

# **GUJARAT STATE LEVEL ELIGIBILITY TEST**

**Code No. : 17**

**Subject : COMMERCE**

## **SYLLABUS AND SAMPLE QUESTIONS**

**Note:** There will be two question papers, Paper—II and Paper—III. Paper-II shall consist of 50 objective type compulsory questions based on the subject selected by the candidate. Each question will carry 2 marks. Paper-III will consist of 75 objective type compulsory questions from the subject selected by the candidate. Each question will carry 2 marks. All questions of Paper-II and Paper-III will be compulsory, covering entire syllabus (including all electives, without options).

### **PAPER-II and PAPER-III(A) [CORE GROUP]**

#### **Unit—I**

Business Environment

Meaning and Elements of Business Environment

Economic environment, Economic Policies, Economic Planning

Legal environment of Business in India, Competition policy, Consumer protection, Environment protection

Policy Environment : Liberalization, Privatisation and globalisation,

Second generation reforms, Industrial policy and implementation.

Industrial growth and structural changes

#### **Unit—II**

Financial & Management Accounting

Basic Accounting concepts, Capital and Revenue, Financial statements

Partnership Accounts : Admission, Retirement, Death, Dissolution and Cash Distribution

Advanced Company Accounts : Issue, forfeiture, Purchase of Business, Liquidation, Valuation of shares, Amalgamation, Absorption and Reconstruction, Holding Company Accounts

Cost and Management Accounting : Ratio Analysis, Funds Flow Analysis, Cash Flow Analysis, Marginal costing and Break-even analysis, Standard costing, Budgetary control, Costing for decision-making Responsibility accounting

#### **Unit—III**

Business Economics

Nature and uses of Business Economics, Concept of Profit and Wealth maximization. Demand Analysis and Elasticity of Demand, Curve Analysis, Law

Utility Analysis and Indifference of Returns and Law of variable proportions

Cost, Revenue, Price determination in different market situations : Perfect competition, Monopolistic competition, Monopoly, Price discrimination and Oligopoly, Pricing strategies

#### **Unit—IV**

Business Statistics & Data Processing

Data types, Data collection and analysis, sampling, need, errors and methods of sampling, Normal distribution, Hypothesis testing, Analysis and Interpretation of Data

Correlation and Regression, small sample tests—t-test, F-test and chisquare test

Data processing—Elements, Data entry, Data processing and Computer applications

Computer Application to Functional Areas—Accounting, Inventory control, Marketing

#### **Unit—V**

Business Management

Principles of Management

Planning—Objectives, Strategies, Planning process, Decision-making

Organising, Organisational structure, Formal and Informal organisations, Organisational culture

Staffing

Leading : Motivation, Leadership, Committees, Communication

Controlling

Corporate Governance and Business Ethics

#### **Unit—VI**

Marketing Management

The evolution of marketing, Concepts, Concept of marketing, Marketing mix, Marketing environment

Elements of consumer behaviour, Market segmentation

Product decisions

Pricing decisions

Distribution decisions

Promotion decisions

Marketing planning, Organising and Control

#### **Unit—VII**

Financial Management

Capital Structure, Financial and Operating leverage Cost of capital, Capital budgeting

Working capital management Dividend Policy

#### **Unit—VII**

Human Resources Management

Concepts, Role and Functions of Human Resource

management Human Resource Planning, Recruitment and

Selection Training and Development, Succession Planning  
Compensation : Wage and Salary Administration, Incentive and Fringe benefits, Morale and Productivity  
Performance Appraisal  
Industrial Relations in India, Health, Safety, Welfare and Social security, Workers' Participation in Management

### **Unit—IX**

Banking and Financial Institution  
Importance of Banking to Business, Types of Banks and Their Functions, Reserve Bank of India, NABARD and Rural Banking  
Banking Sector Reforms in India, NPA, Capital adequacy norms  
E-banking  
Development Banking : IDBI, IFCI, SFCs, UTI, SIDBI

### **Unit—X**

International Business  
Theoretical foundations of international business, Balance of Payments  
International liquidity, International Economic Institutions—IMF, World Bank IFC, IDA, ADB  
World Trade Organisation—its functions and policies  
Structure of India's foreign trade : Composition and direction, EXIM Bank, EXIM Policy of India, Regulation and promotion of Foreign Trade

## **PAPER-III (B) [ELECTIVE / OPTIONAL ]**

### **Elective—I : Accounting and Finance**

Accounting standards in India, Inflation Accounting, Human Resource Accounting, Responsibility Accounting, Social Accounting  
Money and Capital market, Working of stock exchanges in India, NSE, OTCEI, NASDAQ, Derivatives and Options  
Regulatory Authorities : SEBI, Rating Agencies; New Instruments : GDRs, ADRs  
Venture Capital Funds, Mergers and Acquisitions, Mutual Funds, Lease Financing, Factoring, Measurement of risk and returns securities and portfolios  
Computer Application in Accounting and Finance

### **Elective—II : Marketing**

Marketing Tasks, Concepts and Tools, Marketing Environment  
Consumer Behaviour and Market Segmentation  
Product decisions  
Pricing decisions  
Distribution decisions  
Promotion decisions  
Marketing Researchs

On-line marketing

Direct Marketing; Social, ethical and legal aspects of marketing in India

### **Elective—III : Human Resource Management**

Concept; Role and Functions of Human Resource Manager

Human Resource Planning, Job analysis, Job description and specifications, Use of Job analysis information, Recruitment and Selection

Training and Development, Succession Planning

Compensation : Wage and Salary administration, Incentives and Fringe benefits, Morale and Productivity

Appraisal of Performance

Industrial Relations in India, Health, Safety, Welfare and Social Security,

Workers participation in Management

### **Elective—IV : International Business**

Foreign Direct Investment and Multinational Corporations—MNCs

Culture, MNCs and LDCs, Joint Ventures

Regional Economic Integration : SAARC, ASEAN, EC,

NAFTA India and WTO, Intellectual Property Rights

Foreign Exchange—Exchange rate, Mechanism, Risk management,

Transfer of international payments, Convertibility of Rupee, Current and

Capital Accounts; Issues and Perceptions, Derivatives and Futures

Foreign investment Institutions; Instruments : GDRs, ADRs, FIIs—their role in Indian Capital Market

### **Elective—V : Income-tax Law and Tax Planning**

Basic concepts, Residential status and tax incidence, exempted incomes, computation of taxable income under various heads

Computation of taxable income of individuals and firms

Deduction of tax, filing of returns, different types of assessment; Defaults and penalties

Tax planning : Concept, significance and problems of tax planning, Tax evasion and tax avoidance, methods of tax planning

Tax considerations in specific business decisions, viz., make or buy; own or lease, retain or replace; export or domestic sales; shut-down or closure; expand or contract; invest or disinvest

Computer Application in Income tax and Tax planning

## **MODEL QUESTIONS**

### **PAPER - II**

Q. Under the National Equity Fund Scheme of SIDBI, the collateral insisted upon for soft loan is :

- (A) land
- (B) land and machine
- (C) plant
- (D) None of the above

- Q. The process by which an individual organizes and interprets his impressions of the environment around him is known as :
- (A) attitude
  - (B) perception
  - (C) personality
  - (D) value
- Q. According to the marketing concept, the different functional areas of the firm should blend their efforts in order to maximize :
- (A) profit
  - (B) sales
  - (C) market share
  - (D) customer satisfaction

### **PAPER-III(A) and PAPER-III(B)**

- Q. Describe how you would analyse the financial statements of a company.
- Q. Explain Maslow's need-hierarchy theory.
- Q. Distinguish between the Selling Concept and the Marketing Concepts.
- Q. Explain the advantages and limitations of promoting the employees from within.
- Q. Describe and evaluate the various methods of Capital Budgeting.
- Q. Explain the concept of product life cycle (PLC). What factors affect the life cycle of product ? Suggest appropriate strategies at the different stages of PLC
- Q. Analyse and examine the various social security measures provided for the workers in India.
- Q. To what extent have the stock market upheavals in India during last five years have affected investor confidence in the primary capital market ? Examine the role of Foreign Institutional Investors (F.I.I.s.) with regard to it.
- Q. How Human Resource Management is considered to be a tool to obtain competitive advantage ? Explain SWOT analysis
- Q. Explain the changes that have taken place in the M.R.T.P. Act and the equity holding for attracting Foreign Direct investment in India.
- Q. Firms which analyse and diagnose the environment are more effective than those which do not. Elucidate.
- Q. What are the major pitfalls in the implementation of Activity-Based Costing in companies ? Do you think flexibility in the Activity-Based Costing would help companies in reaping better results ?
- Q. What are the advantages of Consolidated Statements in Comparison to the individual statements ? Also, explain the 'Valuation' implications of Consolidation.