



MASTER OF COMMERCE

SYLLABUS



WIRAS
WADIHUDA INSTITUTE OF
RESEARCH & ADVANCED STUDIES


KANNUR UNIVERSITY
(Abstract)

M.Com. Programme - Replacement of COM 3C14 course -Wealth Tax and Indirect Tax of IIIrd semester with Derivatives & Risk Management and modification of syllabus of COM 4E04 of elective Finance - under Credit Based Semester System in affiliated Colleges with effect from 2017 Admission -Orders issued.

ACADEMIC SECTION

U.O No. Acad/C1/6898/2014

Civil Station (PO), Dated 16 01.2018

- Read: 1.U.O.No.Acad/C1/6898/2014 dtd 08-07-2014
2.U.O.of Even No dated 10/06/2016
3.Minutes of the meeting of the BOS in commerce (PG) held on 01.07.2017 and 4.11.2017

ORDER

1. As per the paper read (1) above, the scheme, syllabus & model question papers for M.Com Programme were implemented in the University under Credit Based Semester System in affiliated Colleges w.e.f. 2014 admission, and certain modifications were effected to the same vide paper read (2)above.

2.As the study of the Wealth Tax and Indirect Tax are irrelevant due to the implementation of GST in the country, the meeting of the Board of studies in Commerce (PG) held on 01.07.2017& 04.11.2017 vide paper read (3) above recommended to replace the Course "COM 3C14 Wealth Tax and Indirect Tax" of the IIIrd Semester M.Com Syllabus with Derivatives and Risk Management and to modify the syllabus of COM 4E04 of the IVth Semester under Elective Finance - Corporate Tax planning & Management as Corporate Tax Management & GST .The BOS submitted the modified Syllabus of both courses and recommended to implement the revised Syllabus w.e.f 2017 admission.

3. The Vice Chancellor after considering the matter in detail, and in exercise of the powers of the Academic Council conferred under section 11 (1) of Kannur University Act 1996 and all other enabling provisions read together with has accorded sanction to replace the course "COM 3C14 Wealth Tax and Indirect Tax"of the IIIrd Semester M.com Syllabus with Derivatives and Risk Management and to modify the syllabus of COM 4E04 of the IVth Semester under Elective Finance - Corporate Tax Planning & Management as Corporate Tax Management & GST ,as recommended by the BOS in Commerce (PG) with effect from 2017 admission under Credit Based Semester System, in affiliated colleges subject to report to Academic Council.

4. U.O.as per paper read (1) & (2) above, stands modified to this extent.
5. Orders are, therefore, issued accordingly.
6. The modified scheme and Syllabus of COM 3C14 & COM 4E04 are appended in the university website.

Sd/.

JOINT REGISTRAR (ACADEMIC)
For REGISTRAR

To
The Principals of Colleges offering M.Com Programmes

Copy to:

1. The Examination Branch (through PA to CE)
2. The Chairman BOS in Commerce (PG)
3. SF/DF/FC

Forwarded By Order


SECTION OFFICER



COURSES FOR M.COM w.e.f. 2017 Admission

Semester	Course Code	Title	Marks			Credit
			Internal	External	Total	
I	COM1C01	Business Environment & Policy	15	60	75	4
	COM1C02	Quantitative Techniques & Operation Research	15	60	75	4
	COM1C03	Management Information System	15	60	75	4
	COM1C04	Organizational Behaviour	15	60	75	4
	COM1C05	Accounting for Business Decisions	15	60	75	4
	Total		75	300	375	20
II	COM2C06	Strategic Management	15	60	75	4
	COM2C07	Research Methodology & Computer Application	15	60	75	4
	COM2C08	Costing for Management Decisions	15	60	75	4
	COM2C09	Advanced Business Accounting	15	60	75	4
	COM2C10	Financial Management	15	60	75	4
	Total		75	300	375	20
III	COM3C11	Marketing Management	15	60	75	4
	COM3C12	Corporate Accounting	15	60	75	4
	COM3C13	Income Tax Law & Practice	15	60	75	4
	COM3C14	Derivatives & Risk Management	15	60	75	4
	COM3C15	Human Resource Management	15	60	75	4
	Total		75	300	375	20
Elective A. Finance	COM4E01	Security Analysis & Portfolio Management	15	60	75	4
IV	COM4E02	International Financial Management	15	60	75	4
	COM4E03	Financial Markets & Services	15	60	75	4
	COM4E04	Corporate Tax Management & GST	15	60	75	4
	COM4Pr	Project Report/Dissertation	5	20	25	2
	COM4C16	Viva-Voce			50	2
	Total		65	260	375	20
Grand Total					1500	80

Appendix to U.O.No.Acad/C1/6898/2014 dated:16.01.2018

COM3C14- DERIVATIVES AND RISK MANAGEMENT

(2017 Admission onwards)

90 Hours

Credit 04

Course Objectives:

1. To give the students an exposure to derivatives.
2. To develop the skill of decision making by using different derivatives contracts.

Module I :Derivatives: Meaning and definition –Evolution – Characteristics – Types – Significance – Participants in derivatives market – Functions of derivatives market – Commodity Exchanges in India – Role and importance.

(10 hours)

Module II : Forwards : Meaning and definition – Features – Classification –Forward contract Vs. Spot contract – Future contract – Meaning and definition – Features – uses - Forwards Vs. Futures

(10 hours)

Module III : Futures : Types of futures – Commodity Vs Financial Futures - Pricing Commodity Futures (Cost of carry model) – Expectations – Hedging with Futures(theory only) – Speculation with Futures.

(20 hours)

Module IV :Options : Meaning and definition – Option Terminology - Moneyness – Types of Options– Options Vs. Futures – Option trading and settlement – Option value – Intrinsic value and Time value.

(20 hours)

Module V :Stock Option Pricing : Factors influencing Option price- Put & Call parity pricing relationship- Pricing models: Binomial model – Single period, Two-period valuation – Black Scholes Option pricing model (Basic model only) – Assumptions.

(20 hours)

Practice Hours

(10Hours)

Total Hours

(90 Hours)

Recommended Books

1. Derivatives and Risk Management – Rajiv Srivastava [Oxford University Press]
2. Commodity and Financial Derivatives – S. Kevin [Prentice Hall]
3. Fundamentals of Financial Derivatives – Prafulla Kumar Swain [Himalaya Publishing House]
4. Financial Derivatives : Theory , Concepts and Problems – S.L. Gupta [Prentice Hall]
5. Commodity Derivatives and Risk Management – Prabina Rajiv [Prentice Hall]
6. Options, Futures, and Other Derivatives – John C Hull and SankaraBasu [Pearson]
7. Derivatives Principles and Practice – RangarajanSundaram and Sanjiv Das [Tata Mac Graw Hills]

Third Semester M. Com. Degree Examinations
(2017 Admission onwards)

COM3C14 Derivatives and Risk Management

Time: 3 Hours

Max. 60 Marks

Section A

Answer any *four* questions in this Section.

Each question carries 1 mark for Part (a), 3marks for Part (b), and 5marks for Part (c)

1. (a) Define derivative.
(b) Differentiate commodity derivative from financial derivative.
(c) What are the different forms of option contracts?
2. (a) Define strike price.
(b) What is meant by the concept of the intrinsic value?
(c) What are the basic types of moneyness of options.
3. (a) What is exercise price?
(b) How is derivative contracts are helpful to business ?
(c) Discuss future pricing principles
4. (a) Define forwards.
(b) Calculate forward price from the following information:
Current price of the asset Rs.5,00,000
Risk free rate of return 7.5% p.a. (A/360)
Time to expiration 75 days.
(c) Compare future contract with forward contract.
5. (a) What is meant by time value of option?
(b) What is the marking to market?
(c) Determine the future price by using cost-of- carry model, from the following data :
Spot price of the commodity Rs.1,00,000
Storage cost 5% p.a
Insurance costs 3% p.a
Transportation cost 5% (fixed)
Financing cost 10% p.a
Carry period 6 months
6. (a) What do you mean by option premium?
(b) What are the important functions of derivative market?
(c) What are the features of option contracts?

[4x9= 36 marks]

Section B

Answer the *two* questions in this Section. Each question carries 12 marks.

7. (a) "Derivatives are effective risk management tools" Discuss.
OR
(b) Explain binomial model for option valuation ?
8. (a) " Bring out the role and functions of derivative products in India
OR

(b) From the following information, calculate call option value and put option value:

Current market price	: Rs.100 per share
Exercise Price (X)	: Rs.80 per share
Volatility of share price (s)	: 30%
Risk-free interest rate (r)	: 10% p.a
Time to expiration (T)	: 3 months

Use Black-Scholes formula.

[2x12=24 marks]

ELECTIVE A - FINANCE
COM4E04 CORPORATE TAX MANAGEMENT & GST
(2017 Admission onwards)

90 Hours

Credit 04

COURSE OBJECTIVES:

1. To acquaint the students with the method of computing total income and tax liability of different types of persons (excluding individuals, HUFs and Firms);
2. To understand the concepts of Tax Planning and Management;
3. To familiarize Goods and Services Tax.

Module I

Assessment of Association of Persons – Charitable Trusts – Co-operative Societies - Assessment of Companies – Minimum Alternative Tax (MAT) – Corporate Dividend Tax

(20 Hours)

Module II

Assessment Procedure – Filing of return – E-Filing - Permanent Account Number-Types of Assessment- Collection - Advance Tax – TDS - Recovery and Refund - Offences -Penalties and Prosecutions.

(20 Hours)

Module III

Tax Planning and Management: Tax planning - Tax evasion - Tax avoidance –Tax management – Tax planning and Financial Decisions - Capital structure – Dividend Decisions.

(15 Hours)

Module IV

Goods and Services Tax- Meaning - Existing Indirect Taxes (in brief) – Types of taxes under GST – SGST- CGST-IGST- Input Tax Credit - Registration - Supply- Valuation in GST.
[Only theory questions are expected from this module]

(15 Hours)

Module V

GST Council – Constitution - Structure - Functions.

(10Hours)

Practice Hours

Total Hours

(10 Hours)

BOOKS FOR REFERENCE:

90 Hours

1. Direct Taxes Law and Practice - Vinod K. Singhania (Taxman's, Delhi.)
2. Direct Tax Planning and Management - Vinod K. Singhania (Taxman's, Delhi.)
3. Income Tax including Tax Planning & Management – Dr.H.C. Mahrotra and Dr.S.P. Goyal (Sahitya Bhavan Publications, Agra)
4. Corporate Tax Planning and Management – Dr.H.C.Mahrotra and Dr.S.P.Goyal (Sahitya Bhavan Publications, Agra)
5. Corporate Tax Planning - R.N. Lakhota (Vision Publications, Delhi.)
6. Goods and Services Tax in India- Viswanathan (New Century Publications)
7. GST in India- Venkatesh Katke (Laxmi Books Publications)
8. GST Act 2017- Bare Act.

Fourth Semester M. Com. Degree Examinations
(2017 Admission onwards)
COM4E04 - CORPORATE TAX MANAGEMENT & GST

Time: 3 Hours

Max. 60 Marks

Section A

Answer any *four* questions in this Section. Each question carries 1 mark for Part (a), 3marks for Part (b), and 5marks for Part (c).

1. (a) What do you mean by Foreign Company?
(b) Explain the provisions of the I.T. Act, regarding Corporate Dividend Tax.
(c) A (a woman aged 70), B (aged 45) and C (aged 35) are members of an Association Of persons sharing in the ratio of 1:2:3. During the financial year 2016-17, the taxable income of the AOP was Rs. 9,00,000 while the personal incomes of A, B and C were Rs. 90,000, Rs. 1,00,000 and Rs. 1,50,000 respectively. Compute the tax liability of the AOP and the members A, B and C for the A.Y 2017-18.
2. (a) What do you mean by Belated return of income?
(b) Give examples of six transactions, where quoting PAN is compulsory.
(c) What are the provisions of the I.T. Act in respect of income escaping assessment?
3. (a) What do you mean by charitable trust?
(b) State the exempted incomes in the case of charitable trusts.
(c) During the previous year, a charitable trust earned an income of Rs.3,00,000 from Property held for charitable purpose and Rs.3,00,000 from voluntary contributions. The trust utilised the amount during the previous year as under:
 - (i) Spent for charitable purpose in India Rs.2,00,000
 - (ii) Spent for charitable purpose outside India Rs.30,000
 - (iii) Repaid the loan taken for construction of building for charitable purpose Rs.3,00,000.Compute the taxable income of the Trust.
4. (a) What is Tax Planning?
(b) Distinguish between Tax evasion and Tax avoidance.
(c) The loan capital contributes to tax saving resulting in a higher rate of return on owner's equity". Do you agree? Illustrate your answer with suitable examples.
5. (a) What is GST?
(b) Which are taxes levied under GST?
(c) Briefly explain the provisions relating to registration under GST.
6. (a) What is taxable event under GST?
(b) State valuation norms under GST.
(c) Briefly explain role of GST Council.

(4 x 9 = 36 Marks)

Section B

Answer the *two* questions in this Section. Each question carries 12 marks.

7. (a) Explain the various modes of recovery of tax.

OR

(b) Cannanore Farmers Co-operative Society Ltd., Kannur submits the following particulars of income :

- (i) Income from credit facilities to members Rs.70,000
- (ii) Income from new undertaking for power generation and supply which started production On 1-4-2014 Rs.80,000
- (iii) Income from marketing agricultural produce of its members Rs.34,000