

NATIONAL UNIVERSITY



Syllabus Department of Accounting

Detailed Syllabus

First Year

**Four Year B.B.S Honours Course
Effective from the
Session : 2009–2010**

National University

Subject: Accounting

Syllabus for Four Year BBS Honours Course Effective from the Session: 2009-2010

Year wise courses and marks distribution.

First year Honours.

Course Code	Course Title	Marks	Credits
6252	Principles of Accounting	100	4
6243	Principles of Finance	100	4
6263	Principles of Management	100	4
6232	Principles of Marketing	100	4
6375	Business Mathematics	100	4
6225	Micro Economics	100	4
	Total =	600	24

Course Code	6252	Marks: 100	Credits: 4	Class Hours: 60
Course Title:	PRINCIPLES OF ACCOUNTING			

- Accounting – The Language of Business:** Definition and Scope of Accounting, Its role and Functions, History of Accounting, Purpose and Nature of Accounting Information-Users of Accounting Information. Branches of Accounting-Nature of Business and Accounting.
- Conceptual Framework for Financial Accounting:** FASB Conceptual Frame for Financial Accounting-First Level: Basic Objectives (SFAC-1); Second Level: Qualitative Characteristics of Accounting Information (SFAC-2); Third Level: Operational Guidelines.
- The Accounting Process:** Double-Entry Accounting System vis-à-vis Incomplete System. Accounting Equation – Effects of Transactions on the Accounting Equation. The Account-Classification of Accounts-Selection of Account titles-Chart of Accounts-Coding-Rules of Debit and Credit-Balancing and Normal Balance-Recording (Bookkeeping) Aspect of Accounting Cycle: Documentary Evidence and Identification, Analysis, and Recording of Transactions and Other Events-Journalization-Posting to the Ledger-Preparation of Trial Balance-Limitations of Trial Balance, Errors and their Rectification.
- The Adjustment Process and Completing the Accounting Process:** Key aspects of the Accrual basis of accounting, Cash accounting and Break-up basis of accounting-Adjustments-Adjusted Trial Balance-Preparation of Work Sheet-Closing Entries-Post-Closing Trial Balance-Reversing Entries.
- Merchandising Operations and Accounting System:** Merchandising Operations and Classifying Inventory-Purchases, Sales, Other Use or Loss and Returns of Merchandise Inventory-Periodic and Perpetual Inventory Systems and Journal Entries-Specific Identification Method and Inventory Cost Flow Assumption (FIFO, LIFO and Average Cost).
- Accounting Systems and Special Ledgers:** Manual and Computerized Accounting Systems and their effectiveness-The Voucher System-General Ledgers and Subsidiary Ledgers: General Ledger Control Accounts and Subsidiary Ledger Individual Accounts. Special Journals: Advantages of Special Journals-Cash Receipts Journal-Sales Journals-Purchase Journal-Cash Payments Journal and General Journal.

7. **Control of Cash:** Controlling cash, Internal control. The bank chequing account, Petty Cash, Bank Reconciliation Statement.
8. **Accounting for Receivable and Current Liabilities:** Receivable-Types of Receivables valuing and disposing Uncollectible accounts-Allowance for doubtful accounts, Accounting for temporary investments-Marketable Securities-Accounting for current liabilities.
9. **Financial Statements as a Reporting Device:** Idea on a Complete Set of Financial Statement. Purpose and interrelationship of the Financial Statement. Importance, Limitations & Preparation of Financial Statements. Supplementary Statements/Schedules. Preparation of Statements according to Nature of Business. Statements for Nonprofit Organizations. Preparation of Financial Statements according to Legal Form of Business: Sole-proprietorship Organizations. Partnership Firms & Company (Introductory Idea).
10. **Financial Statement Analysis:** Horizontal analysis and vertical analysis of comparative financial statements; Preparation and use of common-size financial statements; Ratio analysis-Basic Ratios of Liquidity, Activity, Profitability, and Solvency.

Book Recommended:

Weygandt, Jerry J., Paul D. Kimmel, Paul D. and Kieso Donald E, *Accounting Principles*, 9th edition, John Wiley & Sons, Inc.

Reference Books:

1. Needles and Anderson, *Principles of Accounting*.
2. American Accounting Association, *A Statement of Basic Accounting Theory (ASOBAT)*.

Course Code	6243	Marks: 100	Credits: 4	Class Hours: 60
Course Title	PRINCIPLES OF FINANCE			

1. **The Role and Environment of Finance:** Finance and Business-The Managerial Finance Function-Goal of the Firm-Financial Institutions and Markets.
2. **Financial statements and analysis:** The Stockholders' Report-Using Financial Ratios-Liquidity Ratios-Activity Ratios-Debt Ratios-Profitability Ratios-Market Ratios-A Complete Ratio Analysis.
3. **Cash Flow and Financial Planning:** Developing the Statement of Cash Flows-The Financial Planning Process-Cash Planning: Cash Budgets-Profit Planning: Pro Forma Statements-Preparing the Pro Forma Income Statement-Preparing the Pro Forma Balance Sheet-Evaluation of Pro Forma Statements.
4. **Time value of money:** The Role of Time Value in Finance-Single Amounts-Annuities-Mixed Streams-Compounding Interest-Special Applications of Time Value.
5. **Risk and Return:** Risk and Return Fundamentals-Risk of a Single Asset-Risk of a Portfolio-Risk and Return: Types of Risk-The Model: CAPM.
6. **Interest Rates and Bond Valuation:** Interest Rates and Required Returns-Corporate Bonds-Valuation Fundamentals-Bond Valuation.
7. **Stock Valuation:** Differences Between Debt and Equity Capital-Common and Preferred Stock-Common Stock Valuation-Decision Making and Common Stock Value.
8. **Capital Budgeting Cash Flows:** The Capital Budgeting Decision Process-The Relevant Cash Flows-Finding the Initial Investment-Finding the Operating Cash Inflows-Finding the Terminal Cash Flow-Summarizing the Relevant Cash Flows.
9. **Capital Budgeting Techniques:** Overview of Capital Budgeting Techniques-Payback Period-Net Present Value (NPV)-Internal Rate of Return (IRR)-Comparing NPV and IRR Techniques.

- 10. Long-Term Financial Decisions:** An Overview of the Cost of Capital-The Cost of Long-Term Debt-The Cost of Preferred Stock-The Cost of Common Stock-The Weighted Average Cost of Capital-The Marginal Cost and Investment Decisions.
- 11. Leverage and Capital Structure:** Leverage-The Firm's Capital Structure-The EBIT-EPS Approach to Capital Structure-Choosing the Optimal Capital Structure
- 12. Current Liabilities Management:** Spontaneous Liabilities-Unsecured Sources of Short-Term Loans-Secured Sources of Short-Term Loans.

Book Recommended:

Gitman, Lawrence G, *Principles of Managerial Finance*, 10th edition.

Reference Books:

1. Brigham Eugene F, Ehrhardt Michael C, *Financial Management: Theory and Practice*, 11th Edition, South-Western.
2. Arthur J. Keown, John D. Martin, J. William Petty & David F. Scott, Jr. (2005), *Financial Management: Principles and Applications*, Tenth Edition, Pearson Prentice Hall. (KMPS)

Course Code	6263	Marks: 100	Credits: 4	Class Hours: 60
Course Title:	PRINCIPLES OF MANAGEMENT			

- 1. Management: Science, Theory, and Practice:** Definition of management: its nature and purpose-The evolution of Management Thought-Patterns of management analysis. The systems approach to the management process-The functions of managers.
- 2. Management and Society: The External Environment, Social Responsibility, and Ethics-** The technological environment-The ecological environment-The social responsibility of managers-Ethics in managing-Trust as the basis for change management. Global, Comparative, and Quality Management: International management and multinational corporations-Country alliances and economic blocks-International management: cultural and country differences-Porter's competitive advantage of nations-Gaining a global competitive advantage thought quality management.
- 3. Essentials of Planning and Managing by Objectives:** Types of plans-Steps in planning-Objectives-Evolving concepts in management by objectives. Strategies, Policies, and Planning Premises: The nature and purpose of strategies and policies-The strategic planning process-The TOWS matrix-Major kinds of strategies and policies-Porter's industry analysis and generic competitive strategies. Decision Making: The importance and limitations of rational decision making-Development and evaluation of alternatives-Programmed and nonprogrammed decisions-Decision making under certainty, uncertainty, and risk-Creativity and innovation.
- 4. The Nature of Organizing, Entrepreneurship, and Reengineering:** Formal and informal organizations-Organizational division-An organizational environment for entrepreneurship and intrapreneuring- Reengineering the organization-The structure and process of organizing-Basic questions of effective organizing. Organization Structure- Departmentation: Departmentation by enterprise function, territory or geography, customer group and product-Matrix organization-Strategic business units-Organization structures for the global environment-The virtual organization-Choosing the pattern of Departmentation. Line/Staff Authority, Empowerment, and Decentralization: Authority and power-Empowerment-Line/staff concepts and functional authority-Decentralization of authority-Delegation of authority-Recentralization of authority and balance as the key to decentralization. Effective Organizing and Organization Culture.
- 5. Human Resource Management and Selection:** Definition of staffing-The systems approach to human resource management-Situational factors affecting staffing-Selection: matching the person with the job-The systems approach to selection-Position requirements and job design-Skills and personal characteristics needed in managers-Matching qualifications with position

requirements-Selection process, techniques, and instruments-Orienting and socializing new employees-Managing human resources while moving toward 2020.

6. **Managing Change Through Manager and Organization Development:** Manager development process and training-approaches to manager development: on-the-job training, internal and external training-Evaluation and relevance of training programs-Managing change-Organizational conflict-Organization development-The learning organization.
7. **Human Factors and Motivation:** Human factors in managing-Motivation-An early behavior model: McGregor's Theory X and Theory Y-Maslow's hierarchy of needs theory-Alderfer's ERG Theory-Herzberg's motivation-Hygiene Theory-The expectancy theory of motivation-Equity theory-Goal setting theory of motivation-Skinner's reinforcement theory-McClelland's needs theory of motivation-Special motivational techniques-Job enrichment-A systems and contingency approach to motivation.
8. **Leadership:** Defining leadership-Ingredients of leadership-Trait approaches to leadership-Charismatic leadership approach-Leadership behavior and styles-Situational or contingency approaches to leadership-Transactional and transformational leadership. Committees, Terms, and Group Decision Making: The nature of committees and groups-Reasons for using committees and groups-Disadvantages and misuse of committees-Successful operation of committees and groups-Additional group concepts-Teams-Conflicts in committees, groups, and teams.
9. **The System and Process of Controlling:** The basic control process-Critical control points, standards, and benchmarking-Control as a feedback system-Real time information and control-Feed forward, or preventive, control-control of overall performance-Profit and loss control-Control through return on investment-Management audits and accounting firms-bureaucratic and clan control-requirements for effective controls.
10. **Control Techniques and Information Technology:** The budget as a control device-Traditional nonbudgetary control devices-Time-event network analyses-Information technology-The use of computers in handling information- Opportunities and challenges created by information technology-The digital economy, e-commerce, and m-commerce.
11. **Management Systems of Different Business Organizations:** Management systems of Sole Proprietorship and Partnership Business. Company management-Board of directors, managing director and managing agency system. Management of state Enterprise, statutory corporation and sector corporation.

Book Recommended:

Heinz Wehrich, Mark V. Cannice and Harold Koontz, *Management: A Global and Entrepreneurial Perspective*, 12th edition, Tata McGraw-Hill Publishing Company Ltd.

Reference Books:

1. F. T. Haner, Stephen K. Keiger, Donald J. Puglisi, *An Introduction to Business- Concepts and Careers*.
2. Ricky W. Griffin, *Management*, 5th Edition.

Course Code	6232	Marks: 100	Credits: 4	Class Hours: 60
Course Title:	PRINCIPLES OF MARKETING			

- 1. Creating and Capturing Customer Value:** What is marketing? Understanding the marketplace and customer needs. Designing a customer driven marketing strategy. Preparing an integrated marketing plan and program. Building customer relationships. Capturing value from customers. The changing marketing landscape.
- 2. Company and Marketing Strategy-Partnering to Build Customer Relationships:** Company-wide strategic planning. Planning marketing. Marketing strategy and the marketing mix. Managing the marketing effort. Measuring and managing return on marketing investment.
- 3. Analyzing the Marketing Environment:** The Company's microenvironment. The Company's macro environment. Responding to the marketing environment.
- 4. Markets and Their Buyer Behavior:** Consumer Markets and Consumer Buyer Behavior: Consumer market. Model of consumer behavior. Characteristics affecting consumer behavior. Types of buyer decision behavior. The buyer decision process. The Buyer decision process of new products. Business Markets and Business Buyer Behavior: Business market. Business buyer behavior. Institutional and government markets.
- 5. Customer-Driven Marketing Strategy: Creating Value for Target Customers:** Market segmentation. Market targeting. Differentiation and positioning.
- 6. Products, Services, and Brands: Building Customer Value:** What is product? Product and service decisions. Branding strategy: building strong brands. Services marketing: nature and characteristics of a service-Marketing strategies for service firms.
- 7. New Product Development and Product Life Cycle Strategies:** New product development strategy-The new product development process. Product life cycle strategies. Additional product and service considerations.
- 8. Pricing: Understanding and Capturing Customer Value and Pricing Strategies:** What is a price? Factors to consider when setting prices. New product pricing strategies. Product mix pricing strategies. Price adjustment strategies. Price changes.
- 9. Marketing Channels: Delivering Customer Value & Retailing and Wholesaling:** Supply chains and the value delivery network. The nature and importance of marketing channels. Channel behavior and organization. Channel design decisions. Channel management decisions. Retailing-Wholesaling.
- 10. Communicating Customer Value: Integrated Marketing Communications Strategy:** The promotion mix. Integrated marketing communications. A view of the communication process. Steps in developing effective marketing communication. Setting the total promotion budget and mix. Socially responsible marketing communication.
- 11. The Global Market Place:** Global marketing today. Deciding whether to go global. Deciding which markets to enter. Deciding how to enter the market. Deciding on the global marketing program. Deciding on the global marketing organization.
- 12. Sustainable Marketing: Social Responsibility and Ethics:** Sustainable marketing. Social criticisms of marketing. Consumer actions toward sustainable marketing. Business actions toward sustainable marketing.

Book Recommended:

Philip Kotler & Gary Armstrong, *Principles of Marketing*, Pearson Prentice Hall, Upper Saddle River, New Jersey, 13th Edition, 2010.

Reference Books:

1. E. Jerome McCarthy and William D. Perreault, Jr., *Essentials of Marketing*, Latest Edition, Irwin.
2. William J. Stanton, Michael J. Etzel & Bruce J. Walker, *Fundamentals of Marketing*, Latest Edition. McGraw Hill, Inc.

Course Code:	6375	Marks: 100	Credits: 4	Credit Hours: 60
Course Title:	BUSINESS MATHEMATICS			

1. **Number System:** Introduction, Prime, Rational and Irrational numbers, even and odd numbers and their properties. Imaginary and complex numbers; sequence, series, Divergence of a sequence, sigma notation. Sum of natural numbers.
2. **Indices and Logarithms:** Indices, laws of indices, positive and fractional indices, operation with power functions. Introduction, Laws of operations, use of logarithm tables, Anti-logarithm, Exponential series, logarithmic series.
3. **Theory of Sets:** Different types of sets, union, difference intersection, Cartesian products, Venn diagram, Application in business problems.
4. **The Straight Lines, Linear Equations and Inequalities:** Different forms of Equations-Parallel and perpendicular form of Equations-Point of intersection of lines-Interpretation of Slope of different business problems and Marginal Concept analysis, Solution of linear equations, solution of simultaneous linear equations. Identities and Inequalities and their solutions. Graphical representation of solution sets. Determination of Breakeven Point having linear relationship among the variables.
5. **Quadratic Equations:** Relationship between roots+/- and coefficients of a quadratic equation, Nature of roots. Solution of quadratic equations, formation of quadratic equations with given roots. Curve sketching of different linear and non linear equations.
6. **Binomial theorem:** Expansion of binomial terms with positive integral index – Determination of general term and middle terms of a Binomial expansion and exponential expansion.
7. **Permutations and Combinations:** Fundamental principles of permutations, permutations of things, all different and things, not all different, repeated and circular permutations. Combinations, relationship between permutation and combinations.
8. **Progression:** Introduction, Sum of Series in AP and GP, Use of concept of progression to find the present value and future value, Business problem solution.
9. **Mathematics of Finance:** Introduction, Annuities, Sinking Fund, Discount, Compound interest, Simple interest, Amortization.
10. **Matrices & Determinants:** Introduction, types of matrices, operation on matrices. Solution of simultaneous linear equations. Introduction, properties of determinants, operations on determinants. Expansions of determinants Sarrus diagram and Cramm's rule and use in business. Leontiff input-output model analysis. Application to business problem.
11. **Differentiation, Integration & Use in Business Problems:** Differentiation of Algebraic functions, transcendental function. Definition of transcendental functions-Geometric interpretation of dy/dx and marginal concept analysis. Introduction, Different rules of integration, Indefinite and Definite integral, calculation of area of irregular curves and figures - Analysis of total concept by integration, Determination of maxima and minima of different functions using differentiation rules. Business problem solution. Conditions of maxima and minima, Test for maxima and minima. Point of inflexion.

Books Recommended:

Gordon D. Prichett and John C. Saber, *Mathematics with Application in Management and Economics*, 7th Edition, Irwin, USA.

Reference Books:

1. Sanchetti, D. C. and V. K. Kapoor: *Business Mathematics*. Published by S. Chand and company Ltd.
2. Ann J. Hughes, *Applied Mathematics for: Business, Economics and the Social Sciences*, Latest Edition, Irwin, USA.

Course Code	6225	Marks: 100	Credits: 4	Class Hours: 60
Course Title	MICRO ECONOMICS			

- 1. The Fundamentals of Economics:** Scarcity and Efficiency-The Twin Themes of Economics-The Logic of Economics-The Three Problems of Economic Organization: Market, Command, and Mixed Economies-Society's Technological possibilities: Inputs and Outputs-The Production Possibility Frontier.
- 2. Markets and Government in a Modern Economy:** The Mixed Economy-What is a Market?-Trade, Money and Capital-The Economic Role of Government.
- 3. Basic Elements of Supply and Demand:** The Demand Schedule: The Demand Curve-The Supply Schedule: The Supply Curve-Equilibrium of Supply and Demand.
- 4. Applications of Supply and Demand:** Price Elasticity of Demand and Supply: Price Elasticity of Demand, Elasticity and Revenue, Price Elasticity of Supply-Applications to Major Economic Issues.
- 5. Demand and Consumer Behavior:** Choice and Utility Theory-Equimarginal Principle-Substitution Effect and Income Effect-Consumer Surplus-The Indifference curve & Budget Line-Deriving the Demand Curve.
- 6. Production and Business Organization:** Theory of Production and Marginal Products: Basic Concepts Returns to Scale-Short Run and Long Run, Technological Change, Productivity and the Aggregate Production Function-Business Organizations: The Nature of the Firm; Big, Small, and Infinitesimal Businesses.
- 7. Analysis of Costs:** Economic Analysis of Costs-Economic Costs and Business Accounting-Opportunity Costs-Production, Cost Theory and Decisions of Firm.
- 8. Analysis of Perfectly Competitive Markets:** Supply Behavior of the Competitive Firm-Supply Behavior in Competitive Industries-Special Cases of Competitive Markets-Efficiency and Equity of Competitive Markets.
- 9. Imperfect Competition and Monopoly:** Patterns of Imperfect competition-Marginal Revenue and Monopoly.
- 10. Oligopoly and Monopolistic Competition:** Behavior of Imperfect Competitors-Innovation and Information-A Balance Sheet on Imperfect Competition.
- 11. How Markets Determine Incomes:** Income and Wealth-Input Pricing by Marginal Productivity.
- 12. The Labor Market:** Fundamentals of Wage Determination-Labor Market Issues and Policies.
- 13. Land and Capital:** Land and Rent-Capital and Interest-Markets and Economic Efficiency.

Book Recommended:

Paul A. Samuelson & William D. Nordhaus, *Economics*, McGraw Hill, 18th Edition.

Reference Books:

- 1.** H. L. Ahuja, *Modern Microeconomic Theory: Theory and Application*, Published by S. Chand and Company Ltd.
- 2.** K. K. Dewett, *Modern Economic Theory*, S. Lal Charitable Trust, New Delhi.