



TAMIL NADU STATE ELIGIBILITY TEST (TNSET 2024)

SYLLABUS

Subject: Commerce

Code No: 2405

Unit 1: Business Environment and International Business

Unit 2: Accounting and Auditing

Unit 3: Business Economics

Unit 4: Business Finance

Unit 5: Business Statistics and Research Methods

Unit 6: Business Management and Human Resource Management

Unit 7: Banking and Financial Institutions

Unit 8: Marketing Management

Unit 9: Legal Aspects of Business

Unit 10: Income-tax and Corporate Tax Planning

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 Organisation (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 behaviour:** 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 nonprobability 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; Cybercrimes 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