

# Syllabus

## UGC NET in Commerce

### Code 08 subject

After a period of more than 10 years, the UGC has changed syllabus of UGC NET in Commerce subject, w.e.f June 2019 exam. The notification of change of syllabus for Commerce subject was published on 6<sup>th</sup> Jan 2019. There has been no change in the syllabus after Jan 2019. There are 100 questions in Paper 2 (each of 2 marks). The syllabus of UGC NET in Commerce subject is sub-divided into following 10 units.

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#### **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; Trade creation and diversion effects;
- India's foreign trade policy, Balance of payments (BOP): Importance and components of BOP
- 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
- Regional Economic Integration, Levels of Regional Economic Integration;
- 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, Indian Accounting Standards and IFRS
- 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
- 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
- Time value of money,
- Risk and return analysis;
- Capital structure
- Capital budgeting decisions: Conventional and scientific techniques of capital budgeting analysis
- Working capital management;
- Dividend decision: Theories and policies
- Asset securitization
- International monetary system, International financial markets and instruments: Euro currency; GDRs; ADRs, International arbitrage; Multinational capital budgeting, Foreign exchange market; Exchange rate risk and hedging techniques

### **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 (Utest); 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
- Leadership: Concept and theories
- Corporate governance and business ethics
- Human resource management: Concept, role and functions of HRM
- Human resource planning; Job evaluation;
- Recruitment and selection;
- Training and development; Succession planning
- Compensation management: 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
- 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 sector reforms including financial inclusion
- 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 (other than RBI, IRDA)
- 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