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Bihar Public

Service Commission

(BPSC Mains)

Optional Subject -

Commerece And Accountancy

COMMERCE AND ACCOUNTANCY

Section- I

Accounting and Finance

Part-I : Accounting, Auditing and Taxation.

Accounting as a financial information system- Impact of behavioral sciences – Methods of accounting of changing price levels with particular reference to current Purchasing Power (CPP) accounting Advanced problems of companies accounts – Amalgamation absorption and reconstruction of companies- Accounting of holding companies – Valuation of shares and goodwill. Controllership functions- Property control legal and management.

Important provisions of the Income Tax Act, 1961 – Definition Charge of Income Tax- Exemptions Depreciation and investment allowance – Simple problems of computation of income under the various heads and determination of assessable income – Income Tax authorities.

-- Nature and functions of Cost Accounting – Cost classification – Techniques of segregating semi-variable costs into fixed and variable components – job costing – FIFO and weighted average methods or calculating equivalent units of production – Reconciliation of cost and financial accounts-Marginal Costing-Cost volume profit relationship: Algebraic formula and graphical representation – Shut down point – Techniques of cost control and cost reduction – Budgetary control flexible Budgets – Standard costing and variance analysis –Responsibility accounting-Bases of charging overheads and their inherent fallacy – Costing for pricing decisions.

Significance of the attest function – Programming the audit work – Valuation and verification of assets, fixed, wasting and current assets – Verification of liabilities – Audit of limited companies – appointment status, powers, duties and liabilities of the auditor – Auditor's report – Audit of share capital and transfer of shares – Special points in the audit of banking and insurance companies.

Part – II Business Finance and Financial Institutions.

Concept and scope of Financial Management – Financial goals of corporations – capital Budgeting Rules of the thumb and discounted cash flow approaches – Incorporating uncertainty in investment decision–designing an optimal capital structure – Weighted average cost of capital and the controversy surrounding the Modigliani and Miller

model, sources of raising short term, intermediate and longterm finance – Role of public and convertible debentures–Norms and guidelines regarding debt-equity ratios – Determinants of an optimal dividend policy– optimising models of James E. Walter and John Lintner– Forms of dividend payment – Structure of working capital and the variable, affecting, the level of difference of components – Cash flow approach of forecasting working capital needs – Profiles of working capital in Indian industries – Credit management and credit policy – Consideration of tax in relation to financial planning and cash flow statements.

Organisation and deficiencies of Indian Money Market structure of assets and liabilities of commercial banks – Achievements and failures of Nationalisation – Regional rural banks – Recommendations of the Tandon (P.L) study group on following of bank credit, 1976 and their revision by the Chore (K.B) Committee, 1979 – An assessment of the monetary and credit policies of the Reserve Bank of India- Constituents of the Indian Capital Market – Functions and working of All India term financial institutions (IDBI, IFCI, ICICI and IRCI) – Investment policies of the Life Insurance Corporation of India and the Unit Trust of India – Present State of stock exchanges and their regulation .

Provision of the Negotiable instruments Act, 1881.

Crossings and endorsements with particular reference to statutory protection to the paying and collecting bankers – Salient provision of the Banking Regulation Act, 1949 with regard to chartering, supervision and regulation of banks.

Section- II

Organisation Theory and Industrial Relations.

Part I : Organisation Theory:

Nature and concept of Organisation – Organisation goals; Primary and Secondary goals, Single and multiple goals, ends-means chain – Displacement, succession, expansion and multiplication of goals – Formal organisation : Type, Structure – Line and Staff. functional matrix and project – Informal organisation, functions and limitations.

Evolution of organisation theory: (classical, Neo-classical and system approach)- Bureaucracy Nature and basis of power, sources of power, power structure and politics – Organisational behaviour as a dynamic system : technical social and power systems interrelation and interactions – Perception – Status system : Theoretical and

empirical foundations of Maslow, Herzberg, Likert, Vroom, Porter and Lawler, Odam and Human Models of motivation. Morale and productivity – Leadership. Theories and styles – Management of Conflicts in organisation – Transactional Analysis – Significance of culture to organisations. Limits of rationality – Simon- March approach. Organisational change, adaptation growth and development – Organisational control and effectiveness.

Part II : Industrial Relations:

Nature and scope of industrial relations. Industrial labour in India and its commitment – Theories of unionism – Trade union movement in India – Growth and structure – Role of outside leadership in – Worker education and other problems – Collective bargaining approaches conditions limitations and its effectiveness in Indian conditions – Workers participation in management: philosophy, rationale, present day State of affairs and its future prospects.

Prevention and settlement of industrial disputes in India: Preventive measures, settlement machinery and other measures in practice- Industrial relations in public enterprises – Absenteeism and labour turnover in Indian industries – Relative wages and wage differentials: wage policy in India – The Bonus issue – International Labour Organisation and India – Role of personnel department in the organisation – Executive development personnel policies, personnel audit and personnel research.