

A.P. State Eligibility Test - 2012

CODE NO.: 03

Subject: **COMMERCE**

SYLLABUS

PAPER - II

Unit – I:

Business Environment

Meaning and Elements of Business Environment

Economic environment, Economic Policies, Economic Planning

Legal environment of Business in India, Competition policy, Consumer Protection, Environment protection

Policy Environment: Liberalization, Privatisation and Globalisation, Second Generation Reforms, Industrial policy and implementation. Industrial growth, Structural Changes

Unit—II:

Financial & Management Accounting

Basic Accounting concepts, Capital and Revenue, Financial statements

Partnership Accounts: Admission, Retirement, Death, Dissolution and Cash

Distribution

Advanced Company Accounts : Issue, forfeiture, Purchase of Business, Liquidation, Valuation of shares, Amalgamation, Absorption and Reconstruction, Holding Company Accounts

Cost and Management Accounting : Ratio Analysis, Funds Flow Analysis, Cash Flow Analysis, Marginal costing and Break-even analysis, Standard costing, Budgetary control, Costing for decision-making

Responsibility accounting

Unit—III

Business Economics

Nature and uses of Business Economics, Concept of Profit and Wealth maximization. Demand Analysis and Elasticity of Demand, Indifference Curve Analysis, Law

Utility Analysis and Laws of Returns and Law of variable proportions

Cost, Revenue, Price determination in different market situations : Perfect competition, Monopolistic competition, Monopoly, Price discrimination and Oligopoly, Pricing strategies

Unit—IV

Business Statistics & Data Processing

Data types, Data collection and analysis, sampling, need, errors and methods of sampling, Normal distribution, Hypothesis testing, Analysis and Interpretation of Data

Correlation and Regression, small sample tests—*t*-test, *F*-test and chi-square test

Data processing—Elements, Data entry, Data processing and Computer applications

Computer Application to Functional Areas—Accounting, Inventory control, Marketing

Unit—V

Business Management

Principles of Management

Planning—Objectives, Strategies, Planning process, Decision-making

Organising, Organisational structure, Formal and Informal organisations, Organisational culture

Staffing

Leading : Motivation, Leadership, Committees, Communication

Controlling

Corporate Governance and Business Ethics

Unit—VI

Marketing Management

The evolution of marketing, Concepts of marketing, Marketing mix, Marketing environment

Consumer behaviour, Market segmentation

Product decisions

Pricing decisions

Distribution decisions

Promotion decisions

Marketing planning, Organising and Control

Unit—VII

Financial Management

Capital Structure, Financial and Operating leverage

Cost of capital, Capital budgeting

Working capital management

Dividend Policy

Unit—VIII

Human Resources Management

Concepts, Role and Functions of Human Resource management

Human Resource Planning, Recruitment and Selection

Training and Development, Succession Planning

Compensation : Wage and Salary Administration, Incentive and Fringe benefits, Morale and Productivity

Performance Appraisal

Industrial Relations in India, Health, Safety, Welfare and Social security, Workers' Participation in Management

Unit—IX

Banking and Financial Institution

Importance of Banking to Business, Types of Banks and Their Functions, Reserve Bank of India, NABARD and Rural Banking

Banking Sector Reforms in India, NPA, Capital adequacy norms

E-banking

Development Banking : IDBI, IFCI, SFCs, UTI, SIDBI

Unit—X

International Business

Theoretical foundations of international business, Balance of Payments

International liquidity, International Economic Institutions—IMF, World Bank
IFC, IDA, ADB

World Trade Organisation—its functions and policies

Structure of India's foreign trade : Composition and direction, EXIM Bank,
EXIM Policy of India, Regulation and promotion of Foreign Trade

PAPER-III

I : Accounting and Finance

Accounting standards in India, Inflation Accounting, Human Resource
Accounting, Responsibility Accounting, Social Accounting

Money and Capital market, Working of stock exchanges in India, NSE, OTCEI,
NASDAQ, Derivatives and Options

Regulatory Authorities : SEBI, Rating Agencies; New Instruments : GDRs,
ADRs

Venture Capital Funds, Mergers and Acquisitions, Mutual Funds, Lease
Financing, Factoring, Measurement of risk and returns securities and portfolios

Computer Application in Accounting and Finance

II : Marketing

Marketing Tasks, Concepts and Tools, Marketing Environment

Consumer Behaviour and Market Segmentation

Product decisions

Pricing decisions

Distribution decisions

Promotion decisions

Marketing Researchs

On-line marketing

Direct Marketing; Social, ethical and legal aspects of marketing in India

III : Human Resource Management

Concept; Role and Functions of Human Resource Management

Human Resource Planning, Job analysis, Job description and specifications,
Use of Job analysis information, Recruitment and Selection

Training and Development, Succession Planning

Compensation : Wage and Salary administration, Incentives and Fringe benefits, Morale and Productivity

Appraisal Performance

Industrial Relations in India, Health, Safety, Welfare and Social Security,
Workers participation in Management

IV : International Business

Foreign Direct Investment and Multinational Corporations—MNCs Culture, MNCs and LDCs, Joint Ventures

Regional Economic Integration : SAARC, ASEAN, EC, NAFTA

India and WTO, Intellectual Property Rights

Foreign Exchange—Exchange rate, Mechanism, Risk management, Transfer of international payments, Convertibility of Rupee, Current and Capital Accounts; Issues and Perceptions, Derivatives and Futures

Foreign investment Institutions; Instruments : GDRs, ADRs, FIIs—their role in Indian Capital Market

V : Income-tax Law and Tax Planning

Basic concepts, Residential status and tax incidence, exempted incomes, computation of taxable income under various heads

Computation of taxable income of individuals and firms

Deduction of tax, filing of returns, different types of assessment; Defaults and penalties

Tax planning : Concept, significance and problems of tax planning, Tax evasion and tax avoidance, methods of tax planning

Tax considerations in specific business decisions, viz., make or buy; own or lease, retain or replace; export or domestic sales; shut-down or closure; expand or contract; invest or disinvest

Computer Application in Income tax and Tax planning