

**MAHARASHTRA STATE BOARD OF VOCATIONAL EDUCATION EXAMINATION ,  
MUMBAI-51**

1	Name of Syllabus	C.C. in FINANCIAL MANAGEMENT (408217)																																																													
2	Max. No's of Student	25 students.																																																													
3	Duration	1 YEAR																																																													
4	Type	Full Time																																																													
5	No Of Days / Week	6 Days																																																													
6	No Of Hours /Days	7 Hrs																																																													
7	Space Required	Lab = 800 Sq feet Class Room = 200 Sq feet TOTAL = 1000 Sq feet																																																													
8	Entry Qualification	S.S.C. passed																																																													
9	Objective Of Syllabus/ introduction	1.To know the financial management of funds. 2. To develop the knowledge of financial mgt 3. To understand the concept of financial services. 4. To impart skills in various financial areas. 5. To know the detail procedure of financial management.																																																													
10	Employment Opportunity	<b>I.WAGE EMPLOYMENT (Manual and Computer based)</b> Accounts Executive Financial Manager Financial Planner <b>II.SELF EMPLOYMENT</b> Accountancy firm Financial Consultant Financial Planner																																																													
11	Teacher's Qualification	Diploma/Certificate in concern subject																																																													
12	Training System	<b>Training System Per Week</b> <table><tr><td>Theory</td><td>Practical</td><td>Total</td></tr><tr><td>18 Hours</td><td>24 Hours</td><td>42 Hours</td></tr></table>						Theory	Practical	Total	18 Hours	24 Hours	42 Hours																																																		
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13	Exam. System	<table><tr><td>Sr. No.</td><td>Paper Code</td><td>Name of Subject</td><td>TH/ PR</td><td>Hours</td><td>Max. Marks</td><td>Min .Marks</td></tr><tr><td>1</td><td>40821711</td><td>Finance Management</td><td>TH - I</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>2</td><td>40821712</td><td>Financial Accounting</td><td>TH - II</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>3</td><td>40821713</td><td>Auditing</td><td>TH-III</td><td>3 hrs.</td><td>100</td><td>35</td></tr><tr><td>4</td><td>40821721</td><td>Finance Management</td><td>PR-I</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td>5</td><td>40821722</td><td>Financial Accounting</td><td>PR-II</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td>6</td><td>40821723</td><td>Auditing</td><td>PR-III</td><td>3 hrs.</td><td>100</td><td>50</td></tr><tr><td></td><td></td><td>Total</td><td></td><td></td><td><b>600</b></td><td><b>255</b></td></tr></table>						Sr. No.	Paper Code	Name of Subject	TH/ PR	Hours	Max. Marks	Min .Marks	1	40821711	Finance Management	TH - I	3 hrs.	100	35	2	40821712	Financial Accounting	TH - II	3 hrs.	100	35	3	40821713	Auditing	TH-III	3 hrs.	100	35	4	40821721	Finance Management	PR-I	3 hrs.	100	50	5	40821722	Financial Accounting	PR-II	3 hrs.	100	50	6	40821723	Auditing	PR-III	3 hrs.	100	50			Total			<b>600</b>	<b>255</b>
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5	40821722	Financial Accounting	PR-II	3 hrs.	100	50																																																									
6	40821723	Auditing	PR-III	3 hrs.	100	50																																																									
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# **FINANCIAL MANAGEMENT**

## **THEORY I**

### **PART A**

#### **Finance Management**

#### **Theory**

##### **1. Sources of Finance**

Introduction, Classification of sources of finance, long term and short term sources.

##### **2. Financial Management & Planning**

Capital Structure, Factors affecting Capital Structure, EBIT-EPS Analysis, Planning Capital Structure

##### **3. Comparative Statements**

Analysis of Common size statements and comparative Statements.

##### **4. Cost of Capital**

Computation of cost of debt, cost of equity, cost of composite capital, importance of cost of capital for financial management

##### **5. Working Capital**

Introduction, Concepts, objectives of working capital management, Determinants of working capital management, sources of working capital, operating cycle.

##### **6. Computerised Financial Statements**

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

**THEORY I**  
**PART B**  
**Finance Management**

**1. Financial statements**

Meaning, limitations, Role of Standardisation, forms of presentation.

**2. Ratio Analysis**

Meaning, uses of Ratios, Different types of ratios, comparison of various financial statements, Determinants of liquidity, Advantages of ratio analysis, limitations of ratio analysis

**3. Trend Analysis**

Meaning, Features, Advantages of Trend Analysis, Limitations, Method of Calculation, Trend Percentage, Precautions to be taken

**4. Analytical Techniques and Interpretation of Financial statements**

Analysis of Common size statements and comparative Statements and Trend Analysis

**5. Working Capital**

Concepts, objectives of working capital management, Determinants of working capital management sources of working capital, Operating cycle, Minimum working capital and maximum working capital requirement, calculation of cost, estimation, debtors management, inventory management, control of credit policies

**6. Leverages**

Definition, basis, general principles, Break-even Analysis, Operating Leverage, Financial Leverage.

**7. Capital Expenditure**

Introduction, types of investment proposals, data required for investment decision, relevant costs and revenues, methods of evaluating investment proposals.

**8. Computerized Financial Statements**

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

**PRACTICAL - I**  
**PART A**  
**Finance Management**

Printed specimen formats, published financial statements, and Computer should be used for practical work.

**1. Sources of Finance**

Long term and short term sources of finance

**2. Financial Management & Planning**

Capital Structure, calculations of cost of capital, calculation for determining EBIT-EPS , Analysis of Capital Structure

**3. Comparative Statements**

Preparation of Common size statements and comparative Statements.

**4. Cost of Capital**

Computation of cost of debt, cost of equity, cost of composite capital, cost of capital for financial management

**5. Working Capital**

Calculation of working capital requirement, determination of minimum working capital and maximum working capital

**6. Computerised Financial Statements**

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

**6. 10 Visits to Chartered Accountants Firm, Limited Company, other related organizations, various institutes imparting similar courses to give the students an insight into the applicability of the subject.**

**PRACTICAL - I**  
**PART B**  
**Finance Management**

Printed specimen formats, published financial statements, and Computer should be used for practical work.

**1. Financial statements**

Different forms of presentation of Financial Statements, Study of the published Financial statements, Analysis of the statements.

**2. Ratio Analysis**

Method for calculation of different types of ratios, comparison of various financial statements with the help of ratio analysis, interpretation of financial statements.

**3. Trend Analysis**

Method of Calculation, Trend Percentage, Precautions to be taken  
While calculation of percentage

**4. Analytical Techniques and Interpretation of Financial statements**

Preparation of Common size statements and comparative Statements and Trend Analysis

**5. Working Capital**

Calculation of working capital requirement, determination of minimum working capital and maximum working capital, estimation for proposed working capital requirement,

**6. Leverages**

Calculation of Break-even Analysis, Calculation of Operating Leverage, Financial Leverage, Mixed Leverage

**7. Capital Expenditure**

Data required for investment decision, calculation of relevant costs and revenues, different methods of evaluating investment proposals and calculation of cash outflows and inflows.

**8. Computerized Financial Statements**

Analysis & interpretation of statements, preparation of common size, comparative statements etc.

6. 10 Visits to Chartered Accountants Firm, Limited Company, other related organizations, various institutes imparting similar courses to give the students an insight into the applicability of the subject.

**THEORY II**  
**PART A**  
**Financial Accounting**

**1. Elements of Book-keeping**

Objectives, importance and utility of book-keeping, principles of double entry system of accounting, its meaning and importance.

**2. Classification of Accounts**

Different types of Organisations, Types of Accounts, Rules of Journalizing, rules of debit and credit, Simple journal entries and Compound journal entries

**3. Ledger**

Utility of ledger, posting of journal entries and balancing of ledgers, preparation of Trial Balance

**4. Subsidiary Books**

Meaning, Need, Purchase Book, Sales Book, Purchase Return Book, Sales Return Book, Debit Note, Credit Note, Bills Receivable Book, Bills Payable Books, Journal Proper & Ledger Posting

**5. Banking Transaction**

Bank, Types of Bank Account - Current, Saving, Recurring & Fixed Deposit Account & Pass Book; Statement of account, Opening of Bank Account & their operations, Types of Cheques, Crossing, Endorsement

**6. Cash Book**

Utility of maintaining Cash Book, Types of Cash Book -single, double and three column Cash Book, contra entries, Utility and preparation of Petty Cash Book

**7. Computer Awareness**

Introduction to computers, Definition, Main components of the computer, History of Computer, Main features of the computer, Need and importance of computers in the modern age, Software, Hardware, Human ware, Role of computer in accounting speed and accuracy, package programmes.

**THEORY II**  
**PART B**  
**Financial Accounting**

**1. Accounts from incomplete records (Single Entry)**

Introduction, definition, Features, Distinction between Single and double entry system, Computation of Profit/Loss, Preparation of statement of Affairs, Conversion method, Analysis of Ledger Accounts.

**2. Accounts of Non- Trading Concern**

Meaning, Need of maintenance of accounts, Preparation of Receipt and Payment Account and Income & Expenditure Account,

**3. Company Accounts (Issue of Shares)**

Introduction, Definition & Meaning of a company, Company Finance, Company Capital, Kinds of Shares , Issue of Share Capital accounting entries.

**4. Average Due Date**

Introduction, Necessity, method of calculating Average Due Date

**5. Consignment Accounts**

Meaning, Necessity of consignment sale, difference between consignment and sale, formalities in consignment, proforma invoice, expenses on consignment, account sales, valuation of consignment stock, specimen of consignment account.

**7. Computer Awareness**

Role of computer in accounting speed and accuracy, package programmes.  
Preparation of accounts in computers.

**PRACTICAL II**  
**PART A**  
**Financial Accounting**

\* Printed specimen formats should be used for practical work such as -

**A) Vouchers :** Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

**B) Registers :** Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book

**1. Subsidiary Books**

Subsidiary Books i. e. Purchase register, Sales register, Purchase return & Sales return Register, Journal and their posting in ledger prepared on the basis of credit memo, Invoice, Debit Note, Credit Note, Journal Voucher

**2. Cash Books**

All types of cash books prepared on the basis of voucher, petty cash voucher, cheque, pay-in-slip, withdrawal slip, cash memo, bills etc

**3. Bank Transactions**

Operating of different Bank Accounts, preparation of Bank Reconciliation Statement

**4. Computerized Financial Accounting**

1. Preparation of Trial Balance & Final Accounts (using Tally Package)

**5. Visits**

10 visits to various types of commercial, co-operative, Nationalised Bank and Sole Traders i.e. grocery stores, cloth stores, furniture shop, Automobile shops, Computer Training Institute



**PRACTICAL II**  
**PART B**  
**Financial Accounting**

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**A) Vouchers :** Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

**B) Registers :** Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book

**1. Accounts from incomplete records (Single Entry)**

Computation of Profit/Loss, Preparation of statement of Affairs, Conversion method, Analysis of Ledger Accounts.

**2. Accounts of Non- Trading Concern**

Preparation of Receipt and Payment Account and Income & Expenditure Account

**3. Company Accounts (Issue of Shares)**

Fill up Share Application forms, Procedure for Opening Demat Account, awareness of functioning of share market, new issues and IPOs.

**4. Average Due Date**

Application of method of calculating Average Due Date with the help of Illustration.

**5. Consignment Accounts**

Preparation of Proforma Invoice, Account sales, valuation of consignment stock, preparation of Consignment account.

**6. Computer Awareness**

Role of computer in accounting speed and accuracy, package programmes.  
Preparation of accounts in computers.

**7. Visits**

10 visits to various types of commercial, co-operative, Nationalised Bank and Sole Traders i.e. grocery stores, cloth stores, furniture shop, Automobile shops, Computer Training Institute

## **THEORY III**

### **PART A**

### **Auditing**

#### **1. Introduction to Auditing**

Meaning & utility of Auditing, history of Auditing, scope, principles & procedures of Auditing

#### **2. Objects of Audit**

Object of audit, kinds of errors and frauds, detection and prevention of errors and frauds, distinction between Auditing and accounting, Audit and investigation

#### **3. Qualities & qualifications of an Auditor**

Qualities & qualifications of auditor, role of Auditor, duties and responsibilities of an Auditor, classification of Audit-continuous Audit, periodical Audit, partial Audit, interim Audit, internal Audit, external Audit, statutory and compulsory Audit

#### **4. Conduct of Audit**

Preparation of Audit, Audit programme, Audit Note Book, Working papers

#### **5. Internal controls**

Its meaning and objects, internal check-meaning and objects, essentials of good internal check, Test checking, precautions in test checking

#### **6. Internal Audit**

Meaning and definitions, importance of internal Audit objectives, need of internal check, Audit limitations of internal Audit, Difference between internal check and internal Audit

## **THEORY III**

### **PART B**

### **Auditing**

#### **1. Vouching**

Voucher, Importance of vouching, objectives of vouching, utility of vouching, scope, Capital & Revenue Expenditure, deferred Revenue Expenditure, Examples, Capital and Revenue receipts, capital & revenue losses, examples, illustrations, vouching of various items of capital & revenue expenses, and receipts.

#### **2. Verification & Valuation of Assets & Liabilities**

Meaning, Scope, Objectives, Valuation, basis of valuation, general principles, Verification of fixed assets & liabilities, Valuation of fixed assets and current assets, contingent liabilities, distinction between verification & valuation.

#### **3. Investigation**

Meaning, Definition, importance of investigation, objects of investigation, difference between investigation and auditing, classes of investigation, investigation report, content or form of investigation report, technique of investigation.

#### **4. Cost Audit**

Introduction, The cost Audit Rules, 1996, Meaning of cost audit, objects, significance, difference between cost audit and financial audit, qualifications of cost auditor, appointment of cost auditor, powers and duties of cost auditor, utility of cost audit report.

#### **5. Audit Report**

Introduction, meaning of audit report, essentials of good report, contents of report, distinction between report and certificates, types of report, specimen report.

### **PRACTICAL III**

#### **PART A**

#### **Auditing**

\* Printed specimen formats should be used for practical work such as -

**A) Vouchers** : Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

**B) Registers** : Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book

1. Acquainting the student through demonstration and practice with different types of accounting cash register.
2. Practicals designed to distinguish between capital & revenue expenditures. A list of various assets should be provided to the students to know various assets i.e. current assets, fixed assets etc.
3. Preparation of an Audit Programme.
4. Study of the Internal check system.
5. 15 visits in a year to business firms/chartered Accountant firms & other related organisations.

**PRACTICAL III**  
**PART B**  
**Auditing**

Printed specimen formats, published financial statements, and Computer should be used for practical work.

\* Printed specimen formats should be used for practical work such as -

**A) Vouchers** : Cash Memo, Credit Memo, Receipts, Bills, Simple Vouchers, Petty Cash Vouchers, Journal Vouchers, Debit Note, Credit Note, Cheque, Pay-in-Slip, Withdrawal Slip, Pass Book

**B) Registers** : Journal, Ledger, Purchase Register, Sales Register, Purchase Returns & Sales Returns Register, Cash Book - Single/Double, Triple column and Petty Cash book

1. Practicals designed to distinguish between capital & revenue expenditures. A list of various assets should be provided to the students to know various assets i.e. current assets, fixed assets etc.
2. Preparation of Investigation Report
3. Study of cost Audit report
4. How to read Audit Report, interpretation of the report, drafting of audit report, analysis of Audit Report
5. Visits in a year to business firms/chartered Accountant firms & other related organisations.

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