

NATIONAL UNIVERSITY



Third Year Syllabus Department of Accounting

Four-Year B.B.A. (Honours) Paper
Effective from the Session : 2013–2014

National University

Subject: Accounting

Syllabus for Four-Year BBA Honours Paper
Effective from the Session: 2013-2014

Year-wise Papers and marks distribution.

Third Year

| Paper Code | Paper Title | Marks | Credits |
|------------|---|-------|---------|
| 232501 | Audit and Assurance | 100 | 4 |
| 232503 | Advanced Accounting-I | 100 | 4 |
| 232505 | Cost Accounting | 100 | 4 |
| 232507 | Management Accounting (In English) | 100 | 4 |
| 232509 | Business and Commercial Laws | 100 | 4 |
| 232511 | Entrepreneurship | 100 | 4 |
| 232513 | Financial Management | 100 | 4 |
| 232515 | Banking and Insurance Theories, Laws and Accounts | 100 | 4 |
| | Total = | 800 | 32 |

Detailed Syllabus

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|----------------------------|----------------------------|--------------------|------------------------------|
| Paper Code : 232501 | Marks : 100 | Credits : 4 | Class Hours : 60 hrs. |
| Paper Title : | AUDIT AND ASSURANCE | | |

1. **The Demand for Audit and Other Assurance Services:** Definition of auditing, Nature of Auditing, Distinction Between Auditing and Accounting, Economic Demand for Auditing, Assurance Services, Types of Audits and Auditors.
2. **The Auditing Profession:** Chartered Accountant (CA) Firms and their Activities, Structure of CA Firms, Role of BSEC in relation to auditing, BSEC's Corporate Governance Guidelines and Audit vs. Non-audit Activities, ICAB, US GAAS, International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BSA), Statutory Cost Audit.
3. **Audit Reports:** Parts of the Audit Report, Categories of Audit Reports, Report on Internal Control over Financial Reporting, Unqualified Audit Report with Explanatory Paragraph or Modified Wording, Conditions Requiring a Departure from Unqualified Opinion, Audit Reports other than Unqualified: Qualified Auditors' Reports (Qualified, Adverse and Disclaimer) and Auditors' Reports with emphasis on materiality.
4. **Legal Liability:** The legal environment of audit profession, Auditors' Liability to clients, Auditors' Liability to third parties under common law, Auditors' Civil liability, Auditors' Criminal liability, Profession's response to liability.
5. **The Audit Responsibilities and Objectives:** Objective of Conducting an Audit of Financial Statements, Steps to Develop Audit Objectives, Management's Responsibilities, Objectives of the Auditor, Auditor's Responsibilities, Financial Statement Cycles, Setting Audit Objectives, Management Assertions, Transaction-Related Audit Objectives, Balance-Related Audit Objectives, Presentation and Disclosure-Related Audit Objectives, How Audit Objectives are met, Phases of a Financial Statement Audit.
6. **Audit Evidence:** Definition of Evidence, Distinguishing among scientific, legal and audit evidence, Audit Evidence Decisions, Audit Program, Persuasiveness of Evidence, Types of Audit Evidence, Application of Types of evidence to the Evidence Decisions, Audit Documentation, Audit File Contents and Organization.
7. **Audit Planning and Analytical Procedures:** Steps in Planning an Audit and Designing an Audit Approach, Initial Audit Planning, Obtaining an Understanding with the Client, Developing Overall Audit Strategy, Understanding of the Client's Business and Industry, Assess Client Business Risk, Preliminary Analytical Procedures.
8. **Audits of Internal Control and Control Risk:** Internal Control Objectives, Management's Responsibilities for Establishing Internal Control, Management's Assessment of Internal Controls, Auditor Responsibilities for Understanding Internal Control and Testing Internal Control, Components of Internal Control, Process for Understanding Internal Control and Assessing Control Risk, Obtain and Document Understanding of Internal Control.
9. **Overall Audit Plan and Audit Program:** Audit Tests, Types of Audit Tests: Risk assessment procedures and Further audit procedures, Relationship Between Further Audit

Procedures and Evidence, Audit Assurance at Different Levels of Internal Control Effectiveness, Impact of Information Technology on Audit Testing, Audit Program.

10. **Completing the Audit:** Performing audit tests related to presentation and disclosure, Review for contingent liabilities, Post-balance-sheet review for subsequent events, Issuing the Audit Report, Communicate with the audit committee and management.

Books Recommended :

1. Alvin A. Arens, Randal J. Elder : *Auditing and Assurance Services* (Latest Edition)
and Mark S. Beasley Upper Saddle River, New Jersey: Prentice Hall
2. ICAB (Institute of Chartered Accountants of Bangladesh) : *Assurance–Study Manual*, CA Professional Stage Knowledge Level (Latest Edition). Dhaka: ICAB
3. ICAB : *Audit and Assurance–Study Manual* CA Professional Stage Application Level (Latest Edition). Dhaka: ICAB

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|----------------------------|------------------------------|--------------------|------------------------------|
| Paper Code : 232503 | Marks : 100 | Credits : 4 | Class Hours : 60 hrs. |
| Paper Title : | ADVANCED ACCOUNTING-I | | |

1. **Accounting for Stockholders' Equity:** The Corporate Form of Organization, Corporate Capital: Issuance of Share/stock, Reacquisition of Shares, Preferred Stock, Accounting for and Reporting Preferred Stock, Dividend Distributions, Stock Split, Presentation of Stockholders' Equity; Accounting for Share-based Payment (IFRS-2).
2. **Company's Financial Statements:** Provisions on Company's financial statements in the Companies Act 1994 and the Securities and Exchange Rules 1987; Frequency of Financial Reporting (Interim vs. Annual); Preparation of a complete set of Financial Statements of a company as per IAS 1.
3. **Revenue Recognition (IAS 18):** Guidelines for Revenue Recognition, *Revenue Recognition at Point of Sale (Delivery):* Sales with Discounts, Sales with Right of Return, Sales with Buybacks, Bill and Hold Sales, Principal-Agent Relationships, Trade Loading and Channel Stuffing, Multiple-Deliverable Arrangements; *Revenue Recognition Before Delivery:* Percentage-of-Completion Method, Completed-Contract Method, Long-Term Contract Losses, Completion-of-Production Basis; *Revenue Recognition after Delivery:* Installment-Sales Method, Cost-Recovery Method, Deposit Method; *Revenue Recognition for Franchises.*
4. **Accounting for Leases:** The Leasing Environment, Off–Balance-Sheet Financing, Conceptual Nature of a Lease; *Accounting by the Lessee:* Capitalization Criteria, Asset and Liability Accounted for Capital Lease Method, Operating Lease Method; Comparison

of Capital Lease with Operating Lease; **Accounting by the Lessor:** Economics of Leasing, Classification of Leases by the Lessor, Direct-Financing Method, Operating Method; **Special Accounting Problems:** Residual Values, Sales-Type Leases (Lessor), Bargain-Purchase Option (Lessee), Initial Direct Costs (Lessor).

5. **Accounting Changes and Error Analysis (IAS 8):** *Accounting Changes:* Changes in Accounting Principle, Retrospective Accounting Change Approach; *Changes in Accounting Estimate:* Prospective Reporting; Change in Reporting Entity; Correction of Errors. *Error Analysis:* Balance Sheet Errors, Income Statement Errors, Balance Sheet and Income Statement Errors, Counterbalancing Errors, Non-counterbalancing Errors, Preparation of Financial Statements with Error Corrections.
6. **Accounting for Operating Segments (IFRS 8):** Definition of operating segments, Reportable segments: Defined operating segments, Aggregation criteria, Quantitative thresholds.
7. **Accounting relating to Bankruptcy :** Bankruptcy of Individual, Partnership Firms and Company under the Bankruptcy Act 1997.

Books Recommended :

1. Donald E. Kieso, Jerry J. Weygandt and Terry D. Warfield (2012) : *Intermediate Accounting* (Hoboken, New Jersey: John Wiley & Sons, Inc.) Latest edition.
2. IASB : *International Financial Reporting Standards* (Latest edition)
3. ICAB : *Financial Accounting Study Manual* (Professional Stage Application Level)

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|----------------------------|------------------------|--------------------|------------------------------|
| Paper Code : 232505 | Marks : 100 | Credits : 4 | Class Hours : 60 hrs. |
| Paper Title : | COST ACCOUNTING | | |

1. **Cost Accounting and Cost Accountant:** Cost Accounting: Definition, Differences with Financial Accounting, Management Accounting; Cost-Benefit Approach in Decision Making; Different Costs for Different Purposes, Organization Structure and the Cost Accountant; Cost Accounting as a Profession and Professional Ethics.
2. **An Introduction to Cost Terms and Purposes:** Costs and Cost Terminology–Direct Costs and Indirect Costs, Factors Affecting Direct/Indirect Cost Classifications; Cost-Behavior Patterns: Variable Costs and Fixed Costs, Cost Drivers, Relevant Range; Relationships of Types of Costs, Total Costs and Unit Costs; Types of Inventory in Manufacturing, Merchandising-, and Service-Sector Companies; Commonly Used Classifications of Manufacturing Costs (Inventoriable Costs and Period Costs); Prime Costs and Conversion Costs, Different Meanings of Product Costs; A Framework for Cost Accounting and Cost Management; Calculating the Cost of Products, Services and Other Cost Objects.
3. **Cost Behaviour Analysis:** Basic Assumptions and Examples of Cost Functions, Identifying Cost Drivers, Cost Estimation Methods: Industrial Engineering Method, Conference Method, Account Analysis Method, and Quantitative Analysis Method; Steps in Estimating a Cost Function Using Quantitative Analysis, High-Low Method, Regression Analysis Method, Evaluating Cost Drivers of the Estimated Cost Function, Nonlinear Cost Functions, Data Collection and Adjustment Issues.

4. **Materials:** Direct and Indirect Materials, Procurements of Materials, Storage of Material. Materials Record, Methods of Valuing Material Issues, Planning Material Requirements, Stock levels, EOQ, Safety Stock, Materials Control, Stock Verification and Adjustment.
5. **Labor:** Measuring Labor Costs, Overtime Premium and Idle Time, Labor Cost Control, Method of Remuneration, Incentive Plans, Calculation of labor cost, Recording of labor cost.
6. **Overhead:** Planning and Control of Overhead, Predetermined Manufacturing Overhead, Methods of Determining Allocation Ratios, Applied Manufacturing Overhead, Over and Under Applied Manufacturing Overhead, Administrative, Selling and Distribution Overhead, Accounting for Overheads.
7. **Allocation of Support-Department Costs, Common Costs, and Revenues:** Allocating Support Department Costs Using the Single-Rate and Dual-Rate Methods, Budgeted Versus Actual Costs, and the Choice of Allocation Base, Allocating Costs of Multiple Support Departments: Direct Method, Step-Down Method, and Reciprocal Method; Allocating Common Costs: Stand-Alone Cost-Allocation Method and Incremental Cost-Allocation Method; Cost Allocations and Contract Disputes, Bundled Products and Revenue Allocation Methods.
8. **Job Costing:** Building-Block Concepts of Costing Systems, Job-Costing and Process-Costing Systems, Job Costing: Evaluation and Implementation, Time Period Used to Compute Indirect-Cost Rates, Normal Costing and Actual Costing, Normal Job-Costing System in Manufacturing, General Ledger and Subsidiary Ledgers, Batch Costing and Contract Costing.
9. **Process Costing:** Process Costing, Physical Units and Equivalent Units, Calculation of Product Costs, Journal Entries; Weighted-Average (WA) Method and First-In, First-Out (FIFO) Method, Transferred-In Costs in Process Costing, Spoilage and Scrap, Normal and Abnormal Spoilages, Procedure for Process Costing with Spoilage and Scrap.
10. **Service Costing :** Accounting Systems of Transport Company, Educational Institute & Hospital.

Books Recommended :

1. Charles T. Horngren, Srikant M. Datar : *Cost Accounting: A Managerial Emphasis* (Latest Edition). Upper Saddle River, New Jersey: Prentice Hall *Intermediate Accounting* (Hoboken, New
Madhav V. Rajan
2. C. T. Horngren, G. L. Sundem, : ***Introduction to Management Accounting*** (Latest
W. O. Stratton, J. Schatzberg, Edition). Upper Saddle River, New Jersey:
and D. Burgstahler Prentice Hall
3. Ray H. Garrison, Eric W. Noreen, : *Managerial Accounting* (Latest Edition)
and Peter C. Brewer Boston: McGraw-Hill & Irwin.

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|----------------------------|---|--------------------|------------------------------|
| Paper Code : 232507 | Marks : 100 | Credits : 4 | Class Hours : 60 hrs. |
| Paper Title : | MANAGEMENT ACCOUNTING (In English) | | |

1. **Introduction:** Definition of Management Accounting and Its Relation with Financial and Cost Accounting, Management Accounting and Decision Making, Importance of Ethics, Management Accounting in Service and Nonprofit Organizations, Cost-Benefit and Behavioral Considerations, Management Process and Accounting, Planning and Control for Product Life Cycles and the Value Chain, Career Opportunities in Management Accounting, Changes in Business Processes and Management Accounting, Management Accounting Profession.
2. **Cost Concepts and Classifications:** General Cost Classifications- Cost Classifications on Financial Statements - The Flow of Cost in a Manufacturing Company- Cost Classifications Predicting Cost Behavior- Cost Classifications for Decision Making.
3. **Absorption and Variable Costing:** Variable and Absorption Costing, Variable vs. Absorption Costing: Operating Income and Income Statements, Absorption Costing and Performance Measurement, Comparing Inventory Costing Methods: Absorption & Variable, Costing, and Actual, Normal & Standard Costing; Reconciliation of profit under both methods.
4. **Activity-Based Costing:** Broad Averaging and Its Consequences; Under-costing and Over-costing, Product-Cost, Cross-Subsidization, Simple Costing System Using a Single Indirect-Cost Pool, Refining a Costing System–Activity-Based Costing (ABC) Systems, Implementing ABC; Comparing Alternative Costing Systems.
5. **Cost-Volume-Profit Relationships:** Identifying Resources, Activities, Costs, and Cost Drivers, Variable and Fixed Costs, CVP Analysis: Computing the Break-Even Point (BEP), Graphing the BEP, Changes in Fixed Expenses, Changes in Unit Contribution Margin, Target Net Profit and an Incremental Approach, Multiple Changes in Key Factors; Additional Uses of CVP Analysis: Best Cost Structure, Operating Leverage, Margin of Safety, Contribution Margin and Gross Margin; Sales-Mix Analysis, Impact of Income Taxes.
6. **Relevant Costs for Decision Making:** Management’s Decision-making Process- Identifying Different Costs and Benefits- Different Costs for Different Purposes-The Incremental Analysis Approach-Types of Incremental Analysis- Accept an Order at a Special Price, Make or Buy, Sell or Process Further, Retain or Replace Equipment, Eliminate an Unprofitable Business Segment, Allocate Limited Resources.
7. **Budgeting and Budgetary Control:** Budgets and the Organization; Potential Problems in Implementing Budgets, Planning Horizon (Strategic Plan and Long-Range Planning); Types of Budgets: Master Budget and Continuous Budgets (Rolling Budgets); Components of a Master Budget: Operating Budget/Profit Plan (Sales budget, Purchases budget, Cost of goods sold budget, Operating expenses budget, Budgeted income statement), and Financial

budget Cash budget, Budgeted balance sheet); Preparing the Master Budget; Activity-Based Master Budgets (Functional Budgets and Activity-Based Budgets)..

8. **Flexible Budget:** Flexible Budget and Fixed Budget-Characteristics of Flexible Budget-Advantages of Flexible Budget-Segregation of Semi-variable Cost-Preparation of Flexible Budget.
9. **Standard Costing:** Concepts-Standards and Budgets-Advantages of Standard Costing-Analysis of Material, Labor and Overhead Variances.

Books Recommended :

1. C. T. Horngren, G. L. Sundem : *Introduction to Management Accounting*
W. O. Stratton, J. Schatzberg
and D. Burgstahler (Latest Edition). Upper Saddle River, New
Jersey: Prentice Hall
2. Ray H. Garrison, Eric W. Noreen : *Managerial Accounting* (Latest Edition)
and Peter C. Brewer Boston: McGraw-Hill & Irwin
3. Charles T. Horngren, Srikant M. Datar : *Cost Accounting: A Managerial Emphasis*
Madhav V. Rajan (Latest Edition) Upper Saddle River, New
Jersey: Prentice Hall

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| Paper Code : 232509 | Marks : 100 | Credits : 4 | Class Hours : 60 hrs. |
| Paper Title : | BUSINESS AND COMMERCIAL LAWS | | |

1. **The Contract Act, 1872:** Definition of contract–Essentials of contract–Communication, acceptance and revocation of proposals, Contracts; voidable contracts and void agreements–Consignment contracts–Contracts which must be performed–Time and place of performance–Contracts which need not be performed–Breach of contract–Indemnity and guarantee–Bailment–Bailment of pledges–Agency, appointment and authority of agents, sub-agents, revocation of authority, agent’s duty to principal, principal’s duty to agent.
2. **The Sale of Goods Act, 1930:** Formation of the contract–Effects of the contract–Performance of the contract–Rights of unpaid seller against the goods- Suits for breach of the contract.
3. **The Negotiable Instruments Act, 1881:** Promissory notes, bills of exchange and cheques–Negotiations–Payment and interest–Discharge from liability on notes, bills and cheques–Notice of dishonour–Special provisions relating to cheques–Special provisions relating to bills of exchange–Penalties in case of dishonour of certain cheques for insufficiency of funds in the accounts
4. **The Trade Marks Act, 2009:** Registration procedures and duration, Effects of registration, Use of trademark.
5. **The Partnership Act, 1932:** The nature of partnership–Relations of partners to one another– Relations of partners to third parties–Incoming and outgoing partners–Dissolution of a firm– Registration of firms.
6. **The Bangladesh Labor Act, 2006:** Important Statutory Definitions: Factory, Worker, Employer, Commercial Establishment, Industrial Establishment; *Summary of major provisions on:* Employment and Conditions of Services, Employment of Adolescent, Provisions of Health, Hygiene, Safety and Welfare Measures, Working hours and leave, Trade Union and Industrial relations, Dispute resolution, Workers’ Participation in Companies’ Profits.
7. **The Bangladesh Environment Conservation Act, 1995:** Restrictions on manufacture, sale etc. of articles injurious to environment–Remedial measures for injury to ecosystem–Environmental Clearance Certificate.
8. **The Arbitration Act, 2001:** Arbitration agreement, Subject matter of arbitration, Different methods of arbitration, Arbitration Tribunal, Arbitral proceedings, Arbitral award, Appeals.
9. **The Competition Act, 2012:** Objective of the Act–Agreement against Competition–Abuse of Dominant Position–Bangladesh Competition Commission–Complaint, Inspection and Disposal–Appeal.

Reference Books :

1. The Contract Act, 1872
2. The Sale of Goods Act, 1930
3. The Negotiable Instruments Act, 1881
4. The Trade Marks Act, 2009
5. The Partnership Act, 1932
6. The Bangladesh Labor Act, 2006
7. The Bangladesh Environment Conservation Act, 1995

8. The Arbitration Act, 2001
9. The Competition Act, 2012
10. Website for the laws: <http://bdlaws.minlaw.gov.bd/>

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| Paper Code: 232511 | Marks: 100 | Credits: 4 | Class Hours: 60 hrs. |
| Paper Title: | ENTREPRENEURSHIP | | |

1. **Introduction to Entrepreneurship:** Meaning of entrepreneurship, entrepreneur and entrepreneurship-historical background of the concept of entrepreneurship-entrepreneurial process-causes for interest in entrepreneurship, climate for entrepreneurship-establishing entrepreneurship in the organization-types of entrepreneurship-classification of entrepreneurs-entrepreneurs background and characteristics- common qualities of an entrepreneur-role of entrepreneurs in developing countries like Bangladesh-entrepreneurial careers and education- ethics and social responsibility of entrepreneurs-methods of assessing self entrepreneurial qualities-Theories of entrepreneurship: Psychological theories, Socio-psychological theories and cultural theories and models of entrepreneurship.
2. **Entrepreneurial Environment and business Opportunity identification:** Analysis of business environment-political, economic, legal and technical aspects of environment, environmental scanning procedure, SWOT analysis, techniques of environmental analysis.
3. **Introducing Small Business :** Definition, Types, Forms of Small Business, Advantage and disadvantage of Small Business.
4. **Planning of Small Business:** Definition, Importance, uses and features of a business plan, how to prepare a business plan, pitfall to avoid in making business plan.
5. **Franchising:** Meaning, purpose of franchising, franchise agreement, cost of franchise.
6. **Financing Small Enterprises:** Planning financial needs, using capital in small business, Sources of financing for small firms, working capital and request for institutional loan.
7. **Entrepreneurship and Small Business Development in Bangladesh:** Role of SME foundation, BSCIC and other organization under the entrepreneurship small business development in Bangladesh-Women entrepreneurship in Bangladesh.
8. **Business Documents Collection Procedure and Maintenance:** Issuing trade license, collecting TIN Number, VAT registration, Opening business account with bank and other non-banking financial institutions, collecting association membership, partnership agreement, registration of joint stock companies, registration of cooperative society, registration of foundation, registration of NGO-IRC, ERC, opening a L/C, export documentations-import documentations-Insurance-fire-environment-intellectual property-trade mark Patents, Copyrights and Trade secrets, and other relevant business documents collection procedure and maintenance.

9. **Writing a Business Plan:** Assignment for internal evaluation (Marks : 20)

Books Recommended:

1. Dr. A H M Habibur Rahman : *Entrepreneurship* (Latest Edition)
2. Robert D. Hisrich & Others :6th edition,
McGraw Hill

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|---------------------------|-----------------------------|-------------------|---------------------------------------|
| Paper Code: 232513 | Marks: 100 | Credits: 4 | Class Hours: 60 hrs. |
| Paper Title: | FINANCIAL MANAGEMENT | | |

1. **Goals and Functions of Finance:** Meaning of Financial Management, Financial Goal, Maximize Shareholders, Wealth, Maximization of EPS, Corporate decisions, Importance of Financial Management, Factors influencing financial decisions, Agency Problems, Dealing with Agency Problems, Principle of Financial Management, Social Responsibility, Corporate governance.
2. **Capital Budgeting and Risk Analysis:** Risk Evaluation approaches-Certainty Equivalents (CE), Risk-adjusted Discounted Rates (RADR), CE vs RADR, Probability Distribution Approach, Decision Tree Approach, Behavioral Approach for Dealing with Risk-Sensitivity Analysis, Simulation.
3. **Theory of Capital Structure:** Introduction to the Theory, Assumptions and Definitions, NI Approach, NOI approach and Traditional Approach, Modigliani-Miller (MM) Position, Arbitrage process, Taxes Capital Structure, Corporate plus Personal Taxes, Merton Miller's Equilibrium, Effects of Bankruptcy Costs, Tradeoff model, Packing order theory.
4. **Dividend Policy:** Procedural Aspects of Paying Dividends, Types of Dividend Policies, Factors Affecting Dividend Policy, Dividend Payout Irrelevance, Arguments for Dividend Payout Matter, Impact of Other Imperfections, Financial Signaling, Share Repurchase, Method of Repurchase, Repurchasing as Part of Dividend Decision, Stock Dividends, Stock Splits.
5. **Capital Market financing:** Public Offering of Securities, Traditional Underwriting, Best Efforts Offering, Making a Market, Shelf Registrations, Flotation Costs, Government Regulations for Issuing Securities, SEC Review, SEC Regulations in the Secondary Market, Selling Common Stock Through a Rights Issue, Value of Rights, Success of the Offering, Standby Underwriting, Oversubscriptions, Rights Issue vs. Public Offering, Green Shoe Provision, Financing a Fledgling, Initial Public Offerings, Information Effects of Announcing a Security Issue, Types of Long-term Debt Instruments, Retirement of Bonds, Preferred Stock and its Features, Common Stock and its Features, Bond Refunding.
6. **Lease Financing:** Definition of Lease, Types of Lease, Leasing Arrangements, Advantages and Disadvantages of Lease, Lease versus Purchase Decision, Leasing in Bangladesh-Problems and Prospects.

7. **Working Capital Management:** Importance, Determinants of Working Capital, Policies for Financing Current Assets, Operating Cycle and Cash Conversion Cycle, Estimating Working Capital Requirement.

Books Recommended:

1. James C. Van Horne : *Financial Management and Policy*
2. James C. Van Horne & John M. Wachowicz : *Fundamentals of Financial Management*
3. Ghosh, Biswas, Bala, Sath, Hoques & Manik : *Financial Management*, Nadi Publications

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|---------------------------|--|-------------------|-----------------------------|
| Paper Code: 232515 | Marks: 100 | Credits: 4 | Class Hours: 60 hrs. |
| Paper Title: | BANKING AND INSURANCE THEORIES, LAWS AND ACCOUNTS | | |

Part-A: Banking Theories, Laws and Accounts (50%)

1. **Introduction:** Definition, Evolution, Classification, Functions, Objectives, and Principles of Bank, Functions of commercial bank, Objectives of Commercial Bank, Forms of advance, Types of security, Electronic banking services, Functions of central bank, Credit control of central bank, Principles of note issue, Method/systems of note issue, Role of bank in economic development, Structure of banking system in Bangladesh.
2. **Banking Company in Bangladesh:** Business and licensing of bank companies, Paid up capital and reserves, Appointment and removal of directors and chief executive officer, Illegal banking transactions by companies, Acquisition of the undertaking of banking companies, Suspension of business and winding up of banking companies, Restriction on loans and advances, Issuance of policy directions by BB, Remission of loans, Classified Loan and Loan Loss Provisions, Operation and management, Inspection and investigation, Submission of return and reports.
3. **BB's Guidelines for Banks:** Corporate Governance Guidelines, and Guidelines on Risk Based Capital Adequacy for banks.
4. **Financial Statements of Banking Companies:** Preparation of Financial Statements of Banking Companies as per BB's Guidelines.

Part-B: Insurance Theories, Laws and Accounts (50%)

1. **Insurance Company in Bangladesh:** Definition and Evolution of Insurance, Functions, Importance and Classification of Insurance, Essential element of insurance, Insurable interest, Classification of insurance policies under life insurance, marine insurance and fire insurance, Reinsurance.
2. **Insurance Company in Bangladesh:** Insurance Development and Regulatory Authority (IDRA), Registration and renewals, Determination of premium rates, Capital and deposits, Margin of safety, Insurable interests, Actuarial report and abstract, Registers, Submission of returns, Investment of assets, Solvency margin, Loans and Management, Investigation and power of regulatory authority, Assignment and transfer of policies, Commissions, rebates and management expenses, Distribution of dividend, bonus and profit, Licensing of agents, Survey and surveyors.
3. **Calculation of Premium and Claims of Insurance:** Calculation of net single and annual premium of life insurance, Methods of payment of claim in life insurance, Calculation of loss and actual claims in marine insurance and fire insurance.
4. **Financial Statements of Insurance Companies:** Preparation of Financial Statements of Insurance Companies as per Guidelines of the IDRA.

Reference Statutes:

1. ICAB, *Corporate Laws and Practices* (Professional Stage Application Level).
2. The Banking Companies Act, 1991
3. The Bangladesh Bank Order 1972
4. The Insurance Act, 2010
5. Insurance Development and Regulatory Authority Act 2010.