

Cluster University Srinagar

Entrance Test Syllabus for Admission to 5-Year Integrated PG Programmes

COMMERCE

BUSINESS STUDIES

Part A: Foundations of Business

Chapter 1: Nature and Purpose of Business

- Concept and characteristics of business
- Business, profession and employment - distinctive features
- Objectives of business - economic and social, role of profit in business
- Classification of business activities: Industry and Commerce
- Industry - types: primary, secondary, tertiary
- Commerce: Trade and Auxiliaries
- Business risks - nature and causes,

Chapter 2: Forms of Business Organizations

- Sole Proprietorship; Joint Family Business-meaning, features, merits and limitations;
- Partnership- meaning, types, registration, merits, limitations, types of partners;
- Cooperative Societies-types, merits and limitations
- Company: Private Ltd., Public Ltd. - merits, limitations;
- Choice of form of business organizations
- Starting a business - Basic factors.

Chapter 3: Private, Public & Global Enterprises

- Private Sector and Public Sector
- Forms of organising public sector enterprises
- Departmental Undertaking
- Statutory Corporation
- Government Company
- Changing role of public sector
- Global Enterprises : meaning and features
- Joint ventures- meaning, benefits.

Chapter 4: Business Services

- Nature and types of Business services - Banking, Insurance, Transportation, Warehousing, Communication.
- Banking - Types of Banks, Functions of Commercial banks, E-banking
- Insurance - principles, types: life, fire and marine
- Communication and Transportation
- Warehousing: types and functions.

Chapter 5: Emerging Modes of Business

- E-Business - Meaning, scope and benefits, Resources required for successful e-business implementation, On-line transactions, payment mechanism, security and safety of business transactions;
- Outsourcing- concept, need and scope

Chapter 6: Social Responsibility of Business and Business Ethics

- Concept of social responsibility.

- Case for social responsibility;-Arguments for and against CSR
- Responsibility towards owners, investors, employees, consumers, government and community
- Environmental protection and business
- Business ethics: concept and elements.

Part B: Organisation, Finance and Trade

Chapter 7:Formation of a Company

- Stages in the formation of a company
- Promotion
- Incorporation
- Capital Subscription
- Commencement of business

Chapter 8: Sources of Business Finance

- Nature and significance of business finance
- Classification of sources - Period, ownership basis
- Sources of raising Finance:
 - Equity and Preference shares
 - Debentures and Bonds
 - Loan from Financial Institutions

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- Retained Profits
 - Global Depository Receipt, American Depository Receipt
 - Loans from commercial Banks
 - Public deposits
 - Trade Credit

Chapter 9: Small Business

- Concept of small business, Types;
- Role of small business in rural India;
- Problems of small business in India.
- Government Assistance, Incentives Schemes for Industries in rural, backward and hilly areas.

Chapter 10: Internal Trade

- Meaning and types of internal trade: wholesale and retail.
- Services of a wholesaler and a retailer
- Types of Retail Trade:
 - Itinerant retailers and fixed shops.
 - Departmental store, super market, malls, chain store, mail order business, consumer's cooperative store.
 - Automatic Vending Machine
- Role of Chamber of Commerce and Industry in promotion of internal trade.

Chapter 11: International Business

- Nature, Importance and complexities involved in International Business;

- Understanding Export and Import procedures and documentation;
- Government support assistance, Incentives;
- Export processing zone special economic zones;
- International trade institutions - WTO, World Bank, IMF, UNCTAD.

ACCOUNTANCY

Financial Accounting - I

Unit 1: Introduction to Accounting

- (i) Book keeping Meaning, Accounting meaning, objectives. Difference between Book-keeping and Accounting, Accounting as source of information, internal and external users of Accounting information and their needs.
- (ii) Qualitative characteristics of Accounting information-reliability, relevance, Understandability and comparability.
- (iii) Basic accounting terms: business transaction, account, capital, drawings, Liability (Non-current and current); Asset (Non- current; tangible, intangible assets, current assets), receipts (capital and revenue), expenditure (capital, revenue and deferred), expense, income, profits, gains and losses, purchases, sales, stock, trade receivables (debtors and bills receivable), trade payable (creditors and bills payable), goods, cost, vouchers, discount - trade and cash, bad debts, Vouchers (cash and non cash), source documents Invoices, cash memo, pay in slip, cheque.

Unit 2: Theory Base of Accounting

- (i) Accounting Principles-concept
- (ii) Accounting principles: Accounting Entity, Money measurement, Going Concern, Accounting Period, Costs Concept, Dual Aspect, Revenue Recognition (Realisation), Matching concept, Accrual, Full Disclosure, Consistency, Conservatism, Materiality
- (iii) Accounting Standards and IFRS (International Financial Reporting Standards): Concept

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- (iv) Bases of Accounting—Cash Basis, Accrual Basis

Unit 3: Recording of Business Transactions

- (i) Accounting Equation Approach—Meaning and Analysis of transactions using Accounting Equation.
- (ii) Rules of Debit and Credit—traditional and modern approach.
- (iii) Recording of Transactions: Books of original entry – Journal, Special Purpose Books: Cash Book: Simple Cash Book, Cash Book with Discount Column, Cash Book with Bank and Discount Columns, Petty Cash Book. Other books: purchases book, sales book, purchases returns book, sales returns book and journal proper.
- (iv) Ledger-meaning, utility, format; posting from Journal and Subsidiary books; Balancing of Accounts.
- (v) Bank reconciliation statement- calculating bank balance at accounting date: need and preparation.

Unit 4: Trial Balance and Rectification of Errors

- (i) Trial balance: Meaning, objectives and preparation, (Scope: Trial Balance with balance method).
- (ii) Error: Types of Errors: Errors of omission, commission, principles and compensating errors affecting Trial Balance; errors not affecting Trial Balance.
- (iii) Detection and Rectification of Errors (One Sided and Two Sided); use of Suspense Account.

Unit 5: Depreciation, Provisions and Reserves

- (i) Depreciation: Meaning and need for charging depreciation, factors affecting depreciation, methods of depreciation—Straight Line method, Written Down Value method (excluding change in method), Method of recording depreciation—charging to asset account, creating provision for depreciation/accumulated depreciation account; Treatment of disposal of asset.
- (ii) Provisions and Reserves: meaning, importance, difference between Provisions and Reserves, types of Reserves: Revenue Reserve, Capital Reserve, General Reserve, Specific Reserve and secret Reserves.

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- (iii) Adjustments of preparation of financial statements: with respect to closing stock, outstanding expenses, prepaid expenses, accrued income, income received in advance, depreciation, bad debts, provision for doubtful debts, provision for discount on debtors, manager's commission, abnormal loss, goods taken for personal use and goods distributed as free samples.
 - (iv) Incomplete records: Meaning, uses and limitations. Ascertainment of profit/loss by statement of affairs method.

Unit 8: Financial Statements of Not for Profit Organisations

- (i) Not-for-profit organizations: concept.
- (ii) Receipts and Payment account: Features.
- (iii) Income and Expenditure account: features. Preparation of Income and Expenditure account and Balance Sheet from the given Receipts and Payments account with additional information

Unit 9: Computers in Accounting

- (i) introduction to Computer and Accounting Information System (AIS), Application of computers in accounting:
- (ii) Automation of accounting process, designing accounting reports, MIS reporting, data exchange with other information systems, Comparison of accounting processes in manual and computerized accounting, Sourcing of accounting system: readymade and customized and tailor-made accounting system.
- (iii) Accounting and Database Management System.
- (iv) Stages in automation (a) Accounting Process in a computerised environment (b) Sourcing of accounting Software (Kinds of software: readymade software; customised software and tailor-made software; Generation of reports using TALLY and BUSY-Trial balance, profit and Loss account and Balance Sheet.

ENTREPRENEURSHIP

UNIT-I

ENTREPRENEURSHIP

- I. Concept of entrepreneurship: Meaning, Definition and characteristics.
- II. Functions and need of entrepreneurship.
- III. Role of entrepreneurship in Economic development.
- IV. Barriers to entrepreneurship: Economic and technological.

UNIT-II

ENTREPRENEUR

- I. Meaning, Definition and characteristics.
- II. Types of entrepreneur.
- III. Role & problems of women entrepreneur.
- IV. Role of entrepreneur in generating national wealth and creation of employment.

UNIT-III

ENTREPRENEURIAL VALUES & MOTIVATION

- I. Entrepreneurship motivation-Meaning & Concept.
- II. Six C's for entrepreneurial motivation: Change, Challenge, Creativity, Curiosity, Control & Cash.
- III. Help & support to entrepreneur by state & central bodies.

UNIT-IV
ENTREPRENEURIAL SKILL DEVELOPMENT PROGRAMME.

- I. Entrepreneur Skill-Meaning & Concept.
- II. Importance of Skill development.
- III. Techniques of skill development.
- IV. Qualities of a successful entrepreneur.

UNIT-V
INTRODUCTION TO MARKET DYNAMICS

- I. Meaning of market dynamics.
- II. Causes of market dynamics.
- III. Competitive analysis of market.

Unit VI
SMALL ENTERPRISES

- I. Meaning, Definition and characteristics of small enterprise.
- II. Objectives of micro enterprises.
- III. Role of Micro enterprises in economic development.

Unit VII
PROJECT SELECTION & FORMULATION

- I. Meaning of project.
- II. Project identification & steps in process of project selection.
- III. Meaning & significance of project report.

Unit VIII
PROJECT APPRAISAL

- I. Meaning of Project appraisal
- II. Methods of Project appraisal:
 - (a) Economic (b) Financial (c) Technical

FINANCING OF ENTERPRISE

- I. Meaning & need of financial planning.
- II. Sources of Finance: Long term & Short term.
- III. Capital Structure: Meaning and Factors determining capital structure.

Unit X: OWNERSHIP STRUCTURE

- I. Proprietorship: Meaning, Features & Importance.
- II. Partnership: Meaning, Features & Importance.
- III. Company: Meaning, Features & Importance.

BUSINESS STUDIES

Part A: Principles and Functions of Management

Unit 1: Nature and Significance of Management

- Management - concept, objectives, importance
- Management as Science, Art, Profession.
- Levels of management
- Management functions - planning, organizing, staffing, directing and controlling
- Coordination - characteristics and importance

Unit 2: Principles of Management

- Principles of Management - concept, nature and significance
- Fayol's principles of management
- Taylor's Scientific Management - principles and techniques

Unit 3: Management and Business Environment

- Business Environment - importance
- Dimensions of Business Environment - Economic, Social, Technological, Political and Legal
- Economic Environment in India; Impact of Government policy changes on business and industry, with special reference to adoption of the policies of liberalization, privatization and globalisation.

Unit 4: Planning

- Concept, features, importance, limitations
- Planning process
- Types of Plans - Objectives, Strategy, Policy, Procedure, Method, Rule, Budget, programme.

Unit 5: Organising

- Concept and importance.
- Steps in the process of organizing.
- Structure of organization - functional and divisional.
- Formal and informal organization.

- Delegation: concept, elements and importance.
- Decentralization: concept and importance.
- Difference between delegation and Decentralization

Unit 6: Staffing

- Concept and importance of staffing
- Staffing as a part of Human Resource Management
- Staffing process
- Recruitment - meaning and sources
- Selection - process
- Training and Development - Concept and importance. Methods of training

Unit 7: Directing

- Concept and importance
- Elements of Directing
 - Supervision - concept and role
 - Motivation - concept, Maslow's hierarchy of needs; Financial and non-financial incentives.
 - Leadership - concept; qualities of a good leader
 - Communication - concept, formal and informal communication; barriers to effective communication.

Unit 8: Controlling

- Concept and importance
- Relationship between planning and controlling
- Steps in the process of control
- Techniques of controlling : budgetary control,

Part B : Business Finance and Marketing

Unit 9: Business Finance

- Concept, importance, objectives of Business finance
- Financial decisions : factors affecting
- Financial planning - concept and importance.
- Capital Structure - concept and factors affecting
- Fixed and Working Capital - concept and factors affecting its requirements.
- Difference between Capital Market and Money Market.

Unit 10: Financial Markets

- Concept of Financial Market: Money Market and its instruments.
- Capital market and types - primary and secondary market.
- Stock Exchange - Functions, Trading Procedure, NSEI, OCTEL.
- Securities and Exchange Board of India (SEBI)- Objectives and Functions.

Unit 11: Marketing Management

- Marketing - meaning, functions and role, marketing and selling
- Marketing mix - elements
 - Product - nature, classification, branding, labeling and packaging
 - Price - Factors determining fixation of price
 - Physical distribution: Elements; Channels of distribution: types, function, choice of channels
 - Promotion-Elements of promotion mix; Advertising - role, limitations, objections against advertising.
- Personal selling - concept, importance; Sales promotion - merits, limitations, methods; Publicity - concept and role.
- Personal Setting
- Sales promotions

Unit 12: Consumer Protection

- Importance of consumer protection
- Consumer rights
- Consumer responsibilities
- Ways and means of consumer protection - Consumer awareness and legal redressal with reference to Consumer Protection Act.
- Role of consumer organizations and NGOs.

ACCOUNTANCY

Part A: Accounting for partnership firms and companies

Unit-1: Accounting for partnership firms

A. Fundamentals and Admission of a partner

1. Partnership features, partnership deed.
2. Provision of the Indian partnership Act 1932 in the absence of partnership deed.
3. Fixed vs Fluctuating capital accounts, preparation of profit and loss appropriation account, division of profit among partners.
4. Past adjustments (relating to interest on capitals interest as drawings, salary and profit sharing ratio)
5. Goodwill : Nature, factors affecting and methods of valuation, Average profit, super profit, weighted average profit and capitalization of average and super profit.
6. Calculation of sacrificing ratio and new profit sharing ratio. Treatment for revaluation of assets and reassessment profits, adjustments of capital accounts and preparation of balance sheet.

B. Retirement and death of a partner.

1. Calculation of Gaining ratio and new profit sharing ratio, treatment of goodwill as per AS-26, treatment for re-valuation of assets and re-assessment of liabilities, adjustment of accumulated profits and balance sheet, preparation of loan account of the retiring partner.
2. Calculation of deceased partners share of profit till the date of death, preparation of deceased partners capital account-executor's account.

C. Dissolution of Partnership firm:

1. Types of dissolution of a firm, settlement of accounts, preparation of realization account and other related accounts: Capital Accounts of partners, cash / bank account.

Unit-2 Accounting for Companies.

A. Accounting for share capital

1. Share and share capital nature and types.
2. Disclosure of share capital in company's balance sheet.
3. Accounting for share capital Issue and allotment of equity and preference shares. Public subscription of shares, oversubscription and under subscription of shares, Issue of shares at par, at premium and at

discount, calls in advance and arrears, issue of shares in consideration other than cash, Meaning of private placement of shares, employees stock option, sweat equity shares and right issue.

4. Accounting treatment for forfeiture and reissue of shares.

B Accounting for Debentures

1. Issue of debentures at par, at premium and at a discount, issue of debenture for consideration other than cash writing off discount and loss on issue of debentures, issue of debentures with terms of redemption.
2. Issue of debentures as collateral security journal entries for interest on debentures.
3. Sources of redemption of debentures-out of profit, out of capital and creation debenture redemption reserve.
4. Methods of redemption Lump sum method, draw of lots, purchase in open market and conversion into equity shares and new debentures.

Part B:

Unit-3 Financial Statement Analysis:

1. Financial Statement of company-preparation of simple Balance sheet of a company in prescribed form as per schedule III to the Companies Act 2013, with major headings only.
2. Financial statement analysis- meaning, significance, limitations.
3. Accounting ratios - meaning and objectives.

Types of ratios-

Liquidity ratios- Current ratio, liquid ratio.

Solvency ratios- Debt to equity, proprietary ratio.

Total asset to debt ratio.

Activity ratios- Inventory turnover ratio, debtors turnover ratio, working capital turnover.

Profitability ratio- Gross profit ratio, net profit ratio, operating ratio, operating net profit ratio, return on investment.

Unit 4 : Cash Flow statement

1. Meaning, objective and preparations of cash flow statement (as per AS3 (revised) (Indirect method only)
2. Adjustment relating to depreciation, profit or loss on sale of assets, dividend and tax.

Part B: Computerized accounting

Unit-3 : Overview of computerized accounting system

1. Concept of computer accounting system.
2. Features and types of computer accounting systems (Generic, specific, tailor-made)
3. Structure of a computerized accounting system.
4. Accounting software packages - tally, busy (latest version)

Unit 4: Accounting using Database Management system (DBSM)

1. Concept of DBSM.
2. DBSM in business application
3. Creating data tables for accounting.
4. Applications of DBSM in generating accounting information such as shareholders records, sales report, customer's profile, supplier's profile, payroll, employee's profile and petty cash register.

Unit 5: Accounting Applications of Electronics Spread.

1. Concept and features of electronic spreadsheet.
2. Applications of electronic in generating accounting information, preparing depreciation schedule, loan repayment schedule, payroll accounting and other such applications.

ENTREPRENEURSHIP

UNIT-I

ENTREPRENEURIAL OPPORTUNITIES & ENTERPRISE CREATION

- I. Entrepreneurial Opportunities: Meaning & Objectives.
- II. Environment Scanning: Meaning & Importance.
- III. Market Assessment: Meaning & Steps in Market Assessment.
- IV. Factors affecting Identification of Entrepreneurial Opportunities.
- V. Factors in selection of an enterprise.
- VI. Steps in setting up of an enterprise.

UNIT-II

ENTERPRISE PLANNING & RESOURCING

- I. Business Planning: Meaning, Importance & Steps in business planning.
- II. Preparation of a Project Report.
- III. Resource Assessment: Financial & Non Financial, Meaning, Definition & Importance.
- IV. Fixed & Working Capital requirement: Meaning, Factors affecting the estimation of fixed and working capital.
- V. Mobilising Financial & non-financial resources for setting up of an enterprise.

UNIT-III

ENTERPRISE MANAGEMENT

- I. General Management: Basic Management Function.
- II. Managing Market: Meaning, Functions of marketing & Marketing Mix-Product, Price, Place, Promotion (Advertising & Sales promotion).
- III. Managing Finance: Sources of long term & Short term finances.
- IV. Human Resource Management: Meaning, objectives and functions.
- V. Managing Growth & Sustenance: Meaning & Importance of Modernisation, Expansion, Diversification, Franchising & Merger.
- VI. Entrepreneurial Discipline: Law of Land, Ecology, Consumer's concept, Adherence to contracts & credits.