perpetuity
- Valuation Concepts
  - Valuation of Securities
  - Valuation of Debentures
  - Valuation of Preference Shares

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1, 3, 4, 16, 25

**LONG ANSWER TYPE QUESTIONS:** Q 5, 10

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

1 ibid 2, Page No. A.2.1-A.2.12

#### **REFERENCE BOOKS:**

1 ibid 3, Page No. 25-40

2 ibid 4, Page No.139-161

## **ARTICLES:**

- 1 Steven F. Orpurt, YoonseokZang, “Do direct cash flow disclosures help predict future operating cash flows and earnings?”, *The Accounting Review*, Vol. 84, No. 3, 2016, pp. 893 – 935.
- 2 Conze, A. (2019). *The Valuation of Fixed Term Securities Lending in a Multi-Curve Framework*. Available at SSRN 3348261.

## **UNIT-II**

### **LECTURES 13-15**

#### **CAPITAL BUDGETING**

##### **OBJECTIVE:**

An organization needs to evaluate the capital requirements of a project and the returns generated from it, before selecting a project. This can be done with the help of capital budgeting, which is a process of determining the actual profitability of a project. In other words, capital budgeting is a process that helps in planning the investment projects of an organization in the long run. The long-term investments of an organization can be purchase and replacement of fixed assets, new product launching or expansion of existing products, and research and development. The objective of these lectures is to make the students aware about the concept of capital budgeting decision (long term investment decision).

##### **CONTENTS:**

- Concept of Capital Budgeting
- Nature of Capital Budgeting
- Assumptions in Capital Budgeting
- Significance of Capital Budgeting Decisions
- Difficulties in the Capital Budgeting Decision
- Kinds of capital investment proposals
- Factors affecting capital investment decisions
- Estimation of costs and benefits of a proposal
  - Initial cash flows
  - Subsequent cash flows
  - Terminal cash flows

##### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 15 to 19, 25

**LONG ANSWER TYPE QUESTIONS:** Q 20, 21

## **SUGGESTED READINGS:**

### **TEXT BOOKS:**

- 1 ibid 1, Page No. 9.3 – 9.46
- 2 ibid 2, Page No. D 5.1– D. 5.13

### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 183-195
- 2 ibid 4, Page No. 309 – 325

### **ARTICLES:**

- 1 Maureen F. McNichols and Stephen R. Stubben, “Does earnings management affect firm’s investment decisions?”, *The Accounting Review*, Vol. 83, No. 6, Nov. 2014, pp 1571 – 160.
- 2 Batra Roopali & Verma Satish, “Capital budgeting practices in Indian companies”, *IIMB Management Review*, Vol. 29, Issue 1, March 2017, pp 29-44.

## **LECTURES 16-21**

### **CAPITAL BUDGETING - TECHNIQUES**

#### **OBJECTIVE:**

The Capital Budgeting Techniques are employed to evaluate the viability of long-term investments. The capital budgeting decisions are one of the critical financial decisions that relate to the selection of investment proposal or the course of action that will yield benefits in the future over the lifetime of the project. The various techniques used for evaluating the capital budgeting decisions will be discoursed in the lectures.

#### **CONTENTS:**

- Payback period
  - Merits
  - Demerits
  - Suitability
- Accounting Rate of Return
  - Method
  - Demerits
  - Merits
- Net Present Value Method
- Internal rate of return
- Relationship between payback period reciprocal and rate of return

- Comparison between IRR and NPV approach
- Conflict in results under NPV and IRR
- Capital rationing

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 8, 16, 23

**LONG ANSWER TYPE QUESTIONS:** Q 18, 25

### **SUGGESTED READINGS:**

#### **TEXTBOOKS:**

- 1 ibid 1, Page No. 9.3 – 9.46, 10.1 – 10.47
- 2 ibid 2, Page No. D 5.13– D. 5.69

#### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 203-226
- 2 ibid 4, Page No. 285-304

#### **ARTICLES:**

1. Mubashar, A., & Tariq, Y. B. (2019). Capital budgeting decision-making practices: evidence from Pakistan. *Journal of Advances in Management Research*, 16(2), 142-167.
2. CA SandeshMundra and Sanjay Christian, "Relevance of financial budgeting (cost estimated for projects in construction sector), *The Chartered Accountant*, Vol. 62, No. 2, August 2013, pp. 317-323.
3. Shveta Singh, P.K. Jain, Surendra S. Yadav, (2012) "Capital budgeting decisions: evidence from India", *Journal of Advances in Management Research - Emerald*, Vol. 9 Issue: 1, pp.96-112, <https://doi.org/10.1108/09727981211225671>

### **LECTURES 22-24**

#### **CAPITAL BUDGETING – RISK ANALYSIS**

##### **OBJECTIVE:**

As profitability and risk are closely related. The project which is highly profitable may also have higher risk. The tradeoff between risk and profitability has a bearing on the investor perception of the firm before and after the acceptance of a specific proposal, which makes it even more important to explain the evaluation of capital budgeting decisions under conditions of risk and uncertainty. The given lectures would increase the knowledge of students regarding how to incorporate the risk in capital budgeting decisions.



## **CONTENTS:**

- Risk analysis in capital budgeting
- General/Conventional Techniques of risk analysis
  - Payback Period
  - Risk Adjusted Discount Rate (RADR)
  - Certainty Equivalent (CE)
  - Sensitivity Analysis
- Quantitative/Statistical Techniques
  - Standard deviation
  - Coefficient of variation
  - Decision tree approach

## **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 11, 16

**LONG ANSWER TYPE QUESTIONS:** Q 20 to 24

## **SUGGESTED READINGS:**

### **TEXT BOOKS:**

- 1 ibid 1, Page No. 12.1 – 12.45
- 2 ibid 2, Page No. D6.1 – D6.18

### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 281-303, 259- 271
- 2 ibid 4, Page No. 309 – 325, 393 – 407

### **ARTICLES:**

- 1 Jha, A., & Arora, S. (2019). Literature Review of Capital Budgeting Practices with Special Reference to Capital Intensive Industries of India. *Prabandhan: Indian Journal of Management*, 12(5), 21-34.
- 2 RH Pike & SSM Ho, “Risk analysis in capital budgeting: Barriers and benefits”, *Omega – Elsevier*, Volume 19, Issue 4, 2016, pp. 235-245, [https://doi.org/10.1016/0305-0483\(91\)90042-R](https://doi.org/10.1016/0305-0483(91)90042-R).

## **UNIT-III**

### **LECTURES 25-29**

#### **CAPITAL STRUCTURE**

##### **OBJECTIVE:**

A company's capital structure is arguably one of its most important choices. From a technical perspective, the capital structure is defined as the careful balance between equity and debt that a business uses to finance its assets, day-to-day operations, and future growth. From a tactical perspective however, it influences everything from the firm's risk profile, how easy it is to get funding, how expensive that funding is, the return its investors and lenders expect, and its degree of insulation from both microeconomic business decisions and macroeconomic downturns. Thereby, it is imperious for the students through these lectures to comprehend the concept of capital structure, significance of capital structure, capital structure theories.

##### **CONTENTS:**

- Meaning of Capital Structure
- Capital Structure and Financial Structure
- Patterns of Capital Structure
- Point of Indifference
- Optimum Capital Structure
- Capital Structure Theories
  - Net Income Approach
  - Net Operating Income Approach
  - Modigliani –Miller Approach
- Factors determining Capital Structure
- Capital Structure Practices in India

##### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 2 to 8

**LONG ANSWER TYPE QUESTIONS:** Q 19, 21

##### **SUGGESTED READINGS:**

##### **TEXT BOOK:**

1 ibid 2, Page No. D.2.1-D.256

##### **REFERENCE BOOKS:**

1 ibid 3, Page No.411-428

2 ibid 4, Page No.465-486

## **ARTICLES:**

- 1 Orlando, B., Renzi, A., & Vagnani, G. (2019). RISK-RETURN ANALYSIS OF M&A INVESTMENTS. A THEORETICAL EQUITY COST FRAMEWORK FOR THE VALUATION PROCESS OF PRIVATE COMPANIES' ACQUISITIONS. *Corporate Governance: Search for the Advanced Practices*, 41.
- 2 Nagesha H G & T P Renuka Murthy, "The Effect of Capital Structure on Profitability (An Empirical Study on Indian Cement Industry in BSE)", *International Journal of Multidisciplinary Research*, Vol-2, Issue-II, February 2017, pp 28-38.
3. Aggarwal, D. and Padhan, P.C. (2017) Impact of Capital Structure on Firm Value: Evidence from Indian Hospitality Industry, *Theoretical Economics Letters*, 2017, 7, pp 982-1000.

## **LECTURES 30-35**

### **COST OF CAPITAL**

#### **OBJECTIVE:**

An investor provides long-term funds (i.e., Equity shares, Preference Shares, Retained earnings, Debentures etc.) to a company and quite naturally he expects a good return on his investment. In order to satisfy the investor's expectations the company should be able to earn enough revenue. Thus, to the company, the cost of capital is the minimum rate of return that the company must earn on its investments to fulfill the expectations of the investors. The objective of the lectures is to make the students aware of the concept and significance of cost of capital.

#### **CONTENTS:**

- Concept of Cost of Capital
- Importance of Cost of Capital
- Classification of Cost of Capital
- Determination of Cost of Capital
- Computation of Specific Cost
  - Cost of Debt
  - Cost of Preference Shares And
  - Cost of Equity
  - Cost of Retained Earnings
- Weighted Average Cost of Capital

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 11 to 15

**LONG ANSWER TYPE QUESTIONS:** Q 5, 17, 25

## **SUGGESTED READINGS:**

### **TEXT BOOK:**

- 1 ibid 2, Page No. D.9.1-D.9.38

### **REFERENCE BOOKS:**

- 1 ibid 3, Page No. 327-346
- 2 ibid 4, Page No.366-385

### **ARTICLES:**

- 1 Tiwari Anshuja, Firdous Ahmad Parray, “Analysis of Short-Term Financial Position – A Case Study Of Ranbaxy Ltd”, APJEM, Arth Prabandh: A Journal of Economics and Management, Vol.1 Issue 6, September 2012, pp. 25-40.
- 2 Vartiainen, E., Masson, G., Breyer, C., Moser, D., & Medina, E. R. (2019). Impact of weighted average cost of capital, capital expenditure, and other parameters on future utility-scale PV levelised cost of electricity. *Progress in Photovoltaics: Research and Applications*.
- 3 Jakub W. Jurek, Erik Stafford, “The Cost of Capital for Alternative Investments”, Harvard Business Review, Vol. 9, 2016, pp 134-145.

## **LECTURES 36-40**

### **LEVERAGES**

#### **OBJECTIVE:**

In finance, Leverage is a general term for any technique to multiply gains and losses. Most often this involves buying more of an asset by using borrowed funds. Leverage, thus, refers to the use of fixed costs in an attempt to increase the profitability. Leverage impacts the overall profitability of the firm. The lectures would provide the students information about the effects of financing or debt equity mix on shareholders earnings and risk

#### **CONTENTS:**

- Concept of Leverage
- Types of Leverages
  - Operating Leverage
  - Financial Leverage
  - Combined Leverage
- Significance of Leverage

## **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 8 to 11, 24

**LONG ANSWER TYPE QUESTIONS:** Q 18, 25

## **SUGGESTED READINGS:**

### **TEXT BOOK:**

1 ibid 2, Page No. D.10.1-D.10.26

### **REFERENCE BOOKS:**

1 ibid 3, Page No.367- 374

2 ibid 4, Page No.499 – 502

### **ARTICLES:**

- 1 Kahl, M., Lunn, J., & Nilsson, M. (2019, May). Operating leverage and corporate financial policies. In *AFA 2012 Chicago Meetings Paper*.
- 2 Dr. M. Ramana Kumar, “An Empirical Study on Relationship between Leverage and Profitability in Bata India Limited”, *International Journal of Advance Research in Computer Science and Management Studies*, Vol. 2, No. 5, May 2014, pp 98-110.
- 3 Pascal Nguyen, (2017) "Asset risk and leverage under information asymmetry", *The Journal of Risk Finance*, Vol. 18 Issue: 3, pp.303-310.

## **UNIT-IV**

### **LECTURES 41-43**

## **WORKING CAPITAL MANAGEMENT**

### **OBJECTIVE:**

The importance of sufficient working capital in any business concern can never be overemphasized. A concern requires adequate working capital to carry on its day-to-day operations smoothly and efficiently. Lack of adequate working capital not only impairs firm's profitability but also results in stoppage in production and efficiency in payment of its current obligations. The objective of these lectures is to cover the basic aspects of current asset management including the concept, need and types of working capital.

### **CONTENTS:**

- Concept of working capital
  - Gross Working capital
  - Net Working Capital
- Need for Working Capital
- Types of Working Capital
  - Permanent Working Capital
  - Temporary Working Capital
- Adequacy of working capital
- Management of working capital
- Operating cycle
- Sources of Working Capital
- Approaches for determining the financing mix
  - Hedging Approach
  - Conservative Approach
  - Aggressive Approach
- Determinants of working capital
  - General nature of business
  - Production cycle
  - Business cycle
  - Production policy
  - Credit policy
  - Growth and expansion
  - Profit level
  - Level of taxes
  - Dividend policy
  - Depreciation policy
  - Price level changes
  - Operating efficiency

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 6, 19, 23

**LONG ANSWER TYPE QUESTIONS:** Q 15 to 19

**SUGGESTED READINGS:**

**TEXT BOOKS:**

1. ibid 1, Page No. 13.3-13.22
2. ibid 2, Page No. D7.1 – D7.17

**REFERENCE BOOKS:**

- 1 ibid 3, Page No. 493-519
- 2 ibid 4, Page No. 563-574

### **ARTICLES:**

- 1 Gill, A., Mand, H. S., Obradovich, J. D., & Mathur, N. (2019). The impact of working capital management on the decision of Indian production firms about the amount of dividends. *International Journal of Business and Globalisation*, 22(3), 372-388.
- 2 K. Madhavi, “Working Capital Management of Paper Mills”, *IMPACT: International Journal of Research in Business Management*, Vol. 2, Issue 3, Mar 2016.
- 3 Jakpar S, Tinggi M, Siang TK, Johari A, Myint KT, “Working Capital Management and Profitability: Evidence from Manufacturing Sector in Malaysia”, *J Business and Financial Affairs*, Vol 6, 2017, pp 255. doi: 10.4172/2167-0234.1000255

### **LECTURES 44-45**

#### **MANAGEMENT OF CASH AND INVENTORY**

#### **OBJECTIVE:**

A finance manager has to ensure that investment in cash is efficiently utilised. For that matter, he has to manage cash collections and disbursements efficaciously, determine the appropriate working cash balances and invest surplus cash. Efficient cash management function calls for cash planning, evaluation of benefits and costs, evaluation of policies, procedures and practices and synchronization of cash inflows and outflows. Similarly without effective inventory management, the corporate can not achieve its goals. The aim of these lectures is to explain the objectives of cash management and techniques for effective management of inventories.

#### **CONTENTS:**

- Meaning of cash
- Motives for holding cash
  - Transaction Motive
  - Precautionary Motive
  - Speculative Motive
  - Compensation Motive
- Objectives of cash management
- Basic Problems in cash management
- Cash Management Models
  - Baumol Model
  - Miller Orr Model
- Management of Inventories
- Kinds of inventories

- Benefits of holding inventories
- Risks and costs associated with inventories
- Techniques of inventory management
  - EOQ
  - ABC Analysis

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 18 to 25

**LONG ANSWER TYPE QUESTIONS:** Q 15, 17

**SUGGESTED READINGS:**

**TEXT BOOKS:**

1. ibid 1, Page No. D7.17 – D7.43
2. ibid 2, Page No. 14.1 – 14.29, 16.1-16.16

**REFERENCE BOOKS:**

1. ibid 3, Page No. 533-546, 593-602
2. ibid 4, Page No. 582-603,632-644

**ARTICLES:**

1. Wei Luo & Kevin Shang, “Joint Inventory and Cash Management for Multidivisional Supply Chains”, *Journal of Operations Research*, 2015, Vol. 63, Issue 5, pp. 1098-1116.
2. Bernard, D. T. K., Almeida, A., Perera, S., Jayarathna, H., & Munasinghe, A. A. S. N. (2019). The Effect of Working Capital Management on the Export Performance of Small and Medium Export Enterprises: Evidence from Export Manufacturing Sector in Sri Lanka. *Journal of Economics and Business*, 2(3).

**LECTURES 46-47**

**RECEIVABLES MANAGEMENT**

**OBJECTIVE:**

Accounts receivable management incorporates is all about ensuring that customers pay their invoices. Good receivables management helps prevent overdue payment or non-payment. It is therefore a quick and effective way to strengthen the company’s financial or liquidity position. These lectures would taught the effectual management of accounts receivable.

**CONTENTS:**



- Definition of receivables
- Concept of receivables management
- Purpose of receivables
- Costs of maintaining receivables
- Advantages of maintaining receivables
- Factors affecting size of receivables
  - Credit policy
  - Credit standards
  - Credit terms
- Overtrading and Undertrading

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1, 7, 9, 11

**LONG ANSWER TYPE QUESTIONS:** Q 10, 15, 18

**SUGGESTED READINGS:**

**TEXT BOOKS:**

1. ibid 1, Page No.15.1 – 15.16
2. ibid 2, Page No. D7.43 – D7.59

**REFERENCE BOOKS:**

- 1 ibid 3, Page No. 567-578
- 2 ibid 4, Page No. 609-644

**ARTICLES:**

- 1 Yang, X.(2011), The role of trade credit in the recent subprime financial crisis, *Journal of Economics and Business* 63, 517– 529.
- 2 Frennea, C., Han, K., & Mittal, V. (2019). Value appropriation and firm shareholder value: Role of advertising and receivables management. *Journal of Marketing Research*, 56(2), 291-309.

## **DIVIDEND DECISION**

### **OBJECTIVE:**

Dividend policy is about the decision of the management regarding distribution of profits as dividends. This policy is probably the most important single area of decision making for finance manager. Action taken by the management in this area affects growth rate of the firm, its credit standing, share prices and ultimately the overall value of the firm. The aim of this lecture is to make the students comprehend about the concept of dividend and various models of dividend decision.

### **CONTENTS:**

- Concept of Dividend Policy
- Relevance and Irrelevance Concept of Dividend
- Models of Dividend
  - Walter Model
  - Gordon Model
  - MM Approach
  - Corporate Dividend Practices in India

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 7 to 11

**LONG ANSWER TYPE QUESTIONS:** Q 12 to 15, 18

### **SUGGESTED READINGS:**

#### **TEXT BOOKS:**

1. ibid 2, Page No. D11.1- D11.25
2. ibid 1, Page No. 30.3-30.29

#### **REFERENCE BOOKS:**

1. ibid 3, Page 453- 483
2. ibid 4, Page 522-535

#### **ARTICLES:**

1. Mittal Sanjiv, Chopra Monika, Paliwal Pallavi, “Linkages between financial leverage, dividend policy and value of firm: A Comparison between manufacturing and non-manufacturing firms in India”, BVIMR Management Edge, Vol. 6, No. 2, July – Dec. 13, pp. 1 – 16.

- 2 Aggarwal Shalini, “An Analysis Of Trends And Progress In Corporate Dividend Of Selected Cement Industries In India”, *BVIMR Management Edge*, Vol. 6, No. 2, July – Dec. 16, pp.108 – 120.
- 3 Jindal Divya, “Effect of Receivables Management on Profitability: A Study of Commercial Vehicle Industry in India”, *International Journal of Applied Sciences and Management*, Volume. 2 (2017), No. 2, pp. 246-255
- 4 Grennan, J. (2019). Dividend payments as a response to peer influence. *Journal of Financial Economics*, 131(3), 549-570.

# **LECTURE PLAN**

## **AUDITING**

### **B.COM -204**

**COURSE OUTLINE**  
**B.COM-IV SEMESTER**  
**AUDITING- B.COM (HONS) - IV**

**L - 4 Credits - 04**

**OBJECTIVES:**

The basic objective of this course is to familiarize students with auditing procedures and programmes.

**COURSE OUTCOMES:**

After completion of this course students will be able to

- Describe the audit and other assurance engagements, corporate governance, internal and statutory audit, types of audit and objectives of audit.
- Recognize risk assessment, audit planning, documentation and audit evidence and describe internal control, internal check, test of control and other audit procedures.
- Discuss the finalization of audit report and types of audit report and explain vouching of trading transaction, verification and valuation of assets & liabilities.
- Explain the qualification, rights, duties and liabilities, professional ethics of an auditor.
- Summarize audit report and latest trends in Auditing Information System.

**INTERNAL ASSESSMENT AND ASSIGNMENT**

**25 marks**

1. Class Test-I - (Written Test)	15 marks
2. Class Assessment - (Individual Presentation/Viva-Voice/Report)	5 marks
3. Attendance	5 marks

**COURSE CONTENTS:**

**UNIT I**

**(14 Hours)**

**AUDITING**

- Meaning
- Definition
- Importance of Auditing
- Accounting and Auditing
- Limitations
- Concept of Auditing & Standards
- Detection and Prevention of Frauds and Errors
- Basic principles governing an audit
- Types of Audit

- Internal Control
- Internal check and Internal Audit
- Evaluation of Internal Control System
- Internal control system regarding purchases, sales, salaries and wages.

## **UNIT II**

**(14 Hours)**

### **AUDIT PROCEDURE AND AUDIT EVIDENCE**

- Audit Planning
- Audit Programme
- Audit Working Papers
- Audit Files
- Audit Evidence: Methods of obtaining audit evidence
- Special Auditing Techniques

## **UNIT III**

**(14 Hours)**

### **VOUCHING**

- Meaning of Vouching
- Importance of Vouching
- Vouching of cash and trading transactions
- Routine Checking and Test Checking
- Company Auditors: Appointment, Removal, Rights, Duties and Liabilities.
- Auditor's Report
- Cost Audit
- Social Audit

## **UNIT IV**

**(14 Hours)**

### **VERIFICATION AND VALUATION OF ASSETS AND LIABILITIES**

- Verification and Valuation of Assets and Liabilities
- Auditor's Report: Clean and Qualified Audit Report
- Disclaimer of Opinions
- Audit Certificate
- Company Auditor Report
- Computer Aided Audit Techniques and Rules
- Auditing Standards
- Relevant Cases and Problems

## STUDY MATERIAL FOR THE SUBJECT

Following will be the study material for topics of Auditing and students are advised to go through the material for thorough understanding of the subject.

### MAIN TEXT BOOKS

- 1. Author's Name(s):** Aruna Jha  
**Title:** Auditing  
**Edition:** III **Year:** 2016  
**Publisher:** Taxmann's Publishers (ibid 1)
- 2. Author's Name(s):** Ravindra Kumar and Virender Sharma  
**Title:** Auditing: Principles and Practices  
**Edition:** III **Year:** 2015  
**Publisher:** PHI Publishing House. (ibid 2)

### REFERENCE BOOKS

- 1. Author's Name(s):** CA Pankaj Garg  
**Title:** Advanced Auditing and Professional Ethics  
**Edition:** VIII **Year:** 20017  
**Publisher:** Taxmann Publishers (ibid 3)
- 2. Author's Name(s):** Surbhi Bansal  
**Title:** Advanced Auditing and Professional Ethics  
**Edition:** VIV **Year:** 2017  
**Publisher:** Bestword Publishers (ibid 4)
- 3. Author's Name(s):** S.P.Oberoi and Aruna Jha  
**Title:** Fundamentals of Accouting and Auditing  
**Edition:** I **Year:** 2015  
**Publisher:** Taxmann Publishers (ibid 5)

### EBOOK:

- 1. <https://www.icsi.edu/media/webmodules/publications/FULL%20FAA%20PDF.pdf>**

**JOURNALS:**

1. The CPA Journal
2. NJCPA
3. Journal of Accountancy
4. Journal of International Accounting, Auditing and Taxation
5. International Journal of Auditing
6. International Journal of Accounting Research
7. International Journal of Accounting
8. Auditing and Performance Evaluation
9. Accounting, Auditing & Accountability Journal
10. Managerial Auditing Journal.



## **UNIT-I**

### **LECTURES 1-4**

#### **INTRODUCTION AND OVERVIEW OF AUDITING**

##### **OBJECTIVE:**

The objective of the lectures is to make the students understand the concept of auditing, its importance, limitations, auditing standards and the difference and relationship between auditing and accounting.

##### **CONTENTS:**

- Meaning
- Definition
- Importance of Auditing
- Accounting and Auditing
- Limitations
- Concept of Auditing & Standards
- Structure of Audit Theory
- Relationship between auditing and accounting
- Difference between auditing and accounting

##### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q 1, 2, 3, 8, 9

**SHORT ANSWER TYPE QUESTIONS:** Q 1-6

**LONG ANSWER TYPE QUESTIONS:** Q 1, 2, 3, 4, 5, 7, 8.

##### **SUGGESTED READINGS:**

##### **TEXT BOOK:**

1. ibid 1, Page No. 1-5,12-21

##### **ARTICLE:**

1. <https://www.cpajournal.com/2018/02/22/icymi-future-auditing/>

### **LECTURES 5-7**

#### **DETECTION AND PREVENTION OF FRAUDS AND ERRORS**

**OBJECTIVE:**

The objective of this lecture is to make student understand the concept of prevention and detection of various types of frauds and errors.

**CONTENTS:**

- Concept of Auditing & Standards
- Detection and Prevention of Errors
  - Clerical Errors
    - ✓ Errors of Omission
    - ✓ Errors of Commission
  - Errors of Principle
  - Compensating Errors
  - Errors of Duplication
- Detection and Prevention of Errors
  - Employee Fraud
  - Management Fraud
- Difference between Errors and Frauds

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q 1, 2, 3, 8, 9, 10, 11, 12, 13.

**SHORT ANSWER TYPE QUESTIONS:** Q 16

**LONG ANSWER TYPE QUESTIONS:** Q 9, 13, 14.

**SUGGESTED READINGS:****TEXT BOOK:**

1. ibid 1, Page No.6-11

**ARTICLE:**

1. <https://www.cpajournal.com/2018/03/05/audit-vs-fraud-examination/>

**LECTURES 8-10****TYPES OF AUDIT****OBJECTIVE:**

The objective of this lecture is to make student understand the various types of audit.

**CONTENTS:**

- Private Audit

- Government Audit
- Statutory Audit
- Independent Financial Audit
- Internal Audit
- Cost Audit
- Management Audit
- Tax Audit
- Continuous Audit
- Annual Audit
- Interim Audit
- Balance Sheet Audit
- Complete Audit
- Partial Audit
- Detailed Audit

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q 18, 19, 20.

**SHORT ANSWER TYPE QUESTIONS:** Q 7, 8, 9, 10, 11, 12.

**LONG ANSWER TYPE QUESTIONS:** Q 15, 17, 18.

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 27-39

**ARTICLES:**

1. <https://www.cpajournal.com/2017/08/30/not-pcaob-inspections-created-equal/>
2. Davis, Dwight F. , 'Do You Want a Performance Audit or a Program Evaluation?', Public Administration Review. Jan/Feb90, Vol. 50 Issue 1. 1 Black and White Photograph. DOI: 10.2307/977292.

**LECTURES 11-14**

**INTERNAL CONTROL SYSTEM**

**OBJECTIVE:**

The objective of this lecture is to make students understand the concepts and evaluation of internal control system.

## **CONTENTS:**

- Meaning and Nature of Internal Control System
- Features of Internal Control System
- Inherent limitations of Internal Control System
- Components of Internal Control System
- Internal check: Objectives, Advantages and Disadvantages
- Internal check and Internal Audit
- Evaluation of Internal Control System
- Internal control system regarding purchases, sales, salaries and wages.

## **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q 16, 17, 21, 22.

**SHORT ANSWER TYPE QUESTIONS:** Q 13.

**LONG ANSWER TYPE QUESTIONS:** Q 18, 19, 20, 21, 22, 23, 24, 25.

## **SUGGESTED READINGS:**

### **TEXT BOOK:**

1. ibid 1, Page No. 62-89

### **ARTICLE:**

1. <https://www.cpajournal.com/2017/10/24/report-internal-control-deficiencies/>

## **LECTURES 15-18**

### **AUDIT PLANNING**

#### **OBJECTIVE:**

The objective of this lecture is to make students understand the concepts of audit planning and its steps in detail.

#### **CONTENTS:**

- Overview of Audit Process
- Considerations for commencing an audit
- Audit Planning
- Audit Programme
  - Concept of an Audit Programme
  - Development of Audit Programme
  - Advantages of an Audit Programme

#### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q1, 2, 5, 9, 10.

**SHORT ANSWER TYPE QUESTIONS:** Q 1-15.

**LONG ANSWER TYPE QUESTIONS:** Q 1-10.

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 46-53

**ARTICLE:**

1. <https://www.cpajournal.com/2016/02/13/unsolved-problems-auditing-half-century-retrospective-update/>

**LECTURES 19-21**

**AUDIT DOCUMENTATION**

**OBJECTIVE:**

The objective of this lecture is to make students understand the different types of documents prepared by an auditor and his team during audit.

**CONTENTS:**

- Audit Notebook
- Audit Documentation
- Audit Working Papers
- Audit Files

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q1, 2, 5, 9, 10.

**SHORT ANSWER TYPE QUESTIONS:** Q 1-15.

**LONG ANSWER TYPE QUESTIONS:** Q 1-10.

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 54-58

**ARTICLE:**

1. <https://www.cpajournal.com/2016/02/13/unsolved-problems-auditing-half-century-retrospective-update/>

**LECTURES 22-28****EVIDENCE IN AUDITING****OBJECTIVE:**

The objective of this lecture is to make students understand the methods of obtaining auditing evidence.

**CONTENTS:**

- Significance of Audit Evidence
- Basic principles relating to Audit Evidence
- Methods of obtaining audit evidence
- Procedures to obtain evidence
- Test Checking and Routine Checking
- Special Auditing Techniques

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q10-55.

**SHORT ANSWER TYPE QUESTIONS:** Q 18-25.

**LONG ANSWER TYPE QUESTIONS:** Q 19-25.

**SUGGESTED READINGS:****TEXT BOOK:**

1. ibid 1, Page No. 98-105

**ARTICLE:**

1. <https://www.cpajournal.com/2017/06/26/big-data-business-analytics-implications-audit-profession/>

**LECTURES 29-32****VOUCHING**

## **OBJECTIVE:**

The objective of this lecture is to make students understand the concepts of vouching and how to vouch certain items.

## **CONTENTS:**

- Meaning and definition of Vouching
- Objects of vouching
- Routine checking and vouching
- Importance of Vouching
- Types of Vouchers
- Principles of Vouching
- Missing Vouchers
- Vouching of cash and trading transactions
- Routine Checking and Test Checking

## **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1- 10.

**LONG ANSWER TYPE QUESTIONS:** Q1-18.

## **SUGGESTED READINGS:**

### **TEXT BOOK:**

1. ibid 1, Page No. 107-122

### **ARTICLE:**

1. <https://www.cpajournal.com/2018/03/15/icymi-unsolved-problems-auditing-half-century-retrospective-update/>

## **LECTURES 32-38**

### **COMPANY AUDITOR: APPOINTMENT, REMOVAL, RIGHT AND LIABILITIES**

## **OBJECTIVE:**

The objective of this lecture is to make students understand the methods of obtaining auditing evidence.

## **CONTENTS:**

- Company Auditors: Appointment and Removal

- Eligibility for appointment of an Auditor
- Disqualifications of an Auditor
- Appointment of Auditors:
  - Appointment by Directors
  - Appointment by Shareholders
  - Appointment by the Central Government
  - Appointment by the Comptroller and the Auditor General
- Compulsory Re-appointment
- Remuneration of Auditor
- Removal of an Auditor
- Rights/Powers of Company Auditor
- Duties of an Auditor
- Liabilities of Company Auditor:
  - Liability under Common Law
  - Civil and criminal liabilities under statute law
- Liabilities under the Companies Act
- Liabilities under the Income Tax Act
- Liabilities for Unaudited Statements

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q19-25.

**SHORT ANSWER TYPE QUESTIONS:** Q 18-21.

**LONG ANSWER TYPE QUESTIONS:** Q 19-25.

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 155-162

**ARTICLE:**

1. <https://www.cpajournal.com/2017/06/08/pcaob-news-auditors-responsibility-accounting-estimates-may-increase/>

**LECTURES 39-42**

**AUDITOR'S REPORT AND COST & SOCIAL AUDIT**

**OBJECTIVE:**



The objective of this lecture is to make students understand the auditor's report as a means of communication and to understand the concepts of cost and social audit.

## **CONTENTS**

- Auditor's Report:
  - Elements of auditor's report
  - Audit report of a limited company
  - Types of audit report
  - Auditor's certificate
- Cost Audit:
  - Meaning and Objectives of cost audit
  - Importance of cost audit
  - Provisions regarding cost audit
  - Relationship between cost audit and financial audit
- Social Audit

## **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: Q 12-15**

**SHORT ANSWER TYPE QUESTIONS: Q22, 23, 24, 25.**

## **SUGGESTED READING:**

### **TEXT BOOK:**

1. ibid 1, Page No. 169-182

## **LECTURES 42-48**

## **VERIFICATION AND VALUATION OF ASSETS AND LIABILITIES**

### **OBJECTIVE:**

The objective of this lecture is to make students understand the concepts of verification and valuation of assets and liabilities.

## **CONTENTS:**

- Meaning and definition of Verification and Valuation of Assets and Liabilities
- Objects of verification of Assets and Liabilities
- Difference between verification and vouching
- Difference between verification and valuation

- Audit procedure for verification of fixed, intangible and current assets
- Audit procedure for verification of Liabilities

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1- 25.

**LONG ANSWER TYPE QUESTIONS:** Q1-25.

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 124-153

**ARTICLE:**

1. <https://www.cpajournal.com/2017/02/14/aud-auditing-fair-value-and-other-accounting-estimates/>

**LECTURES 42-49**

**AUDITOR'S REPORT**

**OBJECTIVE:**

The objective of this lecture is to make students understand how auditor expresses his opinion in the form of Audit Report

**CONTENTS:**

- Auditor's Report: Clean and Qualified Audit Report
- Disclaimer of Opinions
- Audit Certificate
- Company Auditor Report
- Computer Aided Audit Techniques and Rules
- Auditing Standards
- Relevant Cases and Problems

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q19-25

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1, Page No. 169-189

**ARTICLE:**

1. <https://www.cpajournal.com/2017/10/06/client-accepted-auditing/>

**LECTURES 50-56**

**RELEVANT CASES AND PROBLEMS OF AUDITING**

**OBJECTIVE:**

The objective of this lecture is to make students understand the concepts of vouching and how to vouch certain items

**CONTENTS:**

- Relevant Cases and Problems

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS:** Q19-25

**SUGGESTED READING:**

**ARTICLE:**

1. <https://www.cpajournal.com/2017/10/06/client-accepted-auditing/>

# **LECTURE PLAN**

## **CORPORATE ACCOUNTING**

**B.COM- 206**

**COURSE OUTLINE  
B.COM(H) IV SEMESTER  
CORPORATE ACCOUNTING**

**Course Code: BCOM 206 L-4**

**Credits-4**

**OBJECTIVE:**

To help the students to acquire the conceptual knowledge of accounting for corporate and to acquaint the students with the accounting problems associated with the incorporation, expansion or liquidation of public limited or joint stock companies.

**COURSE OUTCOMES:**

**After completion of this course students will be able to:**

1. Apply the provisions of Companies Act for issue, forfeiture and reissue of shares.
2. Prepare final accounts of corporate entities, Electricity company, Insurance company.
3. Construct consolidated balance sheet of amalgamated company (merger and purchase method).
4. Identify the factors affecting the value of goodwill and shares and different methods for valuation of the same.
5. Prepare of final accounts of a holding company
6. Make use of relevant schedules (New Format) to prepare final statement of accounts of banking company

**INTERNAL ASSESSMENT AND ASSIGNMENT FROM QUESTION BANK: 25 marks**

- |                                  |          |
|----------------------------------|----------|
| 1. Class Test (Written Test)     | 10 marks |
| 2. Class Assessment + Attendance | 15 marks |

**Unit I Share capital and debentures:**

- IPO book building
- Issues and forfeiture
- Buy-back of shares
- Redemption of preference shares
- Issue and redemption of debentures
- Right issue
- Bonus shares
- Accounting for employee stock option plan

## **Unit II Final accounts of companies:**

- Profit and loss account
- Balance sheet as per revised schedule III
- Holding companies accounts
- Preparation of consolidated balance sheet
- Valuation of shares
- Valuation of goodwill

## **Unit III Amalgamation of companies**

- Amalgamation
- Internal reconstruction
- Accounting involved in liquidation of companies

## **Unit IV Banking and Insurance companies**

- Accounting of banking companies
- Accounting of insurance companies
- Accounting of electricity companies
- Prudential norms: basis of accounting
- Income recognition asset classification

Following will be the study material for topics of Corporate Accounting and students are advised to go through the material for thorough understanding of the subject.

➤ **MAIN TEXT BOOKS**

1. **Author's Name(s):** S N Maheshwari, Suneel K Maheshwari, Sharad K Maheshwari  
**Title:** Corporate Accounting  
**Edition:** VI  
**Publisher:** Vikas Publishing House Pvt Ltd (ibid 1)
2. **Author's Name(s):** S N Maheshwari  
**Title:** Corporate Accounting  
**Edition:** V **Year:** 2009  
**Publisher:** Vikas Publishing House Pvt Ltd (ibid 2)

➤ **REFERENCE BOOK:**

1. **Author's Name(s):** A Sehgal  
**Title:** Fundamentals of Corporate Accounting  
**Edition:** III **Year:** 2012  
**Publisher:** Taxmann Publishers (ibid 3)

➤ **EBOOK:**

1. **Author's Name(s):** Renu Jain  
**Title:** Corporate accounting  
**Publisher:** Think Tanks Biyani Group of Colleges

**LINK:** [https://gurukpo.com/Content/B.Com/Corporate\\_Accounting\(B.Com\)P-1.pdf](https://gurukpo.com/Content/B.Com/Corporate_Accounting(B.Com)P-1.pdf)

## **INTRODUCTION TO CORPORATE ACCOUNTING**

### **OBJECTIVE:**

To make the students familiar about different types of companies, meaning of corporate accounting, IPO process, the accounting entries related to issue of shares and to explain to them the balance sheet as per schedule III.

### **CONTENTS:**

- Introduction to corporate accounting
- IPO Book building process
- Share capital
- Schedule III and the company's balance sheet
- Reserve capital
- Accounting entries

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 3,6,7,8

**LONG ANSWER TYPE QUESTIONS:** Q 1,2,3,4,5,7

### **SUGGESTED READINGS:**

#### **TEXT BOOKS:**

1. ibid 1, Page No. 1.5
2. ibid 1, Page No. 1.24-1.42

#### **ARTICLES:**

1. Surajit Das, et al (2018), "*Internationalization of India Accounting Standard And Its Impact On Indian Companies*", International Journal on Recent Trends in Business and Tourism, Vol 2 No 3.
2. **Minouti Hersh Jani, Sonal Gogri (2019)**, "*A Study On Human Resource Accounting During Convergence Of Ifrs In India*", Indian Journal of Applied Research, Vol 9 No 4.

#### **LECTURES: 3-5**



## **ISSUE OF SHARES, PRO-RATA ALLOTMENT**

### **OBJECTIVE:**

These lectures will focus on pro-rata allotment, different scenario of issue such as at par, premium and discount and also explain to them theoretically and practically calls in advance and arrears.

### **CONTENTS**

- Undersubscription
- Oversubscription
- Calls in advance
- Calls in arrears
- Issue of shares at premium
- Issue of shares at discount

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 20,21

**LONG ANSWER TYPE QUESTIONS:** Q 2,4,6

### **SUGGESTED READING:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.43-1.52

### **LECTURES: 6-8**

## **FORFEITURE OF SHARES**

### **OBJECTIVE:**

The focus here would remain on explaining the various scenarios of forfeiture and explain the provisions of rights issue and buy-back in companies act and thereafter explaining practically the treatment. It will help the students to gain knowledge about buy-back and rights issue.

### **CONTENTS**

- Forfeiture of shares
- Rights issue
- Buy-back of shares

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 2,25**

**SUGGESTED READINGS:**

**TEXT BOOKS:**

1. ibid 1, Page No. 1.53
2. ibid 1, Page No. 1.70-1.71
3. ibid 1, Page No. 1.81

**LECTURE 9**

**PROVISIONS FOR REDEMPTION OF PREFERENCE SHARES**

**OBJECTIVE:**

The issue of preference shares is one of the important sources of capital of a company. Understanding redemption is equally important. This lecture will acquaint the students with preference shares and its redemption.

**CONTENTS**

- Redemption of preference shares

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 11**

**LONG ANSWER TYPE QUESTIONS: Q 22**

**SUGGESTED READING:**

**TEXT BOOK:**

2. ibid 1, Page No. 1.92

**LECTURES: 10-12**

**ISSUE AND REDEMPTION OF DEBENTURES**

**OBJECTIVE:**

The capital is not only raised through shares, it is sometimes raised through loans, taken in the form of debentures. The aim here would be to familiarize the students with the term bonds, debentures and issue and redemption of debentures.

**CONTENTS**

- Meaning of debentures
- Bonds and debentures
- Accounting for issue of debentures
- Redemption of debentures

**ASSIGNMENTS FROM QUESTION BANK:**

**LONG ANSWER TYPE QUESTION: Q 21**

**SUGGESTED READING:****TEXT BOOK:**

1. ibid 1, Page No. 1.119-1.133

**LECTURES: 13-14****ESOP and SWEAT EQUITY SHARES****OBJECTIVE:**

ESOS/ESOP is the option given by a company to its directors, officers or employees which gives such persons the benefit or right to purchase or subscribe at a future date, this lecture deliberates upon the legal requirement and accounting treatment.

**CONTENT**

- Accounting for employee stock option plan

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 6,7**

**SUGGESTED READING:****TEXT BOOK:**

1. ibid 1, Page No.

## **LECTURES 15-16**

### **INTRODUCTION TO COMPANIES ACCOUNTS**

#### **OBJECTIVE:**

Every company is required to prepare its financial statements at the end of the accounting year. These lectures aim to acquaint the students with the provisions as to preparation of financial statements and applicability of schedule III.

#### **CONTENT:**

- Preparation of financial statements
- Types of financial statements
- Provisions as to preparation of financial statements
- Applicability of schedule III.
- General instruction for preparation of balance sheet and statement of profit and loss account

#### **ASSIGNMENTS FROM QUESTION BANK:**

**LONG ANSWER TYPE QUESTIONS:** Q 3, 16

#### **SUGGESTED READING:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.200

## **LECTURES 17-18:**

### **FORMAT OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT**

#### **OBJECTIVE:**

These lectures will focus illustrations with regard to statement of profit and loss and balance sheet.

#### **CONTENT:**

- General instruction for preparation of balance sheet and statement of profit and loss account
- Practical questions on final accounts

## **SUGGESTED READING:**

### **TEXT BOOK:**

1. ibid 1, Page No. 1.206

### **ARTICLE:**

1. Mohammad Ali Al Hayek, 2018. "*The Effect of Acquisition on Income Statement Items in Acquired Company (Subsidiary Company) - Case Study,*" International Journal of Economics and Finance, Canadian Center of Science and Education, vol. 10(5), pages 173-183, May

## **LECTURES 19-21**

### **HOLDING & SUBSIDIARY COMPANY**

#### **OBJECTIVE:**

Formation of a holding company is the most popular device of achieving the objectives of acquisition or combination. This lecture aims to impart understanding of holding company, wholly owned and subsidiary companies and implications of the basic features of AS 21.

#### **CONTENT:**

- Concept of holding company
- Wholly owned and partly owned subsidiaries
- AS 21: Consolidated financial statements

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 6,7,18

**LONG ANSWER TYPE QUESTION:** Q 22

## **SUGGESTED READING:**

### **TEXT BOOK:**

1. ibid 1, Page No. 2.199

## **LECTURES 22-24**

## **CONSOLIDATED BALANCE SHEET**

### **OBJECTIVE:**

This lecture focuses on preparation of consolidated balance sheet.

### **CONTENT:**

- Consolidated balance sheet
- Practical questions

### **SUGGESTED READING:**

### **TEXT BOOK:**

1. ibid 1, Page No. 2.203

## **LECTURES 25-26**

### **VALUATION OF GOODWILL**

### **OBJECTIVE:**

Over a period of time, a firm establishes its reputation on account of which not only do old customers continue to patronize the firm, but they also bring in new customers. These lectures on Valuation of Goodwill and Shares will help the reader to identify the factors affecting the value of goodwill and shares and explains the different methods for valuation of the same.

### **CONTENTS:**

- Meaning of goodwill
- Need for valuation of Goodwill
- Methods of valuation
  - Simple profit method
  - Capitalization of profit method
  - Super profit method
  - Annuity method of super profit
  - Capitalization of super profit method

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 2,3,13,14,15**

## **LONG ANSWER TYPE QUESTION: Q 2**

### **SUGGESTED READING:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.363

## **LECTURE 26-27**

### **VALUATION OF SHARES**

#### **OBJECTIVE:**

Valuation of shares is one of the most perplexing problems that confront students. The basic principles are by no means difficult, but their application calls for a considerable degree of knowledge of the various technicalities. This lecture aims to impart the procedure of methods of valuation and the need for valuation.

#### **CONTENTS:**

- Valuation of shares
- Need for valuation
- Methods of valuation
  - Net assets backing method
  - Yield method

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 4,10,11**

**LONG ANSWER TYPE QUESTIONS: Q 1,17,24**

### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.376

## **LECTURES 28-30**

### **RECONSTRUCTION**

#### **OBJECTIVE:**

Reconstruction means reorganizing the capital structure of a company including the reduction of claims of both the shareholders and the creditors against the company. These lectures focus on explaining internal reconstruction by explaining alteration and reduction of share capital.

#### **CONTENTS:**

- Internal reconstruction- meaning
- Alteration of share capital
- Reduction of share capital
- Accounting entries
- Surrender of shares

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1,3,20

#### **SUGGESTED READING:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.448-1.477

#### **ARTICLES:**

1. Roger and Robert, “*New guidance in accounting for corporate restructuring: EITF 94-3.*”, CPA Journal, Vol. 65 Issue 6, p30
2. Stefan Schaltegger, et al 2017, “Innovating Corporate Accounting and Reporting for Sustainability – Attributes and Challenges” *Special Issue: Innovative measurement approaches for corporate sustainability, Volume25, Issue2*

## **LECTURES 31-32**

### **SCHEMES OF RECONSTRUCTION**

#### **OBJECTIVE:**



Dissenting Shareholders means the holders of the Shares who have validly exercised and not effectively withdrawn or lost their rights to dissent from the Merger and to receive payment of the fair value of their Shares. The objective of these lectures is to explain the accounting treatment of the same.

**CONTENTS:**

- Dissenting shareholder
- Reconstruction schemes

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 1, Page No. 1.472-1.477

**LECTURES 33-35**

**EXTERNAL RECONSTRUCTION**

**OBJECTIVE:**

In external reconstruction a new company is formed to take over the business of an existing company which is in bad financial position. These lectures aims at explaining the accounting entries in respect of external reconstruction.

**CONTENTS:**

- Meaning of external reconstruction
- Vendor and purchasing companies
- Purchase consideration
- Accounting entries

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 2,6,21,22

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 1, Page No. 1.503-1.563

**LECTURES 36-37**

## **SCHEMES OF EXTERNAL RECONSTRUCTION**

### **OBJECTIVE:**

Amalgamation is the taking over of the business of two or more companies by a company newly formed for this purpose. The objective of these lectures is enumerating the general principles applicable to amalgamation, calculation of purchase consideration.

### **CONTENTS:**

- AS 14 and Amalgamation
- Alternative treatment in case of external reconstruction
- Amalgamation scheme
- Accounting for amalgamation

### **SUGGESTED READING:**

#### **TEXT BOOK:**

1. ibid 1, Page No. 1.602

#### **ARTICLE:**

1. Matteo Bonaventura, et al, (2018), “*Valuation and performance of reallocated IPO shares*”, **Journal of International Financial Markets, Institutions and Money**, **Volume 54** , Pages 15-26

## **LECTURES 38-40**

### **PROVISIONS OF LIQUIDATION OF A COMPANY**

#### **OBJECTIVE:**

Liquidation is a process by which dissolution of a company is brought about and its property administered for the benefit of its creditors and members. These lectures acquaint the students with the concept of liquidation followed by illustrations on liquidator's final statement of account.

**CONTENTS:**

- Meaning of liquidation
- Mode of winding up
- Consequences of winding up
- Liquidators final statement of account

**ASSIGNMENTS FROM QUESTION BANK:**

**LONG ANSWER TYPE QUESTIONS:** Q 7,20,13,14

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 1, Page No. 1.640

**LECTURES 41-44**

**TYPES OF INSURANCE AND ACCOUNTING OF INSURANCE COMPANIES**

**OBJECTIVE:**

These lectures focus on making the students understand the important provisions relating to IRDA and financial statements of insurance business.

**CONTENTS:**

- Insurance business in India
- IRDA
- Financial statements of insurance business
- Life insurance business
- Form A-RA
- Form A-PL
- Form A-BS
- General insurance business

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 23**

**LONG ANSWER TYPE QUESTIONS: Q 14,15,17**

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 1, Page No. 2.3

**LECTURES 45-49**

**ACCOUNTING OF BANKING COMPANIES**

**OBJECTIVE:**

These lectures focus on understanding the important provisions relating to final accounts of banking companies and understand the accounting treatment of certain specific adjustments in the final accounts of banking companies.

**CONTENTS:**

- legal requirement of banking companies
- preparation of profit and loss account
- preparation of balance sheet
- accounting policies for banking sector
- application of Indian Accounting standards
- accounting treatment

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 1,3,8,11,13**

**LONG ANSWER TYPE QUESTIONS: Q 4,5,10,11**

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 1, Page No. 2.76

**LECTURES 50-53**

## **ACCOUNTING OF ELECTRICITY COMPANIES**

### **OBJECTIVE:**

These lecture focus on explaining the essential features of electricity act, 2003 and accounting implication of the same.

### **CONTENTS:**

- Accounts of electricity companies

### **SUGGESTED READING:**

### **TEXT BOOK:**

1. ibid 1, Page No. 2.164

# **LECTURE PLAN**

# **INDIAN ECONOMY**

# **B.COM-208**

## **COURSE OUTLINE B.COM IV SEMESTER INDIAN ECONOMY –B.COM 208**

### **OBJECTIVE:**

The primary objective of the course is to familiarize the students with the basic concepts, problems, and scarcities in an economy with special reference to different types of economies; underdeveloped, emerging (developing), developed. An attempt is made to connect, study these issues and macro level problems in respect of Indian Economy.

### **COURSE OUTCOMES:**

After completion of this course students will be able to

- Develop ideas of the basic characteristics of Indian economy and its potential on natural resources.
- Understand the importance, causes and impact of population growth and its distribution, and translate and relate it with economic development.
- Gain knowledge of the overall economy, its features, sources of revenue, how the central and state government finance its programmes and projects.
- Understand agriculture as the foundation of economic growth and development, analyze the progress and changing nature of agricultural sector and its contribution to the economy as a whole.
- Grasp the importance of planning undertaken by the government of India, have knowledge on the various objectives, failures and achievements as the foundation of the ongoing economic reforms taken by the government

## **INTERNAL ASSESSMENT AND ASSIGNMENT**

**25 marks**

1. Class Test-I - (Written Test)

10 marks

2. Class Assessment + Attendance

15 marks

### **COURSE CONTENTS:**

#### **UNIT I**

- Concept of Economic Growth
- Concept of Economic Development
- Determinants of Economic Development
- Growth and Development
- Causes of Underdevelopment
- Basic Characteristics of Indian Economy
- Changes in structure of Indian Economy
- Primary Sector, Secondary Sector & Tertiary Sector
- National Income of India
- Trends in National Income in India across various regions
- Work Force Participation
- Changes in Occupational Structure
- NITI Aayog

**(12 Hours)**

#### **UNIT II**

- Demographic Features of Indian population
- Size and Growth of population and economic development
- Problem of over population
- Human development Index
- Objective of Economic Planning in India
- Current Five-Year Plan
- Industrial Policy-1991
- Disinvestments of Public Enterprises
- Economic Problems
- Poverty
- Inequality of Income
- Parallel Economy
- Unemployment
- Concentration of Economic Power
- Balanced Regional Development
- Low Capital Formation
- Industrial Sickness

**(16 Hours)**

#### **UNIT III**

- Growth and problems of major industries: -
    - ❖ Iron and Steel
    - ❖ Cotton Textiles, Cement
    - ❖ Sugar and Petroleum. Industrial policy
  - Small scale industries
  - Problems and Challenges of Small-scale Industries
  - Recent reforms for Small Scale Industries
  - Reforms by MODI Government for Small Scale Industries
  - Regional imbalances, Parallel Economy
  - India's foreign trade
  - FEMA
  - FERA
  - Balance of payments
- (12 Hours)**

#### **UNIT IV**

- Emerging Issues of Indian Economy
  - WTO
  - Features of India's Five-Year plans
  - Factors affecting implementation of Five-Year Plans
  - Various agreements of WTO & Indian Economy
  - WTO agreements & Emerging Areas
  - GATT
  - Fiscal Policy
  - Economic Planning
  - Importance of Economic Planning
  - Failures of Five-Year Plans
  - TRIMS
  - TRIPS
  - Foreign Direct Investment
  - Foreign Institutional Investment
- (12 Hours)**

#### **STUDY MATERIAL FOR THE SUBJECT**

Following will be the study material for topics of Indian Economy and students are advised to go through the material for thorough understanding of the subject:

#### **MAIN TEXT BOOKS:**

- 1 **Author's Name(s):** Datt & Sundharam's  
**Title:** Indian Economy  
**Edition:** LXXVII, **Year:** 2016  
**Publisher:** S. Chand & Co. Pvt. Ltd. (ibid 1)
- 2 **Author's Name(s):** Mishra, S.K., and Puri, V.K.



**Title:** Problems of Indian Economy  
**Edition:** VI **Year:** 2014  
**Publisher:** Himalaya Publishing House

(ibid 2)

### REFERENCE BOOKS:

1 **Author's Name(s):** I.C. Dhingra  
**Title:** The Indian Economy Environment and Policy  
**Edition:** XXIX, **Year:** 2016  
**Publisher:** Sultan Chand & Sons

(ibid 3)

2 **Author's Name(s):** Ramesh Singh  
**Title:** Indian Economy  
**Edition:** 9<sup>th</sup>, **Year:** 2017  
**Publisher:** Mc Graw Hill Education

(ibid 4)

3 **Author's Name(s):** Datt and Mahajan  
**Title:** The Indian Economy Environment and Policy  
**Edition:** 72<sup>nd</sup>, **Year:** 2018  
**Publisher:** Sultan Chand & Sons

(ibid 5)

### E BOOKS

1. <https://www.amazon.in/Indian-Economy-Ramesh-Singh-ebook/dp/B0774SJ7TL>
2. <https://www.phindia.com/Books/ShoweBooks/NTQ5/Indian-Economy>
3. <https://www.mheducation.co.in/indian-economy-9789353166366-india>
4. <https://www.bookganga.com/eBooks/Books/Details/4883665632011637295>

### JOURNALS/ MAGAZINES:

- 1 IUP Journal of Applied Economics
- 2 International Journal of Business Policy & Economics
- 3 Harvard Business Review

### UNIT I

#### LECTURES 1-3

#### STRUCTURE OF INDIAN ECONOMY

#### OBJECTIVE:

The objective of these lectures is to provide basic knowledge about concepts of economic growth and development.

#### CONTENTS:

- Concept of Economic Growth

- Concept of Economic Development
- Growth and Development
- Characteristics of Development of Indian Economy

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 2, 8, 20, 28

**LONG ANSWER TYPE QUESTIONS:** Q 3, 7, 9, 23, 26

**SUGGESTED READINGS:**

**TEXT BOOK:**

- 1 ibid 1 - Page No.3 to 13

**REFERENCE BOOK:**

- 1 ibid 3 - Page No.1 to 43

**ARTICLES:**

- 1 Manmohan Agarwal and Sunandan Ghosh, “Structural in the Indian Economy”, <http://cds.edu/wp-content/uploads/2015/12/WP465.pdf>
- 2 T.S. Papola, “STRUCTURAL CHANGES IN THE INDIAN ECONOMY” <http://isid.org.in/pdf/WP1202.pdf>
- 3 Chakrabarty, K.C., “Transit Path for Indian Economy: Six Steps for Transforming the Elephant into a Tiger” RBI Bulletin, Jan. 2013, pp. 3-11.
- 4 Bridge, J., & Dodds, J. C. (2018). Managerial decision making. Routledge.
- 5 Seaman, B. A., & Young, D. R. (Eds.). (2018). Handbook of research on nonprofit economics and management. Edward Elgar Publishing.

**LECTURES 4-6**

**CHANGES IN STRUCTURE OF ECONOMY:**

**OBJECTIVE:**

The objective of these lectures is to provide basic knowledge about Structural changes in different sectors (Primary, Secondary and Tertiary) of Indian Economy.

**CONTENTS:**

- Basic Characteristics of Indian Economy
- Economic Development and Occupational Distribution
- Historical Experiences of Structural Change in Developed Economies
- Changes in Structure of Indian Economy
- Basic Characteristics of Primary Sector

- Basic Characteristics of Secondary Sector
- Basic Characteristics of Tertiary Sector

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 3, 8 to 10, 12, 13, 15, 26

**LONG ANSWER TYPE QUESTIONS:** Q 3, 7, 8, 10, 25 to 27

### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 1 - Page No.85 to 86

#### **REFERENCE BOOK:**

- 1 ibid 3 – Page No.120 to 127

#### **ARTICLES:**

- 1 Mandeep Singh and Dr. Kuldeep Kaur, “Structural Changes in Indian Economy: An Empirical Analysis using Input-Output Structural Decomposition Analysis”, file:///C:/Users/a/Downloads/960-1-966-1-10-20140504.pdf
- 2 M.R. Singariya, “Links between Structural Changes and Economic Growth in India”, <http://www.asianonlinejournals.com/index.php/Growth/article/viewFile/130/pdf>
- 3 Editorial Board ICAI, “Forward March of Economy despite Hurdles”, Chartered Accountant, May 2015, pp. 3-10.
- 4 Dawar Niraj, “A step by step Guide to Winning the Customer”, Strategy + Business, Issue 74, Spring 2017, Pp. 58-63.

### **LECTURES 7-9**

### **GDP & EMPLOYMENT SHARES IN DEVELOPING COUNTRIES**

#### **OBJECTIVE:**

The objective is to have knowledge about accounting principles and standards.

#### **CONTENTS:**

- Meaning of GDP
- Concept of Employment
- GDP and Employment Shares in Selected Developing Countries
- Changing Profile of GDP and Employment in India

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 6, 7, 11, 14, 28

**LONG ANSWER TYPE QUESTIONS:** Q 1, 2, 25

**SUGGESTED READINGS:**

**TEXT BOOK:**

1 ibid 1 -Page No.86 to 89

**REFERENCE BOOK:**

1 ibid 3 - Page No.72 to 95

**ARTICLES:**

- 1 Annemarie van Arendonk “The development of the share of agriculture in GDP and employment A case study of China, Indonesia, the Netherlands and the United States”, <http://edepot.wur.nl/342795>
- 2 Jacques Charmes “The Contribution of Informal Sector to GDP in Developing Countries :Assessment, Estimates, Methods, Orientations for the Future”, [https://www.researchgate.net/publication/237743723\\_The\\_Contribution\\_of\\_Informal\\_Sector\\_to\\_GDP\\_in\\_Developing\\_Countries\\_Assessment\\_Estimates\\_Methods\\_Orientations\\_for\\_the\\_Future](https://www.researchgate.net/publication/237743723_The_Contribution_of_Informal_Sector_to_GDP_in_Developing_Countries_Assessment_Estimates_Methods_Orientations_for_the_Future)
- 3 Sueyoshi, T., & Goto, M. (2012). Returns to scale, damages to scale, marginal rate of transformation and rate of substitution in DEA environmental assessment. Energy Economics, 34(4), 905-917.

**LECTURES 10-12**

**NITI AAYOG**

**OBJECTIVE:**

The objective of these lectures is to understand the concept of Niti Aayog and its implications.

**CONTENTS:**

- Planning Commission
- NITI Aayog
- Need for Niti Aayog
- Implications of Niti Aayog

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 7,11,13,14, 26

**LONG ANSWER TYPE QUESTIONS: Q 1, 2, 5, 6, 7, 8, 9, 10, 30**

**SUGGESTED READINGS:**

**TEXT BOOK:**

1 ibid 1- Page No.85 to 94

**REFERENCE BOOK:**

1 ibid 3 - Page No.210 to 251

**ARTICLE:**

1. Report of the Sub-Group of Chief Ministers on Rationalisation of Centrally Sponsored Schemes (2015). NITI Aayog, Government of India, New Delhi
2. Kilimci, Z. H., Akyuz, A. O., Uysal, M., Akyokus, S., Uysal, M. O., Atak Bulbul, B., & Ekmiş, M. A. (2019). An Improved Demand Forecasting Model Using Deep Learning Approach and Proposed Decision Integration Strategy for Supply Chain. Complexity, 2019.

**UNIT II**

**LECTURES 13-15**

**DEMOGRAPHICS OF INDIAN POPULATION**

**OBJECTIVE:**

The objective of these lectures is to understand the concept of demographics of Indian Population.

**CONTENTS:**

- Indian Population
- Characteristics of Indian Population
- Occupation of Indian Population
- Problems of Indian Population
- Problem of Over Population

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q 4, 9 to 11, 15, 19, 27**

**LONG ANSWER TYPE QUESTIONS: Q 8, 18, 28 to 30**

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1 –Page No.186 to 205

**REFERENCE BOOK:**

1. ibid 3 – Page No.252 to 272

**ARTICLES:**

1. Dani S (2016) A Research Paper on an Impact of Goods and Service Tax (GST) on Indian Economy. Bus Eco J 7: 264.
2. Eswaran, Mukesh & Kotwal, Ashok, 2019. "Why Poverty Persists in India: A Framework for Understanding the Indian Economy," OUP Catalogue, Oxford University Press, number 9780195632385.

**LECTURES 16-18**

**HUMAN DEVELOPMENT INDEX:**

**OBJECTIVE:**

The objective of these lectures is to provide knowledge about the concept of Human Development Index (HDI).

**CONTENTS:**

- Meaning of Human Development Index (HDI)
- Components of HDI
- India's ranking on HDI
- Ranking of various developed countries on HDI

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 13, 14, 16, 20, 24, 26

**LONG ANSWER TYPE QUESTIONS:** Q 1, 3 to 7, 9, 19, 20, 24, 25, 27

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1–Page No.294 to 331

**REFERENCE BOOK:**

1. ibid 3–Page No.473 to 489

**ARTICLE:**

1. Anirvan Banerji & Pami Dua, 2010. "Synchronisation of Recessions in Major Developed and Emerging Economies," Margin: The Journal of Applied Economic Research, National Council of Applied Economic Research, vol. 4(2), pages 197-223, May.

**LECTURES 19-21****REVIEW OF ECONOMIC REFORMS****OBJECTIVE:**

The objective is to have knowledge about the concept of economic reforms and role of Public Sector in India.

**CONTENTS:**

- Economic Reforms, a Brief Review
- Economic Reforms, 1991
- Economic Reforms in India-An Appraisal
- Industrial Policy, 1991
- Globalization
- Privatization
- Liberalization
- Meaning of Public Enterprises
- Role of Public Sector in India
- Rationale of Disinvestment
- Evolution of the Disinvestment Policy
- Critique of Disinvestment
- Role of Public Sector Enterprises in India

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 12, 22 to 28

**LONG ANSWER TYPE QUESTIONS:** Q 2, 13, 26

**SUGGESTED READINGS:****TEXT BOOK:**

1. ibid 1 –Page No.249 to 276

**REFERENCE BOOK:**

1. ibid 3 – Page No.436 to 458

**ARTICLE:**

1. Deepak Kumar Behera & Umakant Dash (2019) Effects of economic growth towards government health financing of Indian states: an assessment from a fiscal space perspective, Journal of Asian Public Policy, 12:2, 206-227

**LECTURES 22-25**

**ECONOMIC PROBLEMS:**

**OBJECTIVE:**

The objective is to make them able to understand about economic problems in an economy like poverty, inequality and the impact of these problems on developing economy like India.

**CONTENTS:**

- Meaning of Economic Problems
- Types of economic problems in India
- The Concept of Poverty
- Studies of Poverty in India
- Planning Commission's Estimate of Poverty
- Economic Reforms and Reduction of Poverty
- Need for redefining Poverty Line
- International Comparison of Poverty
- Towards a Solution of the Problem of Poverty
- Growth and Inequality
- Inequality and Concentration of Economic Power

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 17, 25, 27

**LONG ANSWER TYPE QUESTIONS:** Q 10 to 12, 26

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1- Page No.396 to 424, 482 to 496

**REFERENCE BOOK:**

1. ibid 3 – Page No.292 to 313



## **ARTICLES:**

- 1 Kalchschmidt, Matteo. (2019), "Demand forecasting practices and performance: evidence from the gmr database".
- 2 Zainal, R., Ramli, F., Manap, N., Ali, M., Kasim, N., Noh, H. M., & Musa, S. M. S. (2019). Price Prediction Model of Demand and Supply in the Housing Market. In MATEC Web of Conferences (Vol. 266, p. 06015). EDP Sciences.

## **LECTURES 26-28**

### **STRUCTURE OF EMPLOYMENT:**

#### **OBJECTIVE:**

The objective is to give them knowledge about the structure of employment and balanced regional growth in an economy.

#### **CONTENTS:**

- Parallel Economy and objectives of Planning
- Estimates of Black Income in India
- A Review of Various Estimates of Black Income
- Impact of Black Incomes on the Economic and Social System
- Corruption and Development in India
- Evolution of a Policy Package to Control Parallel Economy
- Nature of Unemployment in India
- Various Schemes to Reduce Unemployment and Underemployment
- Structure of Employment in India
- Quality of Employment
- Unemployment Rates
- Balanced Regional Development
- Low Capital Formation
- Industrial Sickness.

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1 to 3, 18, 22, 24 to 26

**LONG ANSWER TYPE QUESTIONS:** Q 14 to 17, 25

### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 1- Page No.425 to 481

## **REFERENCE BOOK:**

1 ibid 3 – Page No.292 to 313

## **ARTICLE:**

1. Behera, D. K., & Dash, U. (2017). The impact of GDP and tax revenue on health care financing: An empirical investigation from Indian states. *Theoretical & Applied Economics*, 2(611), 249–266.

## **UNIT III**

### **LECTURES 29-31**

### **INDIAN ECONOMY & FOREIGN TRADE**

#### **OBJECTIVE:**

The objective of these lectures is to provide knowledge about composition and direction of India's Foreign Trade.

#### **CONTENTS:**

- Importance of Foreign Trade for a Developing Economy
- Foreign Trade Since Independence
- Composition of India's Foreign Trade
- Direction of India's Foreign Trade

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 10 to 22, 28

**LONG ANSWER TYPE QUESTIONS:** Q 8 to 16, 29

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

1 ibid 1 – Page No.794 to 809

## **REFERENCE BOOK:**

- 1 ibid 3 – Page No.595 to 642

## **ARTICLES:**

- 1 Rajesh K. Pilaania, “An Exploratory Study of Indian Foreign Trade”, [https://www.researchgate.net/publication/23548328\\_AN\\_EXPLORATORY\\_STUDY\\_OF\\_INDIAN\\_FOREIGN\\_TRADE](https://www.researchgate.net/publication/23548328_AN_EXPLORATORY_STUDY_OF_INDIAN_FOREIGN_TRADE)
- 2 Kuldeep Singh,” INDIA’S FOREIGN TRADE SINCE 1947-2015: AN EXPLORATORY STUDY”, <http://indianresearchjournals.com/pdf/IJMFSMR/2015/June/11.pdf>
- 3 Raghuram G. Rajan, “India in the Global Economy”, RBI Bulletin, April 2016, pp.61-68.

## **LECTURES 32-34**

### **INDIA’S BALANCE OF PAYMENTS**

**OBJECTIVE:** The objective of these lectures is to provide knowledge about Balance of Payment position of India.

### **CONTENTS:**

- India’s Balance of Payments on Current Account
- Balance of Payment Crisis
- Balance of payments Since the New Economic Reforms of 1991
- Balance of Trade Position in India

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1 to 9, 21, 23, 27

**LONG ANSWER TYPE QUESTIONS:** Q 1 to 7, 17, 22, 25, 26

### **SUGGESTED READINGS:**

### **TEXT BOOK:**

- 1 ibid 1 - Page No.810 to 829

### **REFERENCE BOOK:**

- 1 ibid 3 - Page No.595 to 642

## **ARTICLE:**

1. Chittaranjan Nayak and Priyabrata Satpathy, “Political Economy of Discretionary Transfers: A Dynamic Panel Data analysis of Indian States”, PRAGATI: Journal of Indian Economy Volume 5, Issue 1, January-June 2018, pp. 24-40

## **LECTURES 35-37**

### **INDUSTRIAL POLICY**

#### **OBJECTIVE:**

The objective is to have knowledge about the importance of industrial revolution in India over years and understand regional imbalance.

#### **CONTENTS:**

- Growth and Problems in Industries
- Understanding Iron and Steel Industry
- Understanding Cotton Industry
- Understanding Textile Industry
- Small Scale Industry
- Recent Reforms for Small Scale Industry
- Reforms by MODI Government for Small Scale Industry

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 24, 25 to 27

**LONG ANSWER TYPE QUESTIONS:** Q 17, 24

#### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 1 – Page No.820 to 827

#### **REFERENCE BOOK:**

- 1 ibid 3 – Page No.595 to 642

#### **ARTICLE:**

1. Chakraborty, P., Mukherjee, N. A., & Amarnath, H.K. (2010). Interstate distribution of central expenditure and subsidies. Working Paper, No 2010-66, NIPFP, New Delhi.

## **LECTURES 38-40**

### **CEMENT, PETROLEUM & SUGAR INDUSTRY**

**OBJECTIVE:**

The objective of these lectures is to provide knowledge about problems faced by Cement, Petroleum and Sugar Industries.

**CONTENTS:**

- Problems faced by Cement Industry
- Reforms for Cement Industry
- Problems faced by Petroleum Industry
- Reforms for Petroleum Industry
- Problems faced by Sugar Industry
- Reforms for Sugar Industry

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 8 to 12

**LONG ANSWER TYPE QUESTIONS:** Q 2, 26

**SUGGESTED READINGS:****TEXT BOOK:**

1 ibid 1 - Page No.818 to 827

**REFERENCE BOOK:**

1 ibid 3 -Page No.595 to 642

**ARTICLE:**

1. Biswas, R., Marjit, S., & Marimoutou, V. (2010). Fiscal federalism, state lobbying and discretionary finance: Evidence from India. *Economic and Politics*, 22(1), 68-91.

**UNIT IV****LECTURES 41-44****ECONOMIC PLANNING****OBJECTIVE:**

The objective is to have knowledge about the concept of economic planning and role of Public Sector in India.

**CONTENTS:**

- Economic Planning
- Economic Reforms, a Brief Review
- Economic Reforms, 1991
- Need for Economic Planning
- Merits of Economic Planning
- Demerits of Economic Planning
- Role of Public Sector in India

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 12, 22 to 28

**LONG ANSWER TYPE QUESTIONS:** Q 2, 13, 26

**SUGGESTED READINGS:**

**TEXT BOOK:**

1. ibid 1 –Page No.249 to 276

**REFERENCE BOOK:**

1. ibid 3 – Page No.436 to 458

**ARTICLE:**

1. Arulampalam, W., Dhillon, A., Dasgupta, S., & Bhaskar, D. (2009). Electoral goals and centre state transfers: A theoretical model and empirical evidence from India. *The Journal of Development Economics*, 88(1), 103-119.

**LECTURES 45-48**

**FISCAL POLICY:**

**OBJECTIVE:**

The objective is to have knowledge about Indian fiscal policy.

**CONTENTS:**

- Fiscal Policy of India
- Components of Fiscal Policy
- Impact of Fiscal Policy in recent years
- Evaluation of Fiscal Policy of India

- TRIMS
- TRIPS
- WTO
- GATT

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 11, 12, 15 to 17, 26

**LONG ANSWER TYPE QUESTIONS:** Q 1, 7, 16, 27

**SUGGESTED READINGS:**

**TEXT BOOK:**

- 1 ibid 1 –Page No.844 to 864

**REFERENCE BOOK:**

- 1 ibid 3 – Page No.595 to 642

**ARTICLE:**

1. Dash, B., & Raja, A. (2012). Political determinants of the allocation of public expenditures: A Study of the Indian states. Working Paper No. 2012-101, NIPFP, New Delhi.

**LECTURES 49-52**

**FIVE YEAR PLANS**

**OBJECTIVE:**

The objective is to make them able to understand the meaning of five-year plans, their need, achievements and failures.

**CONTENTS:**

- Meaning of Five-Year Plans
- Factors affecting successful implementations of plans
- Salient features of India's five years plans
- Priorities, Targets, achievements of Five-Year Plans

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 13, 23, 25, 30

**LONG ANSWER TYPE QUESTIONS:** Q 1, 7, 16, 28

**SUGGESTED READINGS:**

**TEXT BOOK:**

1 ibid 1- Page No.794 to 809

**REFERENCE BOOK:**

1 ibid 3 – Page No. 595 to 642

**ARTICLE:**

1. Panda, P.K. (2016). Economic and political determinants of centre state fiscal transfer in India: A dynamic panel analysis of State level data. *The Journal of Developing Areas*,50(2), 329-347.

## **LECTURE PLAN**

## **FINANCIAL MODELLING**



# **B.COM - 210**

## **COURSE OUTLINE FINANCIAL MODELING - B.COM(H) 210 B.COM(H) IV**

**L-4 T/P-0**

**Credits-4**

**Max Marks: 75**

### **OBJECTIVE:**

This course is designed to help the students learn the application of Financial Management & Market concepts in MS-Excel by way of creating various kinds of financial models/templates.

### **COURSE OUTCOMES:**

After completion of this course students will be able to

- Familiarize with basic to intermediate skills for using Excel for business application.
- Hands on experience on MS Excel utilities related to business modeling.
- Create solutions for data management and reporting by preparing financial models and understand the usage of different functions in MS Excel for financial statement analysis and decision making.

- Perform multidimensional and what-if analysis using MS Excel to forecast trends and make capital budgeting decisions with the help of Excel functions.
- Develop the ability to utilize the core functionality of excel in decision framework to solve managerial problems in the finance functions of the business.

## **INTERNAL ASSESSMENT AND ASSIGNMENT**

**25 Marks**

1. Class Test-I - (Written Test)
2. Class Assessment + Attendance

10 Marks

15 Marks

## **COURSE CONTENTS:**

### **UNIT I**

**Hours: 14**

#### **Excel as a tool in Financial Modelling:**

- Basic Excel in brief;
- conditional formatting,
- formulas and macros;
- what if analysis, pivot table, pivot chart, scenario, goal seek, problem solver tool,
- data analysis pack.

### **UNIT II**

**Hours: 14**

#### **Financial Modelling Basic Concepts:**

- Introduction,
- advanced functions of MS-Excel as a tool in financial modelling;
- components of a financial model,
- building the template,
- filling in the historical data,
- forecasting of financial statement.

### **UNIT III**

**Hours: 14**

#### **Financial Analysis:**

- Various approaches to valuation,
- financial ratios and company analysis,
- market based methods – EPS and multiples,
- Fundamentals EV/EBITDA, EV/Sales, building cases and sensitivity analysis;
- probabilistic analysis - best & worst case.

### **UNIT IV**

**Hours: 14**

#### **Other Modelling Techniques:**

- Time value of money;
- capital budgeting models;
- cost of capital calculation;
- forecasting methods – moving average,

- exponential smoothing,
- trend analysis.

## STUDY MATERIAL FOR THE SUBJECT

Following will be the study material for topics of Financial Modeling, and students are advised to go through the material for thorough understanding of the subject

### TEXT BOOKS

1. **Author's Name(s):** Proctor, Scott  
**Title:** Building Financial Models with Microsoft Excel: A Guide for Business  
**Edition:** 7<sup>th</sup> Year: (1st edition 2004, reprint 2010),  
**Publisher:** Wiley. (ibid 1)
2. **Author's Name(s):** Day, Alastair  
**Title:** Mastering Financial Modelling in Microsoft Excel: A practitioner's guide  
**Edition:** (3rd edition 2012),  
**Publisher:** FT Publishing International. (ibid 2)

### REFERENCE BOOKS

1. **Author's Name(s):** Soubeiga Eric  
**Title:** Mastering Financial Modeling: A Professional's Guide to Building Financial Models  
**Edition:** 1st edition 2013  
**Publisher:** McGraw-Hill Professional. (ibid 3)
2. **Author's Name(s):** Sengupta Chandan  
**Title:** Financial Analysis and Modeling Using Excel and VBA,  
**Edition:** (2nd edition 2011),  
**Publisher:** Wiley. (ibid 4)
3. **Author's Name(s):** Tjia John,  
**Title:** Building Financial Models  
**Edition:** (2nd edition 2009)  
**Publisher:** McGraw-Hill Professional. (ibid 5)
4. **Author's Name(s):** Bodhanwala, J., Rujbeh,  
**Title:** Understanding and Analyzing Balance sheet using Excel Worksheets  
**Edition:** (2nd edition 2010)  
**Publisher:** Prentice Hall International. (ibid 6)

### E-BOOKS

1. <https://www.bpmglobal.com/files/downloads/training/fmf/Financial%20Modelling%20Fundamentals.pdf>
2. <http://www.sbp.org.pk/departments/ihfd/days/Day3-03-C1.pdf>
3. [https://www.academia.edu/24690583/Financial\\_Modeling\\_in\\_Excel\\_FMCG\\_Case\\_Study\\_Agenda\\_Introduction\\_and\\_context](https://www.academia.edu/24690583/Financial_Modeling_in_Excel_FMCG_Case_Study_Agenda_Introduction_and_context)

**JOURNALS:**

1. Journal of Economic and Financial Modelling
2. JRFM: Financial Risk Modeling and Forecasting
3. The IUP Journal of Accounting Research and Financial Forecasting
4. Indian Management Studies Journal

## **LECTURES 1-2**

### **BASIC EXCEL IN BRIEF**

#### **OBJECTIVE:**

This lecture aims to learn the basic concepts of MS-Excel 2007 and overview of features and functionality related to building financial models.

#### **CONTENTS:**

- Most frequently used features of Excel at general level.
- Keyboard shortcuts to execute tasks.
- Opening new workbook, naming worksheets, naming cells and cell ranges.
- Entering information in the cells.
- Formatting options for worksheets and for information within cells.
- Using toolbars

#### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 1, 2, 3, 4 ,5**

**SHORT ANSWER TYPE QUESTIONS: 1,2**

**LONG ANSWER TYPE QUESTIONS: 1,2**

#### **SUGGESTED READINGS:**

##### **TEXTBOOK:**

1 ibid 1 Page No. 315-328

##### **REFERENCE BOOK:**

1 ibid 4 Page No. 32-41

## **LECTURE-3**

### **CONDITIONAL FORMATTING**

## **OBJECTIVE:**

This lecture aims at understanding in Excel to format a cell or group of cells differently depending on their own contents or their contents relative to the contents of a specified range of cells.

## **CONTENTS:**

- How to apply conditional formatting
- Various choices in conditional formatting
  - Top/Bottom Rules
  - Data Bars
  - Color Scales
  - Icon Sets
  - New Rules
  - Manage Rules

## **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 5**

**LONG ANSWER TYPE QUESTIONS: 4, 5, 6**

## **SUGGESTED READING:**

### **REFERENCE BOOK:**

1. Ibid 4 Page. No. 103-108

## **LECTURES :4-6**

## **FORMULAS AND MACROS**

### **OBJECTIVE:**

This lecture aims at familiarizing students with formulas which are statements that perform operations on information in the worksheets. And macros which are actions which can be run to repeat those actions.

### **CONTENTS:**

- Formulas as ideal tool for building financial models

- Formulas contains
  - Functions: predefined formulas
  - References
  - Operators: (add, subtract, multiply, divide)
  - Constants
- Recording Macros
- Absolute and Relative Reference
- Assigning short cut keys to macros
- The personal macro workbook

## **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 13, 14, 15**

**SHORT ANSWER TYPE QUESTIONS: 6, 7, 8, 9**

## **SUGGESTED READINGS:**

### **TEXTBOOK:**

1. ibid 1 Page No. 329-332

### **REFERENCE BOOKS:**

1. ibid 4 Page No. 43-72
2. ibid 4 Page No. 520-524

## **LECTURE 7**

### **WHAT IF ANALYSIS**

#### **OBJECTIVE:**

It aims to understand how the output values will change if certain input values turn out to be different. Financial models are built to answer what-if questions.

#### **CONTENTS:**

- Independent and Dependent Variables
- Creating data tables
- One-input data table
- Two-input data table
- Data tables to create charts

## **SUGGESTED READING:**

### **REFERENCE BOOK:**

1 ibid 4 Page No. 161-165

## **LECTURES 8-10**

### **SCENARIO, GOAL SEEK, PROBLEM SOLVER**

#### **OBJECTIVE:**

This lecture aims at understanding how the values of outputs of a model vary with some of the inputs.

#### **CONTENTS:**

- What is a Scenario?
- Using the Scenario Manager
- Creating Scenario Table
- Goal Seek: Overview
- Using Goal Seek
- Limitations of Goal Seek
- Solver: Overview
- Installing and Accessing Solver
- The Solver Options Dialog Box

## **SUGGESTED READINGS**

1 ibid 4 Page No. 166-184

## **LECTURES 11-12**

### **PIVOT TABLE, PIVOT CHART**

#### **OBJECTIVE:**

This lectures aim is to make students understand uses of pivot tables and pivot charts as a modelling tool

#### **CONTENTS:**



- Creating a basic Pivot Table
- Moving a Pivot Table
- Formatting a Pivot Table
- Modifying a Pivot Table
- Summarizing data in Pivot Table
- Sorting and Filtering Pivot Table
- Creating Pivot Charts from Pivot Tables

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: 12, 13**

**LONG ANSWER TYPE QUESTION: 8**

**SUGGESTED READINGS:**

**REFERENCE BOOK:**

1 ibid 4 135-160

**ARTICLE:**

1 Jelen, B. (2019). ROLLING 12 MONTHS IN A PIVOT TABLE. Strategic Finance, 100(10), 56-57.

**LECTURES 13-14**

**DATA ANALYSIS PACK**

**OBJECTIVE:**

This lecture aims at understanding the number of tools for doing more comprehensive statistical analysis.

**CONTENT**

- Data Analysis Toolpak Installation
- Statistical Tools in Toolpak

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: 14, 15**

**LONG ANSWER TYPE QUESTIONS: 10,13**

**SUGGESTED READING:**

**TEXTBOOK:**

1 ibid 2, Pg No. 51-59

**UNIT II****FINANCIAL MODELLING BASIC CONCEPTS****LECTURES 15-16****OBJECTIVE:**

This lecture aims at learning about basic concepts of a financial model and steps to create a financial model

**CONTENTS:**

- What is a Financial Model?
- Excel as a modelling tool
- Independent and dependent variables
- Steps in creating a model
  - Define and structure the problem
  - Define the input and output variables of the model
  - Decide who will use the model and how often
  - Understand the financial and mathematical aspects of the model
  - Design the model
  - Create the spreadsheets
  - Test the model
  - Protect the model
  - Document the model

- Update the model as necessary

## **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 11, 12, 13, 14**

**SHORT ANSWER TYPE QUESTION: 14**

**LONG ANSWER TYPE QUESTION: 12**

## **SUGGESTED READINGS:**

### **REFERENCE BOOK:**

1 ibid 4 Page No. 1-9

### **ARTICLE:**

1 Thiele, S. (2019). Modelling the conditional distribution of financial returns with asymmetric tails. Journal of Applied Econometrics.

## **LECTURES 17-19**

### **ADVANCED FUNCTIONS OF MS-EXCEL AS A TOOL IN FINANCIAL MODELLING**

#### **OBJECTIVE:**

These lectures aims at discussing a series of advanced Excel features that are used often in financial models.

#### **CONTENTS:**

- Excel's built-in functions and the analysis ToolPak
- Arguments of Functions and entering Functions
- Installing and accessing the analysis ToolPak
- Copying formulas using absolute and relative cell references
- Creating names for cells and ranges
- Using names in Formulas
- A1 and R1C1 reference styles
- Using comments in cells
- Data Validation
- Custom number formats
- Hiding and Protecting

- Custom views
- Array and Array Formulas

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 27, 28, 29**

**SHORT ANSWER TYPE QUESTION: 1**

**SUGGESTED READINGS:**

**TEXTBOOK:**

1 ibid 1, Page No. 333-337

**REFERENCE BOOK:**

1 ibid 4, Page No. 43-75

**LECTURE 20**

**COMPONENTS OF FINANCIAL MODELLING**

**OBJECTIVE:**

This lecture aims at understanding the inclusions required in a financial model.

**CONTENTS:**

- Following sections to be included in a financial model
  - A Master Budget (financial and operating budget)
  - The consolidated financial statements
  - A free cash flow analysis
  - Sensitivity analysis
  - Financial ratio analysis
  - Valuation analysis
  - Capitalization chart

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 5,8**

**LONG ANSWER TYPE QUESTIONS: 4, 5, 6**

**SUGGESTED READING:**

**TEXTBOOK:**

1 ibid 1, Page No. 3-20

**LECTURES 21-22**

**BUILDING THE TEMPLATE**

**OBJECTIVE:**

This lecture aims at understanding the steps involved in developing a financial statement model.

**CONTENTS:**

- Steps to develop a financial statement model
  - Understand the expected uses of the model and the required outputs.
  - Collect historical data for the company, its industry and competitors.
  - Understand the company's plan and develop modelling assumptions.
  - Build the model and debug it.
  - Improve the model based on feedback.
- The level of detail in a model

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 15,27,18**

**SHORT ANSWER TYPE QUESTIONS: 7,9,10**

**LONG ANSWER TYPE QUESTIONS: 5,6,8**

**SUGGESTED READING:**

**REFERENCE BOOK:**

1 ibid 4 Page No. 257-270

**LECTURES 23-24**

## **FILLING IN THE HISTORICAL DATA**

### **OBJECTIVE:**

The objective is to make a financial model based on past few years data and reformat statements to look more readable and enhance understanding of financial statements and their interconnections.

### **CONTENTS:**

- Model historical financial statements
- Modelling Strategy
- Building the model
  - Enter formulas to calculate subtotals and totals
  - Create formulas for other items
  - Create the statement of cash flows
  - Create the formatted income statement and balance sheets
- Testing the model
- Uses of the model

### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 10,12**

**LONG ANSWER TYPE QUESTIONS: 14,6,3**

### **SUGGESTED READING:**

### **REFERENCE BOOK:**

1 ibid 4 Page No. 271-288

### **LECTURES 24-28**

## **FORECASTING OF FINANCIAL STATEMENTS**

### **OBJECTIVE:**

The objective of this lecture is to understand the uses of building a model for planning and other applications and how you can project flexibly by changing assumptions.

### **CONTENTS:**

- Model characteristics
- Modeling Strategy
- Building the Model
  - Set up the forecast columns
  - Create income statement formulas
  - Create balance sheet formulas
  - Calculate DFN (Discretionary Funding Need)
  - Calculate the financial indicators
  - Create the statements of cash flows
- Testing the model
- Uses of the model

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 30,34,35**

**SHORT ANSWER TYPE QUESTIONS: 3,6,7**

**LONG ANSWER TYPE QUESTIONS: 1,2,6,12**

**SUGGESTED READING:**

**REFERENCE BOOK:**

1 ibid 4 Page No. 290-313

**UNIT III**

**FINANCIAL ANALYSIS**

**LECTURES 29-30**

**VARIOUS APPROACHES TO VALUATION**

**OBJECTIVE:**

This lecture aims to introduce several most commonly used valuation approaches

**CONTENTS:**

- Various approaches to valuation
  - Discounted Cash Flow (Absolute)

- Public Company Comparables(Relative)
- Mergers and Acquisitions Comparables
- Weighted Valuation

### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 5,7,8**

**SHORT ANSWER TYPE QUESTIONS: 1,2**

**LONG ANSWER TYPE QUESTIONS: 5, 6**

### **SUGGESTED READINGS:**

#### **TEXTBOOK:**

1 ibid 1 Page No. 244-286

#### **ARTICLE:**

1 Schroeder, R. G., Clark, M. W., & Cathey, J. M. (2019). Financial accounting theory and analysis: text and cases. John Wiley & Sons.

### **LECTURES 31-34**

### **FINANCIAL RATIOS AND COMPANY ANALYSIS**

#### **OBJECTIVE:**

The aim of this lecture is to understand the use of financial ratios to analyze and access company's operations across various accounting years and comparison to competitors.

#### **CONTENTS:**

- Profit Margins-Financial Ratios
  - Gross Margin
  - Pre-Tax Margin
  - Net Margin
- Investment Returns-Financial Ratios
  - Return on Equity
  - Return on Assets
  - Return on Capital
- Management Efficiency-Financial Ratios
  - Turnover Ratios (receivable turnover, inventory turnover, asset turnover)
  - Per employee management efficiency ratio



**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 12, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 5**

**LONG ANSWER TYPE QUESTIONS: 4, 5, 6**

**SUGGESTED READINGS:**

**TEXTBOOK:**

1 ibid 1 Page NO. 220-243

**REFERENCE BOOK:**

1 ibid 4 Page No. 319-326

**ARTICLE:**

1 Hosaka, T. (2019). Bankruptcy prediction using imaged financial ratios and convolutional neural networks. Expert Systems with Applications, 117, 287-299.

**LECTURES 33-37**

**MARKET BASED METHODS- EPS AND MULTIPLES**

**OBJECTIVE:**

This lecture aims at understanding the condition of business in respect of the market return and earning per share.

**CONTENTS**

- FUNDAMENTALS EV/EBITDA
- EV/SALES
- EPS to Price Earning
- EPS to Market Price

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 14,, 33, 24**

**SHORT ANSWER TYPE QUESTIONS: 8, 12,14**

## **LONG ANSWER TYPE QUESTIONS: 7,2,14**

### **SUGGESTED READINGS:**

#### **TEXTBOOK:**

1 ibid 2, Pg No. 185-197

#### **ARTICLE:**

1 Armstrong, C., Chau, J., Ittner, C. D., & Xiao, J. J. (2019). Earnings per Share Goals and CEO Incentives.

## **LECTURES 38-40**

### **BUILDING CASES AND SENSITIVITY ANALYSIS**

#### **OBJECTIVE:**

This lecture aims at understanding major use of financial statements forecasting model to see the effect of making changes in any of the input on the other dependent variable by making the changes in the model.

#### **CONTENTS:**

- Model Characteristics
- Modelling Strategy
- Building the Model
  - Create one-input data table
  - Create two-input data table
- Testing the Model
- Uses of the Model

### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 25**

**LONG ANSWER TYPE QUESTIONS: 4, 15, 16**

### **SUGGESTED READINGS:**

#### **TEXTBOOK:**

1 ibid 1 Page no 187-200

## **REFERENCE BOOK:**

1 ibid 4 Page no. 319-321

## **ARTICLE:**

1 Duchesne, L., Savelli, I., & Cornélusse, B. (2019). Sensitivity Analysis of a Local Market Model for Community Microgrids. PowerTech Milano 2019 Proceedings.

## **LECTURES 41-42**

### **PROBABILISTIC ANALYSIS- BEST AND WORST CASE**

#### **OBJECTIVE:**

This lecture aims at looking at the few scenarios for the future for an optimistic and pessimistic scenario.

#### **CONTENTS:**

- Optimistic Scenario
  - Modelling strategy
  - Building Model
  - Testing the model
  - Uses of the model
- Pessimistic Scenario
  - Modelling strategy
  - Building Model
  - Testing the model
  - Uses of the model

#### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 8, 12**

**LONG ANSWER TYPE QUESTIONS: 18, 5, 6**

#### **SUGGESTED READINGS:**

#### **REFERENCE BOOK:**

1 ibid 4 Page 321-323

**ARTICLE:**

- 1 Comandante-Lou, N., Khaliq, M., Venkat, D., Manikkam, M., & Fallahi-Sichani, M. (2019). Phenotype-Based Probabilistic Analysis of Heterogeneous Responses to Cancer Drugs and Their Combination Efficacy. bioRxiv, 797225.

**UNIT IV**

**OTHER MODELLING TECHNIQUES**

**LECTURES 43-45**

**TIME VALUE OF MONEY**

**OBJECTIVE:**

This lecture aims at understanding the underlying theory and concepts of time value of money in built-in functions of MS Excel

**CONTENTS:**

- Present and Future Values
- The importance of doing Timelines
- Frequency of compounding and effective rates
- Reinvestment risk
- Inflation and real rate of return

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 5**

**LONG ANSWER TYPE QUESTIONS: 4, 5, 6**

**SUGGESTED READINGS:**

**REFERENCE BOOK:**

1 ibid 5 Page no.327-333

**ARTICLE:**

- 1 Hemapriya, S., & Uthayakumar, R. (2019). Inflation and time value of money in a vendor–buyer inventory system with transportation cost and ordering cost reduction. *Journal of Control and Decision*, 1-13.

**LECTURES 46-48**

**CAPITAL BUDGETING MODELS**

**OBJECTIVE:**

This lecture aims at deciding if one should make an investment or undertake a project. It is the most important application of the time value of money concept.

**CONTENTS:**

- Capital Budgeting Techniques (Quantitative Aspect)
  - Net Present Value(NPV, XNPV)
  - Internal Rate of Return(IRR, XIRR)
  - Accounting Return
  - Pay Back Period

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 33, 34, 35**

**SHORT ANSWER TYPE QUESTIONS: 10,11**

**LONG ANSWER TYPE QUESTIONS: 10,13,14**

**SUGGESTED READINGS:**

**TEXTBOOK:**

- 1 ibid 2, Pg No. 254-278

**ARTICLE:**

- 1 Mubashar, A., & Tariq, Y. B. (2019). Capital budgeting decision-making practices: evidence from Pakistan. *Journal of Advances in Management Research*, 16(2), 142-167.

**LECTURES 49-52**

## **COST OF CAPITAL CALCULATIONS**

### **OBJECTIVE:**

This lecture aims at understanding the cost of components used to fund a company through financial modelling.

### **CONTENTS:**

- Areas of Capital
- Approaches Covered:
  - Capital Asset Pricing Model (CAPM)
  - Dividend Growth Model
  - Cost of Preference shares
  - Cost of Debt
  - Weighted Average Cost of Capital

### **ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 22, 23, 24**

**SHORT ANSWER TYPE QUESTIONS: 4, 5**

**LONG ANSWER TYPE QUESTIONS: 4, 5, 6**

### **SUGGESTED READINGS:**

#### **TEXTBOOK:**

1 ibid 2, Pg No. 388-395

#### **ARTICLE:**

1 Dhankar, R. S. (2019). Cost of Capital, Capital Structure, Dividend Policy and Value of Firm. In Capital Markets and Investment Decision Making (pp. 187-196). Springer, New Delhi.

## **LECTURES 53-56**

## **FORECASTING METHODS**

### **OBJECTIVE:**

This lecture aims at understanding the projection of future trends on the basis of the past records entered.

**CONTENTS:**

- MOVING AVERAGES
- EXPONENTIAL SMOOTHING
  - Weighted average of historic data
  - Excel Solver to calculate Smoothing Constant
- TREND ANALYSIS
  - Trend Lines for Analysis
  - Creating Dynamic Chart

**ASSIGNMENTS FROM QUESTION BANK:**

**MULTIPLE CHOICE QUESTIONS: 14,15**

**SHORT ANSWER TYPE QUESTION: 12**

**LONG ANSWER TYPE QUESTIONS: 5, 7**

**SUGGESTED READINGS:**

**TEXTBOOK:**

1 ibid 2, Pg No. 400-410

**ARTICLE:**

1 Merigó, J. M., & Yager, R. R. (2019). Aggregation operators with moving averages. *Soft Computing*, 23(21), 10601-10615.

# **LECTURE PLAN**

# **RESEARCH METHODOLOGY**

**B.COM-214**



**COURSE OUTLINE**  
**B.COM(H)-IV SEMESTER**  
**RESEARCH METHODOLOGY BCOM 214**

**L - 4 Credits - 04**

**OBJECTIVE:**

The objective of this course is to understand the various aspects of research, identify the various tools available to a researcher. Research Methodology can help the business manager in decision making.

**COURSE OUTCOMES:**

After completion of this course students will be able to

- Understand the concept, significance & purpose of research. Identify a problem/ need, translate it into a research problem, and use the appropriate techniques to define it.
- Identify and understand the main qualitative and quantitative methods of business research, their advantages, disadvantages and appropriate application areas.
- Formulate test table hypotheses and choose the most appropriate tools for testing them.
- Develop the ability to calculate the research results to increase the sustainable development through various software's. (SPSS, Advanced Excel).
- Comprehend the role of research in organizational decision making and business performance.

**INTERNAL ASSESSMENT AND ASSIGNMENT:**

**25 Marks**

1. Class Test-I – (Written Test)

10 Marks

2. Class Assessment + Attendance

15 Marks

**COURSE CONTENTS:**

**UNIT I**

(14 Hours)

**INTRODUCTION**

- Meaning of research
- Scope of business research
- Purpose of research- Exploration, Description, Explanation
- Unit of Analysis- Individual, Group, Organizations
- Data series
- Conception
- Construct
- Attributes
- Variables
- Hypotheses

## **UNIT II**

(14 Hours)

### **RESEARCH PROCESS**

- An overview
- Problem identification and definition
- Selection of basic research methods- field study, laboratory study, survey method, observational study, existing data based research, longitudinal studies, panel studies.
- Questionnaire design

## **UNIT III**

(14 Hours)

### **MEASUREMENT**

- Definition
- Designing and writing items
- Unidimensional and multidimensional scales
- Measurement scales
- Ratings and ranking scale
- Thurston
- Likert and semantic differential scaling
- Paired comparison

### **SAMPLING**

- Steps
- Types
- Sample size decisions
- Secondary data resources

### **HYPOTHESES TESTING**

- Means and proportions
- ANOVA
- Chi square
- Non-parametric tests

## **UNIT IV**

(14 Hours)

### **REPORT PREPARATION: -**

- Meaning
- Types and layout of research Report
- Steps in report writing
- Citations, Bibliography and annexures
- JEL Classification

### **COMPUTERIZED DATA ANALYSIS: -**

- Overview
- Features
- Role of computerized data analysis  
Advanced excel/SPSS

## STUDY MATERIAL FOR THE SUBJECT

Following will be the study material for topics of Research Methodology, and students are advised to go through the material for thorough understanding of the subject. The course is designed such to provide students with a working knowledge of various statistical techniques that are commonly used in business research.

### MAIN TEXT BOOKS:

1. **Author's Name(s)** :Ranjit Kumar  
**Title:** Research Methodology: A Step y Step Guide for Beginners  
**Edition:** IV **Year:** 2014  
**Publisher:** Sage Publication (ibid 1)
2. **Author's Name(s)** :Deepak Chawla and Neena Sondhi  
**Title:** Research Methodology Concepts and Cases  
**Edition:** II **Year:** 2016  
**Publisher:** Vikas Publishing House Pvt. Ltd. (ibid 2)

### REFERENCE BOOKS:

- 1 **Author's Name(s):** Kothari, C.R.  
**Title:** Research Methodology  
**Edition:** III **Year:** 2019  
**Publisher:** New Age International Publishers (ibid 3)
2. **Author's Name(s)** :R. Cooper Donald, and S. Schindler Parmela  
**Title:** Business Research Methods  
**Edition:** XI **Year:** 2014  
**Publisher:** Tata McGraw Hill (ibid 4)
3. **Author's Name (s):** Malhotra N.K., and Dash S.  
**Title:** Marketing Research  
**Edition:** 7  
**Year:** 2016  
**Publisher:** Pearson Education (ibid 5)

### EBOOKS:

1. [https://groups.google.com/forum/#!topic/klubs\\_mba/e24oSszYJPI](https://groups.google.com/forum/#!topic/klubs_mba/e24oSszYJPI)
2. [https://www.researchgate.net/publication/319207471\\_HANDBOOK\\_OF\\_RESEARCH\\_METHODODOLOGY](https://www.researchgate.net/publication/319207471_HANDBOOK_OF_RESEARCH_METHODODOLOGY)
3. [http://www.sociology.kpi.ua/wp-content/uploads/2014/06/Ranjit\\_Kumar-Research\\_Methodology\\_A\\_Step-by-Step\\_G.pdf](http://www.sociology.kpi.ua/wp-content/uploads/2014/06/Ranjit_Kumar-Research_Methodology_A_Step-by-Step_G.pdf)

### JOURNALS:

1. Journal of Business Research, Elsevier.
2. Journal of Marketing Research, SAGE.
3. Journal of Mixed Methods Research, SAGE.
4. **Vikalpa**: The Journal for Decision Makers is a quarterly publication of Indian Institute of Management, Ahmedabad, India
5. DIAS Technology Review: The International Journal for Business and IT, Delhi Institute of Advanced Studies
6. Abhigyan.
7. Asian Journal of Management Research
8. International Journal of Engineering, Business and Enterprise Applications
9. Global Business Review

## **UNIT - I**

### **LECTURES 1-3**

#### **INTRODUCTION TO RESEARCH**

##### **OBJECTIVE:**

The main objective of these lectures is to provide a basic understanding of the fundamental concepts of research. These lectures will acquaint the students with role and relevance of research in management and commerce.

##### **CONTENTS:**

- Meaning of research
- Meaning of research methodology
- Objectives of research
- What is a good research
- Motivation in research
- Basic research vs Applied research
- Research methods vs Methodology
- Research approaches
  - Quantitative
  - Qualitative
  - Inferential
  - Experimental
  - Simulation
- Introduction to research ethics
- Nature of research
- Applications of research

##### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q1-3, 5-10, 20-25.

**LONG ANSWER TYPE QUESTIONS:** Q 1, 2, 4, 5, 20, 30, 31

**OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 22-23.
- 2 ibid 2, Page No.20-21

**SUGGESTED READINGS:**

**TEXT BOOKS:**

- 1 ibid 1, Page No. 3-18
- 2 ibid 2, Page No. 1-7.

**LECTURES 4-7**

**UNIT OF ANALYSIS**

**OBJECTIVE:**

These lectures will help the students to gain insights into the purpose and scope of research and to understand the concept of unit that has to be undertaken to pursue research. The difference between different unit of analyses and thus, choosing their sample of study carefully along with review.

**CONTENTS:**

- Scope of business research
  - Purview of research
  - The future of research
  - Limitations of research
- Purpose of research
  - Exploration
  - Description
  - Explanation
- Unit of Analysis
  - Individuals
  - Groups
  - Organizations
  - Social
  - Unit of analysis in review
- Limitations of Unit of Analysis
  - Ecological fallacy

- Reluctantism
- Introduction to Literature review
  - Reviewing literature
  - Technical writing

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 14, 15, 19.

**LONG ANSWER TYPE QUESTIONS:** Q 14, 21, 43, 51.

**OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 23
- 2 ibid 2, Page No. 64-66

**SUGGESTED READINGS:**

**TEXT BOOKS:**

- 1 ibid 3, Page No.10, 20.
- 2 ibid 2, Page No.51-64

**ARTICLE:**

- 1 Chinelo, L. (2019). Fundamentals of research methodology and data collection. Lambert publications.

**LECTURES 8-11**

**DATA SERIES**

**OBJECTIVE:**

These lectures will help the students to gain more understanding into the concepts of data, its types and properties. The introduction to various research related terminologies will also be done in these lectures.

**CONTENTS:**

- Meaning and types of data
  - Nominal
  - Ordinal
  - Interval
  - Ratio
- Data collection methods
- Concept of Data series

- Types of data series
  - Time series
  - Multiple time series
  - Cross sectional
  - Longitudinal
- Concept
- Construct
- Attributes/Characteristics
- Variables
  - Meaning
  - Difference between concepts and variables
  - Types of variables

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 12, 16, 27, 28, 31, 33

**LONG ANSWER TYPE QUESTIONS:** Q 3, 23, 27, 35, 45, 46

### **OTHER ASSIGNMENT:**

1 ibid 3, Page No. 152

### **SUGGESTED READING:**

### **TEXT BOOK:**

1 ibid 3, Page No. 122-125

### **LECTURES 12-14**

### **HYPOTHESES**

### **OBJECTIVE:**

These lectures will help the students to develop an understanding about the meaning of hypotheses, its types, developing hypotheses for a particular study and testing them.

### **CONTENTS:**

- Meaning of hypotheses
- Characteristics of hypotheses
- Role of hypotheses
- Types of hypotheses
  - Null hypotheses
  - Alternate hypotheses

- Descriptive hypotheses
- Relational hypotheses

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 4, 11, 13, 17, 18, 24-26, 27

**LONG ANSWER TYPE QUESTIONS:** Q 6-10, 15, 16, 38, 39

### **OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 230
- 2 ibid 2, Page No.46-48

### **SUGGESTED READINGS:**

#### **TEXT BOOKS:**

- 1 ibid 3, Page No. 184-195.
- 2 ibid 2, Page No.40-42

#### **ARTICLE:**

- 1 Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. Journal of Business Research, Vol. 109. Elsevier.

## **UNIT II**

### **LECTURES 15-17**

#### **OVERVIEW OF RESEARCH PROCESS**

#### **OBJECTIVE:**

These lectures will enable the student to understand research is decision and dilemma centered, the research question is the result of careful exploration and analysis and sets the direction for the research project.

#### **CONTENTS:**

- Research process
  - Problem Identification
  - Development of an approach to the problem
  - Research design formulation
  - Fieldwork
  - Data preparation and analysis
  - Report preparation and Presentation



- The role of business research in decision making

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q33, 34, 35, 36

**LONG ANSWER TYPE QUESTIONS:** 5, 8, 10-15

### **OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 22
- 2 ibid 2, Page No.20

### **SUGGESTED READINGS:**

#### **TEXT BOOKS:**

- 1 ibid 3, Page No. 10-19
- 2 ibid 2, Page No.9-12

### **LECTURES 18-19**

### **PROBLEM IDENTIFICATION AND DEFINITION**

#### **OBJECTIVE:**

These lectures aim at enhancing the students' understanding about the research problem, its definition and identification. The identification of right research problem gives a right direction to the research.

#### **CONTENTS:**

- Problem identification
  - Concept of problem identification
  - Need of defining the problem
  - Techniques involved in defining a problem
  - Clarifying the problem through exploration
  - Problem identification through secondary sources
  - Identification strategy
  - Mining internal resources

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 15, 48, 49, 50, 51.

**LONG ANSWER TYPE QUESTION:** Q 1.

## **OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 30
- 2 ibid 2, Page No. 42-45

## **SUGGESTED READINGS:**

### **TEXT BOOKS:**

- 1 ibid 3, Page No. 24-29
- 2 ibid 2, Page No.31-39

### **ARTICLE:**

- 1 Gugliomole, M. (2019). The day of the week effect in the cryptocurrency market. Elsevier Finance Research Letters, Vol 31. <https://doi.org/10.1016/j.frl.2018.11.012>

## **LECTURES 20-24**

### **RESEARCH METHODS**

#### **OBJECTIVE:**

These lectures provide the classification of different types of research design. Types of research methods and their application will also be discussed through appropriate illustrations from different business domain.

#### **CONTENTS:**

- Concept of research design
- Need for a research design
- Characteristics of a good research design
- Types of research design
- Meaning of research methods
- Types of research methods
  - Field study
  - Laboratory study
  - Survey method
  - Types of survey
  - Observational method
  - Types of observation
  - Existing data based research
  - Longitudinal studies
  - Panel studies

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 11-14, 18, 26, 28, 37

**LONG ANSWER TYPE QUESTIONS:** Q 2, 3, 10, 13, 21, 24

**OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 54
- 2 ibid 2, Page No.64-67

**SUGGESTED READINGS:**

**TEXT BOOKS:**

- 1 ibid 3, Page No. 31-52
- 2 ibid 2, Page No.52-54, 77, 124-151

**LECTURES 25-28**

**QUESTIONNAIRE DESIGN**

**OBJECTIVE:**

These lectures provide the basic understanding about the research questionnaire. The basic fundamentals of the development of the questionnaire will be discussed through examples and exercises.

**CONTENTS:**

- Questionnaire definition
- Questionnaire design process
  - Specify the information needed
  - Specify the type of interviewing method
  - Determine the content of individual question
  - Overcoming the respondent's inability to answer
  - Choose the question structure
  - Choose question wording
  - Arrange questions in order
  - Identify the form and layout
  - Reproduce the questionnaire
  - Eliminate problems by pilot

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 1, 2, 4, 5, 24, 25.

## **LONG ANSWER TYPE QUESTIONS: Q 6, 11, 12, 13, 14**

### **OTHER ASSIGNMENTS:**

- 1 ibid 3, Page No. 121
- 2 ibid 2, Page No.232-242

### **SUGGESTED READINGS:**

### **TEXT BOOKS:**

- 1 ibid 3, Page No. 95-118
- 2 ibid 2, Page No.200-230

## **UNIT III**

### **LECTURES 26-27**

## **MEASUREMENT AND SCALING**

### **OBJECTIVE:**

In this lecture students will learn how to differentiate between different measurement scales and identify the criteria for good measurement.

### **CONTENTS:**

- Introduction
- Types of measurement scales:
  - Nominal Scale
  - Ordinal Scale
  - Interval Scale
  - Ratio Scale
- Classification of scales
  - Comparative scales:
    - Constant sum
    - Rank Order
    - Q-sort and other procedures
    - Paired C comparison
  - Non-Comparative scales:
    - Graphic rating scale
    - Itemized rating scale
    - Likert
    - Semantic differential
    - Stapel
- Criteria for good measurement

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q28, Q23, Q36, Q15, 17, 18, 19

**LONG ANSWER TYPE QUESTIONS:** Q30, Q27, Q50, Q18, 20

**OTHER ASSIGNMENT:**

1. ibid 2, Page 191, Q1, Q2 and Q11

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 2, Page No. 167-191

**LECTURE 28**

**SAMPLING CONSIDERATIONS**

**OBJECTIVE:**

In this lecture students will be able to understand the basic concepts of sampling, meaning of design and the various types of sampling. From this they can extract appropriate sample from the universe.

**CONTENTS:**

- Sampling concepts
- Sampling design
- Sample v/s Census
- Sample V/s Non-sampling error

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q34, Q40, 42, 43,

**LONG ANSWER TYPE QUESTION:** Q1, 2, 7, 8, 10

**SUGGESTED READING:**

**TEXT BOOK:**

1. ibid 2, Page No.249-253

**LECTURES 29-30**

## **SAMPLING TECHNIQUES**

### **OBJECTIVE:**

In these lectures students will be taught classification of sampling techniques. With the better understanding of sampling techniques students can pursue better research work.

### **CONTENTS:**

- Sampling Techniques
  - Non-probability
  - Probability
- Non-probability
  - Convenience sampling
  - Judgment sampling
  - Quota sampling
  - Snowball sampling
- Probability
  - Simple Random
  - Systematic Sampling
  - Stratified Sampling
  - Cluster Sampling
  - Other Sampling Techniques
- Internet Sampling
  - Online Intercept Sampling
  - Recruited Online Sampling
- Online Intercept Sampling
  - Non-random
  - Random
- Recruited Online Sampling
  - Panel
    - (a) Recruited panel
    - (b) Opt-in
  - Non-panel
    - (a) Opt-in-list rentals

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 3, 4, 5, 6, 8, 9, 10, 14- 17, 20, 22, 23

**LONG ANSWER TYPE QUESTIONS:** Q5, 7, 9, 10, 11, 12, 14, 15, 18-21, 25, 35

### **OTHER ASSIGNMENT**

1 ibid 2, Page No.269 Conceptual Questions Q1-13

## **SUGGESTED READINGS:**

### **TEXT BOOKS:**

- 1 ibid 1, Page No. 234-246
- 2 ibid 2, Page No. 253-262

### **REFERENCE BOOK:**

- 1 ibid 3, Page No.226-246

## **LECTURES 31-32**

### **SAMPLE SIZE DETERMINATION**

#### **OBJECTIVE:**

In these lectures students will be taught determination of sample size. Appropriate sample selection is necessary for the appropriate research and problem solution and decision making.

#### **CONTENTS:**

- Definition and symbols
  - Parameters
  - Statistics
  - Finite population correction
  - Precision level
  - Confidence interval
  - Confidence level
- The Sampling Distribution
- Statistical approach to determining sample size
- The confidence interval approach
- Multiple characteristics and Parameters
- Other Probability Sampling Technique
- Adjusting the statistically determined sample size
- Non-response issue in sampling
- Methods of improving response
  - Reducing Refusals
    - Prior notification
    - Motivating respondents
    - Incentives
    - Questionnaire design and administration
    - Follow-up
    - Other facilitators
  - Reducing not at homes
    - Call backs

## **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 11, 12, 35, 33, 37, 39, 40

**LONG ANSWER TYPE QUESTIONS:** Q 5, 7, 13, 16, 17, 22-24, 26-28, 39, 40, 49

## **OTHER ASSIGNMENT:**

1 ibid 2, Page No.269-270 Application Questions Q1-8

## **SUGGESTED READING:**

## **TEXT BOOK:**

1 ibid 2, Page No.262-267

## **LECTURES 33-34**

## **HYPOTHESES TESTING**

## **OBJECTIVE:**

The basic objective of these lectures would be to discuss the steps used in testing of hypotheses exercise and test the significance of a single population and between two different populations.

## **CONTENTS:**

- Concepts
- Steps of testing of hypothesis
- Test of Significance
- One tailed and two tailed tests
- Test of mean of a normal population (one sample test)
- Test of difference of difference between means of two normal populations (Two sample test)
- Test of population proportions
- Test of equality of two population proportions
- The Chi-square tests of hypothesis
- Test of variance
- The goodness of fit test
- Test of independence
- Test of homogeneity

## **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 26, 36, 37, 40, 41

**LONG ANSWER TYPE QUESTIONS:** 44, 45, 48, 4, 5, 29, 30, 32



## **OTHER ASSIGNMENTS**

- 1 ibid 2 Page No.395-397 Application Questions Q1-17
- 2 ibid 3, Page No. 313-314 Q 9.1-9.10, Page No. 319 Q 9.11-9.15, Page No. 326 Q 9.22-9.28, Page No. 329-330 Q 9.31-9.33, Page No. 338 Q 9.36-9.39

## **SUGGESTED READING:**

### **TEXT BOOK:**

- 1 ibid 2, Page No.365-393

### **REFERENCE BOOK:**

- 1 ibid 3, Page No.296-338

## **LECTURE 35-36**

## **TECHNIQUES OF HYPOTHESES TESTING/NONPARAMETRIC TESTS**

### **OBJECTIVE:**

This lecture will help the students to understand the exact use of the right technique for testing the hypotheses about the population and the proportion. The objective of this lecture is to understand data analysis associated with non-parametric hypothesis testing for one sample, two independent samples, and paired samples.

### **CONTENTS:**

- Introduction
- One sample tests
  - Sign test
  - One-sample Wilcoxon signed rank test
  - Run test (Test of randomness)
- Two sample tests
  - Two sample sign tests
  - Two sample Wilcoxon signed rank test (matched samples)
  - The Wilcoxon rank sum W-test/Mann Whitney U-test
- Chi square test
- The H-test/The Kruskal-wallis test

### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS:** Q 22, 23, 24, 38, 45

**LONG ANSWER TYPE QUESTIONS:** Q 12, 14, 27

### **OTHER ASSIGNMENTS:**

- 1 ibid 2, Page No. 494-497 Application Questions Q1-21
- 2 ibid 3, Page No. 698 Q 17.7-17.10, Page No. 706 Q 17.14-17.17

### **SUGGESTED READINGS:**

#### **TEXT BOOK:**

- 1 ibid 2, Page No.453-492

#### **REFERENCE BOOK:**

- 1 ibid 3, Page No. 660-720

#### **ARTICLE:**

- 1 Malati, N. Tiwari, P. and Sharma R. (2012), An Empirical Study of Employer Branding in Information Technology Companies, DIAS Technology Review, Vol 8, No.2, pp.36-42.

### **UNIT IV**

#### **LECTURES 37-38**

#### **REPORT PREPARATION AND PRESENTATION**

#### **OBJECTIVE:**

In this lecture students will learn the final step of business research i.e report preparation and presentation of facts and results.

#### **CONTENTS:**

- Overview
- Importance of the report and presentation
- Types of Research Reports
  - Brief reports
  - Detailed reports
  - Technical Reports
  - Business Reports
- The report preparation and presentation

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q25-27, 30, 33**

**LONG ANSWER TYPE QUESTIONS: Q6, 7, 13, 14, 15, 18**

**OTHER ASSIGNMENT:**

1 ibid 2, Page No.740 Conceptual Questions 7, Applications Questions Q1-3

**SUGGESTED READING:**

**TEXT BOOK:**

1 ibid 2, Page No.717-719

**LECTURE 39-40**

**REPORT STRUCTURE**

**OBJECTIVE:**

In these lectures students will be acquainted with the report preparation and presentation skills by giving a definite structure to the report.

**CONTENTS:**

- Preliminary Section
- Main Report
- Interpretations of results and Suggested Recommendations
- Limitations of the Study
- End Notes

**ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q31,32**

**LONG ANSWER TYPE QUESTIONS: Q35, 37**

**OTHER ASSIGNMENT:**

1. ibid 2, Page No. 739 Conceptual Questions Q2

**SUGGESTED READING:**

**TEXT BOOK:**

1 ibid 2, Page No.489-508

## **LECTURES 41-42**

### **REPORT FORMULATION**

#### **OBJECTIVE:**

In these lectures students will go through the concept of identifying the needs of the reader and formulate a report to match the requirements. Also highlighting the importance of oral presentations.

#### **CONTENTS:**

- Report format
- Report writing
- Guidelines for tables
- Guidelines for graphs
- Report distribution
- Oral presentation

#### **ASSIGNMENTS FROM QUESTION BANK:**

**SHORT ANSWER TYPE QUESTIONS: Q27, 28, 29**

**LONG ANSWER TYPE QUESTIONS: Q49, 50, 51**

#### **SUGGESTED READING:**

#### **TEXT BOOK:**

1    ibid 2, Page No. 727-737