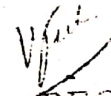


UNIVERSITY OF MUMBAI
No.UG- 154 of 2004

CIRCULAR :

Attention of Principals of the affiliated colleges in the Faculty of Commerce and the Director, Institute of Distance Education is hereby invited to this office Circular No.UG/234 of 2003 dated 7th June, 2003 and Pamphlet No.351 and they are hereby informed that the recommendations made by the Board of Studies in Commerce at its meeting held on 15th March, 2004 has been accepted by the Vice-chancellor in exercise of the powers conferred upon him under Section 14(7) of the Maharashtra Universities Act 1994 on behalf of the Academic Council and that in accordance therewith the syllabi submitted by the various Syllabi Committees formed by the joint Board of Studies in Commerce and Ad-hoc Board of Studies in Banking and Finance and scrutinized by the Co-ordination Committee in its meeting held on 8th March, 2004 for the B. Com. (Banking & Insurance) course for the IIIrd and IVth Semesters (i.e. Modules 3.1 to 3.7 and 4.1 to 4.7) be as per Appendix.

Mumbai 400 032
21st April, 2004.


for REGISTRAR.

To.

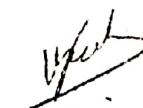
The Principals of affiliated colleges in Faculty of Commerce and the Director, Institute of Distance Education

V.C.'s Action.

No.UG- 154-A of 2004 21st April, 2004.

Copy forwarded with compliments for information to :-

- 1) The Dean, Faculty of Commerce,
- 2) The Chairman, Ad-hoc Board of Studies in Commerce.


for REGISTRAR.
P.T.O.

UNIVERSITY OF MUMBAI

**B.Com. (Banking & Insurance)
Semester III & IV**

(With effect from 2004 - 2005)

UNIVERSITY OF MUMBAI

B.COM. – (Banking & Insurance) – Semester III

Module – 3.1 – Laws Relating to Banking & Insurance

No. of Lectures

- (a) **Banking Regulations Act -**
Basic Terms - Banking, Business Permitted & Prohibited
Supervisory & Controlling Authorities of
RBI Bankers Liabilities
Control over Credit
- (b) **Reserve Bank of India Act.**
Role of Reserve Bank as Banker to Governments & Banks
- Scheduled Bank.
- Controller of Credit.
- Chapter III – Section 45.
- N B F C Directions issued by Reserve Bank of India.
- (c) **Negotiable Instruments Act.**
- Types & Characteristics of Instruments.
- Holder in Due Course/Payment in Due Course.
- Protection of Paying & Collecting Bank.
- (d) **Provisions of Companies Act relating to Banking.**
- (e) **Insurance Act – Life Insurance – General Insurance.**
- (f) **Insurance Regulatory & Development Authority (IRDA) Act.**
- Objectives
- Powers & Functions of IRDA.
- (g) **Contract Act.**
- General
- Indemnity & Guarantee
- Bailment & Pledge
- Agency.

Books Recommended

- | | | |
|-------------------------|---|-----------------|
| Banking Laws & Practice | - | S.R. Davar |
| Banking Laws & Practice | - | M.L. Tandon |
| Banking Laws & Practice | - | P.N. Varshney |
| Banking Laws & Practice | - | P.K. Srivastava |
| Banking Laws & Practice | - | B.M.I. Nigam |
| Insurance Management | - | Anand Ganguly. |

SYLLABUS FOR B.COM. (BANKING & INSURANCE) THREE YEAR DEGREE COURSE

3.2 FINANCIAL MANAGEMENT I (60 Lectures)

<u>Topics</u>	<u>No. of Lectures</u>
Overview of Financial Management (Scope, Functions and objectives)	(4)
Return on Investments (ROI)	(4)
Tools of Financial Analysis -	
a) Common size statements	
b) Comparative Financial Statements	
c) Trend analysis	
d) Ratios : Balance sheet Ratios Income statement Ratios Combined statement Ratios	
e) Funds flow analysis – Sources and Uses of funds	
f) Cash Flow Statement	(30)
Working Capital Management	
a) Gross working capital	
b) Net working capital	
c) Positive & Negative working capital (Meaning & Implications)	
d) Estimation of working capital	(12)
Sources of Finance	
a) Long term and Short term Sources of Finance	
b) Long term sources -	
i) Debt Instruments – Term loans, Debentures, Bonds, Convertible Bonds, Zero Coupon Bonds.	
ii) Equity shares, Preference shares	
c) Short term sources – Bank finance, Trade credit, Other short-term sources.	(10)
Total...	60

3.3 MANAGEMENT ACCOUNTING (TOOLS & TECHNIQUES)

<u>Topics</u>	<u>No. of Lectures</u>
1. Overview of Management Accounting (Scope, Functions & Objectives)	(4)
2. Treasurer and Controller (Compare & Contrast Roles)	(4)
3. Meaning and use of : Different costs for different purposes - a) Product costs and period costs b) Direct costs and indirect costs c) Cash costs and non-cash costs d) Opportunity costs e) Fixed costs, variable costs, mixed costs, step fixed costs f) Marginal costs, incremental or differential costs, total costs, Controllable costs and Non-controllable costs	(6)
4. Tools & Techniques a) Marginal and Absorption Costing b) Standards, Standard Costing, variance Analysis c) Different Types of Budgets : a) Revenue Budgets, Cost Budget, Profit Budget b) Capital Budgets c) Responsibility Budgeting d) Cash Budgets d) Role of Budgets in an Organization. Organization of the Budget Function.	(30)
5. Breakeven Analysis - Meaning & computation of Breakeven Point, Breakeven Sales (Rs.) Breakeven Sales (units) Margin of Safety. Operating Leverage and its implications Cost- Volume -Profit Analysis.	(8)
6. Decision Making – Product Mix Decisions. Make or Buy Decisions, pricing decisions, Evaluating alternatives in business. Accepting/rejecting of export orders, operation versus shut down.	(8)

Syllabus for subject: Customer Relationship Management in Banking & Insurance
3.4

Class : B.Com. (Banking & Insurance)

No. of lectures

1. **Introduction**

- Definition of Customer Relationship Management (CRM)
- Emergence of CRM
- CRM process framework
- a) CRM purpose
- b) Relation Parties
- c) CRM programmes
- Effects of liberalization on CRM
- Knowledge Management
- Winning markets through effective CRM

(10)

2. **Technological tools for CRM**

- Data Mining for CMR
- Changing Patterns of E-CRM, Solutions in the future
- Framework for Deploying Value of Customer Relationship in an Organization.
- E-CRM Deriving Values of Customer Relationship.
- Implementing a Technology based CRM solutions

(12)

3. **Implementing CRM**

- Optional Allocation Rules for CRM
- Measuring the Effectiveness of Relationship Marketing
- The Past, Present and Future of CRM
- Characteristics of a Good Customer Satisfaction Survey
- Contact Management
- Organizing for CRM

(10)

4. **Relationship Management in Business to Business (B2B) Commerce**

- Building Customer Loyalty Business to Business Commerce
- Cross Border B2B Relationship with Intermediaries
- Relationship Marketing for Creating Value in Business Market
- Managing Relationships in Supply Chains of the 21st Century. (10)

5. **CRM in Services**

- Status of CRM in India
- Benefits of Implementing a CRM system
- CRM in customer Service (8)

6. **CRM Strategies**

- Relationship Marketing Strategies and Customer Perceived Service Quality.
- Organizing for Relationship Managements.
- Strengthening Relationships that lead towards increased Business CPA Firms.
- Winning strategies and processes for effective CRM in Banking (10)

References :

CRM at the Speed of Light. By Paul Greenberg

(Tata McGraw-Hill)

CRM by Jagdish N Shet

Atul Parvatiya

G. Shainesh. (Tata McGraw-Hill)

B.Com.(Banking & Insurance)

3.5	IT in Banking and Insurance – Syllabus	No. of Lectures
1)	What is information Technology ; Application in Banking Introduction Electronic Commerce evolution; the market, EDI, EC industry, influence of WWW access providers; basic economics of Information Technology. Web development tools; value chain for EC; globalization; security, Challenges; business barriers; Marketspace; Business opportunities; EC-based IPO's; technical environment, Reaching the wired consumer; Intranets; Firefly Network; Web Shopping; Site Specific. Information Technology & its applications in Insurance Cos.	(10)
2)	Problem solving (4 Lectures). Solving Problems by Searching; Informed Search Methods; Game Playing.	
3)	Knowledge and Reasoning (4 Lectures) Agents that Reason Logically; First Order Logic; Building a Knowledge Base; Inference in First-Order Logic; Logical Reasoning Systems. (Languages for AI Problem Solving; A PROLOG; B. LISP)	
4)	Acting locally (4 Lectures) Planning; Practical Planning; Planning and Acting.	
5)	Uncertain Knowledge and Reasoning (4 Lectures) Uncertainty; Probabilistic Reasoning Systems; Making Simple Decisions.	
6)	Learning (4 Lectures) Learning from Observations; Learning from Neural Network; Reinforcement Learning; Knowledge in Learning.	
7)	Future Perspectives (4 Lectures) Philosophical Foundations; AI: Present and Future. (Evolutionary Computing; Hard problems and approximate methods; stochastic iterative search; Evolutionary search; classifier systems; applications.)	
8)	E-Commerce Applications (3 Lectures) Online Banking. Virtual Shopping Centres. Portals and Vortals.	
9)	Creating E-Commerce Site (6 Lectures) Web servers; Hardware, Software. Security. Installing new Web Server Designing and maintaining WebPages. Website administrations. Advertising the Website.	

- 10) **E-Commerce Interaction (6 Lectures)**
Using CGI for E-Commerce. CGI Authoring Tools. Applet and Servlet Solutions. Handling Credit Cards. Secure Transport. Processing Credit Cards. Using JDBC for E-Commerce. Interaction Examples; Virtual Shopping Carts, Auction Engines.
- 11) **Java Commerce Tools (5 Lectures)**
Standard CGI Library. Configuration and Storage Devices. File String Replacement Facility. Credit Card Transaction Processing. Single Page CGI. Shopping Cart CGI.
- 12) **E-Commerce web site design (4 Lectures)**
Web Query Language, Embedded SQL; Development of E-Commerce sites by using CGI, Java and databases.
- 13) **Future Trends (2 Lectures)**
Set-top Boxes. TV interface. Emerging Technologies.

References:

Jardin, C.A." Java Servlet Programming ", O'Reilly Publications. 1998.

TW/Practical:

06 assignments covering the syllabus

2 Seminar presentations on case studies of IT in Banking and Insurance sectors.

B.Com.(Banking & Insurance)

Lecture 202

3.6 - Organizational Behaviour

1. Fundamentals of Organisational Behaviour – Nature & scope of Organisational Behaviour – Dynamics of people – Models of Organisational Behaviour – The Behavioral approach to Management. (10)
2. Motivation & Leadership – Theories & Models of Motivation – Importance of Motivation in organization – Organisational Behaviour & Performance Appraisal- Leadership & Leadership styles- Empowerment & Participation. (10)
3. Individual Behaviour & Group Behaviour Formula & Informal Groups- Team Building & its importance (10)
4. Organization structure & Design – Kind of organization structures – Delegation of Authority – span of control (10)
5. Organizational culture – Emerging Trends in organizational culture- Organisational climate – Factors affecting organizational climate. (10)
6. Organisational Development & changes –Nature & characteristics of organizational Development – Techniques of Organisational Development – Definition & Objectives of Organisational Change – Effects of change – Resistance to change & overcoming the resistance – stress & counseling (12)

Books for Reference

1. Organizational behaviour - Stephen P. Robbin. Prentice-Hall of India Pvt. Ltd.
2. Organizational behaviour - John W. Newstrom & Keith Davis-Tata-Mc Graw – Hill, Ltd.
3. Organizational behaviour - Edited by Mirza S. Saiyadain – Tata Mc Graw – Hill,
4. Management & Organization - Louis A Allen.
5. Management Challenges for 21st century – Peter Drucker
6. Principles & Practice of Management – L.M. Prasad – (S. chand & Sons.)
7. Principles of Management in Banking – Hiramati Shridhar
8. The Process of Management – William H. & Newman
9. Organizational Behaviour – N. Ramswami – T.R.Publications
10. Organizational Behaviour -: Understanding & managing People at work, white & Bednar, Boston, Allyn Bacon, 1986
11. Personnel Management in India : The Practical Approach to Human Relations – I I P M Asia publishing House 1977.

B.Com.(Banking & Insurance)

Module 3.7 Taxation of Financial Services

Lectures

1. **Income Tax Act/Rules –**
 - a) **Basic Concepts** - Assessee, Person, Company.
- Income, Dividend, Business.
- Assessment Year, Previous Year.
Scope of Total Income & Residential Status. (6)
Exemptions Re :- Business Incomes. (6)
 - b) **Taxation of Income under different Heads :-** (12)
 - c) **Provisions for Deductions from Business Income.** (6)
 - d) **Special Provisions for Certain Incomes of – Non-Residents.** (4)
 - e) **Assessment & Appeal Procedures.** (4)
 - f) **Provisions regarding TDS FOR :-** Re - Internet
- Dividend
- Professional Services (8)
- Rent
- Contractors Payment (8)
- Salary.
2. **Service Tax Act. –**
 - a) **Basic Concepts** - Taxable Services
- Service Tax Rules.
- Service Tax Credit Rules.
 - b) **Provisions Regarding Specific Services**
- Banking & other Financial Services.
- Insurance Auxiliary.
- Business Auxiliary.
Management Consultancy.
Stock Broking.
- General Insurance. (12)
- Credit Rating Agency. 60

Books Recommended

Direct Taxes Law & Practice – V.K. Singhania
Direct Taxes Laws – T.N. Manoharan
Professional Approach Direct Taxes – Ahuja & Gupta
Service Tax – V.S. Datey
Direct Taxes Law & Practice – Dinkar Pagare
Service Tax – Sanjeev Agarwal & Parthsarthy.

B.Com. - (Banking & Insurance) - Semester IV

Module 4.1- Universal Banking

Objectives

No. of Lectures

This paper examines the principles and the practice of Universal Banking in different countries and recent developments in India in this context.

Syllabus

(04)

1. Evolution of Universal Banking.
2. Commercial banking versus development banking; sources and uses of funds of commercial banks and development banks; Universal banking as mix of commercial and development banking; the asset-liability mismatch possibilities; risks in project lending; the short term nature of funding sources; universal banking in the open economy context; Off-balance sheet items and services that the development wing of the universal bank provides. (26)
3. The entry of commercial banks into the securities business; Consumer finance, Merchant Banking, non-banking investments and activities of banks; universal banking and the future of small business lending. (12)
4. Case studies – universal banking abroad – applicability of universal banking in open market-oriented emerging economies – advantages and disadvantages; supervisory issues and regulatory concerns. (10)
5. The debate over universal banking in India; recent trends in universal banking in India. Challenges of universal banking in the Indian context. (08)

Suggested Readings

60

1. Saunders, Anthony, S. Walker, Ing – Universal Banking : Financial Systems Design Reconsideration; Chicago, Irwin, 1996.
2. Shastri, R.V. – Insurance in Universal Banking Paradigm, "Canbank Bimonthly Review", Jan-Feb., 2003.
3. Vasudev, C.M. – Universal Banking in India; "Banking Finance", 15 (12)Dec. 2002.
4. Consolidation and Universal Banking, "Journal of Banking & Finance, Feb. 1999".
5. Reddy, Y.V. – Monetary & Financial Sector Reforms in India, Chapter 11 – pp 142-158, New Delhi, UBSPD, 2000, Universal Banking & Beyond.

B.Com (Banking & Insurance)

4.2

Financial Management (II)

Topics

Lectures

- A) Capital Investment Decisions (6)
- a) Proposal Origination
 - b) Economic Evaluation
 - c) Capital Expenditure Control
 - d) Post – Audit
- B) Tools of Evaluating Capital Investments (20)
- a) Payback Method
 - b) Discounted Payback Method
 - c) Net Present Value
 - d) Internal Rate of Return
 - e) Profitability Index
 - f) Equivalent Annual Cost
 - g) Modified Internal Rate of return
- C) Cost of Capital (6)
- a) Computation of Weighted Average Cost of Capital
 - b) Cost of Debt & Cost of Preference shares and Net worth
 - c) Minimum Acceptable Rate of Return and its relationship with Cost of Capital
- D) Negotiating Term loan proposals with Banks. Appraisal of Borrowers credit worthiness by lending banks. (6)
- E) Equity capital as a source of finance : Rights Issue and issue at a premium SEBI regulations governing issue of securities in India Prospectus for issue of securities, Understanding and interpreting Initial Public Offerings (I.P.O.) their mode of operation Employee Stock Options Plan and Sweat Equity. (16)
- F) Role of Taxation in influencing Corporate Financial Management (6)
- a) Concept of Tax Shield (Tax Deductibility of Expenditures and their implications for financial decisions)
 - b) Depreciation Policy.

Total..... 60

B.Com (Banking & Insurance)**4.3 Innovations in Banking and Insurance**

No. of Lectures

Objectives :

This paper deals with various innovative services introduced in banking and insurance with special reference to India.

Syllabus :

- 1) Review of functioning of banks, Liabilities and Assets of banks; Net worth of banks; Off- balance sheet items. (06)
 - 2) New products-deposit and loan products; housing finance; hire purchase; leasing; factoring and forfeiting; merchant banking bank mutual funds; consumer loans, venture capital finance; banks as credit financial supermarket maturity and return profiles of new products, implications for risk management derivatives in banking, innovations in credit appraisal system. (16)
 - 3) New financial services provided by banks – investment portfolio management services; advice on money management; tax services. (06)
 - 4) Electronic payment systems at the retail level; credit and debit cards; e-banking. (06)
 - 5) Definitions and functions of insurance; nature of insurance business; the varieties of insurance – life and general; New Insurance products. (10)
 - 6) Integration of third party and re-insurance; banking and insurance – their co existence and the problems involved; insurance as cover to risks in banking; systematic and unsystematic risk; credit, interest rate, market and systemic risks; bank assurance. (08)
 - 7) Privatisation of insurance business in India; banking and insurance regulation; self-regulation and installation of corporate governance; future strategies for promoting insurance in India. (08)
-(60)

Suggested Readings

1. Bhatt, V.V. – Financial Systems : Innovation & Development, New Delhi, Sage, 1995, Part I & Part II.
2. Periasamy, P. – Principles and Practice of Insurance, Mumbai, Himalaya Pub. House, 2003, Part I & Part II.
3. Bodla, Others – Insurance : Fundamentals, Environment & Procedures, New Delhi, Deep & Deep Publishers, 2003, Part I Part II.

B.Com (Banking & Insurance)

Module 4.4. Corporate Law's and Laws Governing Capital Markets

No. of Lectures

1. Companies Act & Rules.

- Management & Administration (Part VI)
 - Creation & Registration of Charges (Part V)
 - Capital & Debenture (Part IV)
- (16)

2. Competition Act.

(06)

3. Securitisation Act.

(06)

4. Securities & Exchange Board of India (SEBI) Act

- Establishment of SEBI.
 - Power & Function of Board.
 - Registration Certificate.
 - Finance Accounts & Audit.
 - Penalty & Adjudication.
- (16)

5. SEBI – (Disclosure & Investor Protection) – Guidelines.

(06)

6. Securities Contract (Regulation) Act

- Contracts & Options in Securities.
 - Listing of Securities.
 - Penalties & Procedures.
- (10)
- (60)

Books Recommended

Guide to Companies Act – A. Ramaiya

Corporate Laws – Taxman

Corporate Laws - G.K.Kapoor

First Lesson on Corporate Laws & Secretarial Practice – S. Srikant

B.Com. (Banking & Insurance)

4.5 Entrepreneurship Management

- 1) Entrepreneurship – Meaning – Entrepreneurship Awareness – Need for Entrepreneurship & Self Employment- Qualities to become an entrepreneur – Building your own enterprise – Government & Entrepreneurship Development Programmes. (08)
- 2) Business opportunities – Importance of creativity in Entrepreneurship – Bringing out creative ideas. In Reality – Managing Resources for small enterprises (6 M's of Management) – Risk factor in the self employment-Preparation of project for small-scale unit – starting the venture- (12)
- 3) Legal considerations for opening a new unit-forms of ownership- sole proprietary – Partnership – Elements of Contract Law. (08)
- 4) Planning for a small-scale business – Location of the business - Financial Management – Human Resource Management - Production Management - Marketing Management – Cost controlling – Accounting of a business – Developing expanding & ending the venture. (12)
- 5) Quick start methods – A new approach to selling products & services – franchises – Turnkey or packaged business – Buying an existing business (06)
- 6) Entrepreneurship in Banking & Insurance sectors-opportunities available after privatization of these sectors (08)
- 7) Entrepreneurship Development Centers – Training to entrepreneurs – Training Centres in India. (06)
- 8) Case Studies – Wherever essential

Entrepreneurship Management (4.5)

Books for Reference.

1. Entrepreneurship – Robert D. Hisrich & Michael P. Peters – Tata Mc Graw – Hill-New Delhi
2. Entrepreneurship Development – Indo-German Technical Co-operation Project (Bhopal) – Tata Mc Graw Hill – New Delhi.
3. Developing New Entrepreneurs – Entrepreneurship Development Institute of India, Ahmedabad.
4. Manual on Developing Entrepreneur Motivation – National Institute for Entrepreneurship & small Business Development-New Delhi
5. Entrepreneurship Development – Principles, Policies & Programmes- Sara navel P. – Ess Peekay publishing House.
6. Developing Entrepreneurship – National Institute of small Industry Extension. Training, Hydra bad (sarma S.V.S.)
7. Modern Small Industry in India; Problems & Prospectus – Ram K.Vepa, Sage Publication, New Delhi.
8. Small scale entrepreneurs on Industrial Development – The Indian Experience – Suri K.B, Sage Publication, New Delhi.
9. Entrepreneurship in India's small scale Industries- Taub, P.T. Richard Taub & L.Doris-Manohar Publications; New Delhi.
10. The woman Entrepreneur : Starting, financing & managing a successful New Business – R.D.Hisrich & C.G.Brush.

Financial Market

4.6 (Equity, Debt, forex and derivatives)

1. **Indian Financial System in the Post-1950 Period**

Introduction

Background

Indian Financial System

Lectures
(04)

2. **Regulatory institution- The Reserve Bank of India**

Introduction

Organisation and Management

Role and Functions

Monetary Policy of the RBI

Recent Policy Developments

(04)

3. **Regulatory Institutions**

Companies Act, 1956

Securities Contracts (Regulation) Act, 1956

Capital Issues (Control) Act, 1947

Securities and Exchange Board of India Act 1992 and other related Act. (08)

4. **Call Money market**

Introduction

Meaning and Importance of Market

Participation in Transactions

Location

Size of Call Money Markets

Call rates

(02)

5. **Commercial Bills Market**

Introduction

Bill of Exchange

Size of Bill Market in India

Bill Market Rates

Market in Long-term Bills

(04)

6. **Commercial paper and Certificate of Deposits Market**

Introduction

Commercial Paper

CPs in India

Certificate of Deposits In India

CPs and CDs Market: Size and Interest Rates

(04)

7. The Discount Market

Introduction
Discounting Service
Discount Houses in the UK
Discount and Finance House of India
Securities Trading Corporation of India
DFHI and STCI : Volume and Composition of Business

(04)

8. Government (Gilt-Edged) Securities Market

Treasury Bills, Auction, participants in T.B. Markets and Role of market in Government finances.
Nature and Organisation of Government Securities Market
Volume and Composition of Issues
Secondary Market Transactions
Ownership and maturity Pattern
Prices and Yields
Implications for Monetary Policy
Recent Development in Government Securities Market.

(08)

9. Industrial Securities Market

Introduction
Finance
Organisation and Structure of Primary and Secondary Market
Listing, Trading and Settlement Systems
Primary Market and Disclosure Norms
Prices and Yields of Industrial Securities
Measures to Develop Equity Culture
Intermediarise in Primary and Secondary Market

(10)

10. Market for Futures, Options, and Other Financial Derivatives

Introduction

Derivatives : Meaning, Types, and Uses

Valuation or Pricing of Derivatives

Derivatives Market Aboard

Derivatives in India : Prospects and Policy.

(4)

11. Foreign Exchange Market Market.

Introduction

Nature, Organisation, and Participants of Market

Central Bank Intervention

Exchange Rates (ERs)

Devaluation and depreciation

Currency Convertibility (CC)

Forward transaction and Forward Premium

(08)

UNIVERSITY OF MUMBAI

B- Com (Banking & Insurance)

4.7 Cost Accounting of Banking & Insurance

Topics

1. **Identifying Elements of Cost**
 - Materials
 - Staff Cost
 - Overheads

(04)
2. **Different Methods of Costing**
 - Job order Costing
 - Process Costing
 - Service Costing
 - Operating Cost Statement
 - Contract Costing
 - Joint Products/By Products
 - Unit Costing

(12)
3. **Cost Accounts & Financial Accounts Compare, Contrast and Reconcile**

(04)
4. **Cost Classification by behaviour with reference to Banking & Insurance Industries**

(04)
5. **Standard costing**
 - Criticisms of standard costing.
 - Material prices and usage; labour rate and efficiency (including idle time); variable overhead efficiency and expenditure; fixed overhead expenditure, Volume, capacity and yield variances.
 - Total material mix and efficiency/Productivity.
 - Total labour mix and yield variances.
 - Sales price and volume variances (Note: the volume variance will be calculated on a unit basis using sales revenue, contribution or gross profit).
 - Interpretation of variances : interrelationship, significance,
 - Benchmarking.

- Behavioural implications of setting standard costs. (Note : Standard process costing is not included). (12)

6. Budgeting

- Planning.
- Time series and regression.
- "what-if" analysis.
- Controllable and uncontrollable costs.
- Fixed and flexible budgeting.
- Incremental budgeting.
- Rolling budgets.
- Zero-based budgeting.
- Activity-based budgeting.
- Balanced scorecard.
- Behavioural implications. (12)

7. Costing Systems and Decision Making 45%

- Value and functional cost analysis.
- Resource planning systems : MRPI, MRPII, and ERP.
- Just-in-time.
- Activity-based, absorption, marginal and process (eg FIFO and Average Variable Cost Approach AVCO) costing and throughput accounting.
- Cost reduction programmes.
- Total quality management.
- Multi-products CVP analysis including break even, margin of safety, contribution/sales ratio, break even charts, contribution, profit/Volume graphs.
- Relevant costs and revenues for short term decision making.
- Single limiting factor analysis where a company has restricted freedom of action.
- Graphical linear programming (including an explanation of shadow prices). (12)

(60)