



TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY

SYLLABUS

SUBJECT: COMMERCE

CODE NO : 07

UNIT-1:

Business Environment and International Business

- ❖ Concepts and elements of business environment: Economic environment- Economic systems, Economic policies (Monetary and fiscal policies); Political environment- Role of government in business; Legal environment Consumer Protection Act, FEMA; Socio-cultural factors and their influence on business; Corporate Social Responsibility (CSR).
- ❖ Scope and importance of international business; Globalization and its drivers; Modes of entry into international business.
- ❖ Theories of international trade; Government intervention in international trade; Tariff and non-tariff barriers; India's foreign trade policy.
- ❖ Foreign direct investment (FDI) and Foreign portfolio investment (FPI); Types of FDI, Costs and benefits of FDI to home and host countries; Trends in FDI; India's FDI policy.
- ❖ Balance of payments (BOP): Importance and components of BOP.
- ❖ Regional Economic Integration: Levels of Regional Economic Integration; Trade creation and diversion effects; Regional Trade Agreements: European Union (EU), ASEAN, SAARC, NAFTA.
- ❖ International Economic institutions: IMF, World Bank, UNCTAD.
- ❖ World Trade Organization (WTO): Functions and objectives of WTO; Agriculture Agreement; GATS; TRIPS; TRIMS.

UNIT-2:

Accounting and Auditing

- ❖ Basic accounting principles; concepts and postulates.
- ❖ Partnership Accounts: Admission, Retirement, Death, Dissolution and Insolvency of partnership firms.
- ❖ Corporate Accounting: Issue, forfeiture and reissue of shares; Liquidation of companies; Acquisition, merger, amalgamation and reconstruction of companies.
- ❖ Holding company accounts.
- ❖ Cost and Management Accounting: Marginal costing and Break-even analysis; Standard costing; Budgetary control; Process costing; Activity Based Costing

(ABC); Costing for decision-making; Life cycle costing, Target costing, Kaizen costing and JIT.

- ❖ Financial Statements Analysis: Ratio analysis; Funds flow Analysis; Cash flow analysis.
- ❖ Human Resources Accounting; Inflation Accounting; Environmental Accounting
- ❖ Indian Accounting Standards and IFRS.
- ❖ Auditing: Independent financial audit; Vouching; Verification and valuation of assets and liabilities; Audit of financial statements and audit report; Cost audit.
- ❖ Recent Trends in Auditing: Management audit; Energy audit; Environment audit; Systems audit; Safety audit.

UNIT - 3 :

Business Economics

- ❖ Meaning and scope of business economics.
- ❖ Objectives of business firms.
- ❖ Demand analysis: Law of demand; Elasticity of demand and its measurement; Relationship between AR and MR.
- ❖ Consumer behavior: Utility analysis; Indifference curve analysis.
- ❖ Law of Variable Proportions: Law of Returns to Scale.
- ❖ Theory of cost: Short-run and long-run cost curves.
- ❖ Price determination under different market forms: Perfect competition; Monopolistic competition; Oligopoly; Price leadership model; Monopoly; Price discrimination.
- ❖ Pricing strategies: Price skimming; Price penetration; Peak load pricing.

UNIT - 4 :

Business Finance

- ❖ Scope and sources of finance; Lease financing.
- ❖ Cost of capital and time value of money.
- ❖ Capital structure.
- ❖ Capital budgeting decisions: Conventional and scientific techniques of capital budgeting analysis.
- ❖ Working capital management; Dividend decision: Theories and policies.
- ❖ Risk and return analysis; Asset securitization.
- ❖ International monetary system.
- ❖ Foreign exchange market; Exchange rate risk and hedging techniques.
- ❖ International financial markets and instruments: Euro currency; GDRs; ADRs.
- ❖ International arbitrage; Multinational capital budgeting.

UNIT-5 :

Business Statistics and Research Methods

- ❖ Measures of central tendency.
- ❖ Measures of dispersion.
- ❖ Measures of skewness.
- ❖ Correlation and regression of two variables.
- ❖ Probability: Approaches to probability; Bayes' theorem.
- ❖ Probability distributions: Binomial, poisson and normal distributions.
- ❖ Research: Concept and types; Research designs.
- ❖ Data: Collection and classification of data.
- ❖ Sampling and estimation: Concepts; Methods of sampling-probability and non-probability methods; Sampling distribution; Central limit theorem; Standard error; Statistical estimation.
- ❖ Hypothesis testing: Z-test; t-test; ANOVA; Chi-square test; Mann-Whitney test (U-test); Kruskal-Wallis test (H-test); Rank correlation test.
- ❖ Report writing.

UNIT-6:

Business Management and Human Resource Management

- ❖ Principles and functions of management.
- ❖ Organization structure: Formal and informal organizations; Span of control.
- ❖ Responsibility and authority: Delegation of authority and decentralization.
- ❖ Motivation and leadership: Concept and theories.
- ❖ Corporate governance and business ethics.
- ❖ Human resource management: Concept, role and functions of HRM; Human resource planning; Recruitment and selection; Training and development; Succession planning.
- ❖ Compensation management: Job evaluation; Incentives and fringe benefits.
- ❖ Performance appraisal including 360 degree performance appraisal.
- ❖ Collective bargaining and workers' participation in management.
- ❖ Personality: Perception; Attitudes; Emotions; Group dynamics; Power and politics; Conflict and negotiation; Stress management.
- ❖ Organizational Culture: Organizational development and organizational change.

UNIT - 7 :

Banking and Financial Institutions

- ❖ Overview of Indian financial system-
- ❖ Types of banks: Commercial banks; Regional Rural Banks (RRBs); Foreign banks; Cooperative banks.
- ❖ Reserve Bank of India: Functions; Role and monetary policy management.
- ❖ Banking sector reforms in India: Basel norms; Risk management; NPA management.
- ❖ Financial markets: Money market; Capital market; Government securities market.
- ❖ Financial Institutions: Development Finance Institutions (DFIs); Non-Banking Financial Companies (NBFCs); Mutual Funds; Pension Funds.
- ❖ Financial Regulators in India.
- ❖ Financial sector reforms including financial inclusion.
- ❖ Digitisation of banking and other financial services: Internet banking; mobile banking; Digital payments systems.
- ❖ Insurance: Types of insurance- Life and Non-life insurance; Risk classification and management; Factors limiting the insurability of risk; Re-insurance; Regulatory framework of insurance - IRDA and its role.

UNIT - 8 :

Marketing Management

- ❖ Marketing: Concept and approaches; Marketing channels; Marketing mix; Strategic marketing planning; Market segmentation, targeting and positioning.
- ❖ Product decisions: Concept; Product line; Product mix decisions; Product life cycle; New product development.
- ❖ Pricing decisions: Factors affecting price determination; Pricing policies and strategies.
- ❖ Promotion decisions: Role of promotion in marketing; Promotion methods- Advertising; Personal selling; Publicity; Sales promotion tools and techniques; Promotion mix.
- ❖ Distribution decisions: Channels of distribution; Channel management.
- ❖ Consumer Behaviour; Consumer buying process; factors influencing consumer buying decisions.
- ❖ Service marketing.
- ❖ Trends in marketing: Social marketing; Online marketing; Green marketing; Direct marketing; Rural marketing; CRM.
- ❖ Logistics management.

UNIT-9 :

Legal Aspects of Business

- ❖ Indian Contract Act, 1872: Elements of a valid contract; Capacity of parties; Free consent; Discharge of a contract; Breach of contract and remedies against breach; Quasi contracts.
- ❖ Special contracts: Contracts of indemnity and guarantee; contracts of bailment and pledge; Contracts of agency.
- ❖ Sale of Goods Act, 1930: Sale and agreement to sell; Doctrine of Caveat Emptor; Rights of unpaid seller and rights of buyer.
- ❖ Negotiable Instruments Act, 1881: Types of negotiable instruments; Negotiation and assignment; Dishonour and discharge of negotiable instruments.
- ❖ The Companies Act, 2013: Nature and kinds of companies; Company formation; Management, meetings and winding up of a joint stock company.
- ❖ Limited Liability Partnership: Structure and procedure of formation of LLP in India.
- ❖ The Competition Act, 2002: Objectives and main provisions.
- ❖ The Information Technology Act, 2000: Objectives and main provisions; Cyber crimes and penalties.
- ❖ The RTI Act, 2005: Objectives and main provisions.
- ❖ Intellectual Property Rights (IPRs) : Patents, trademarks and copyrights; Emerging issues in intellectual property.
- ❖ Goods and Services Tax (GST): Objectives and main provisions; Benefits of GST; Implementation mechanism; Working of dual GST.

UNIT-10:

Income-tax and Corporate Tax Planning

- ❖ Income-tax: Basic concepts; Residential status and tax incidence; Exempted incomes; Agricultural income; Computation of taxable income under various heads; Deductions from Gross total income; Assessment of Individuals; Clubbing of incomes.
- ❖ International Taxation: Double taxation and its avoidance mechanism; Transfer pricing.
- ❖ Corporate Tax Planning: Concepts and significance of corporate tax planning; Tax avoidance versus tax evasion; Techniques of corporate tax planning; Tax considerations in specific business situations: Make or buy decisions; Own or lease an asset; Retain; Renewal or replacement of asset; Shut down or continue operations.
- ❖ Deduction and collection of tax at source; Advance payment of tax; E-filing of income-tax returns.



- ❖ Income-tax: Basic concepts-Residential status and tax incidence-Exempted incomes; Agricultural income-Computation of taxable income under Salaries, House property, Capital gains, Profits and gains of business and profession and Income from other sources - Gross total income - Deductions from Gross total income-Clubbing of incomes-Set off and carry forward of losses-Assessment of Individuals.
- ❖ Deduction and collection of tax at source-Advance payment of tax-E-filing of income-tax returns.
- ❖ Tax planning, Tax avoidance and Tax evasion - Techniques of corporate tax planning and specific management decisions: Make or buy, Own or lease, Retain or replace, Shut down or continue.
- ❖ International Taxation: Transfer pricing and anti-avoidance measures - Non-resident taxation - Double taxation relief - Application and interpretation of tax treaties.

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