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**BANKING AND FINANCE**

**Introduction:**

This course focuses on the fundamentals of money markets and banking system with emphasis on principles, functions, and operations rather than institutional details. It includes coverage of various national and international financial institutions. Islamic mode of financing has also been discussed.

**Specification Grid:**

<b>Part</b>	<b>Chapters</b>
<b>I</b>	<b>1. Money.</b> <b>2. Bank.</b> <b>3. Credit and Credit Instruments.</b>
<b>II</b>	<b>4. Commercial Banks.</b> <b>5. Central Bank (with special reference to Pakistan).</b>
<b>III</b>	<b>6. Simple Foreign Exchange Transactions.</b> <b>7. Export and Import Transactions.</b>
<b>IV</b>	<b>8. Finance.</b> <b>9. Islamic Financing.</b> <b>10. Development Financial Institutions (DFIs).</b>

**Notes to the Specification Grid:**

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

**Evaluation Criteria:**

1. Answer shall be evaluated on the basis of correct language and the subject matter.

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**COURSE OUTLINE****Part – I****1. Money.**

- i) Definition, origin and functions of money.
- ii) Qualities of a good money system.
- iii) Importance of money.
- iv) Paper money.
  - a) Kinds of paper money.
  - b) Its advantages and disadvantages.
- v) Value of money.
- vi) Monetary Policy.
- vii) Effects of changes in value of money.
- viii) Inflation, its causes and remedies.
- ix) Deflation.
- x) Reflation.
- xi) Devaluation.

**2. Bank.**

- i) Definition of Bank.
- ii) Origin and scope of banking.
- iii) Test of efficiency of a good bank.
- iv) Classification of banks on the basis of their functions and constitution.
- v) Importance of bank for the development of a country.

**3. Credit and Credit Instruments.**

- i) Definition of Credit.
- ii) Uses and abuses of Credit.
- iii) Importance of Credit.
- iv) Difference between negotiable and non-negotiable instruments.
- v) Characteristics of negotiability.
- vi) Credit Instruments.
  - a) Cheque.
  - b) Bill of Exchange.
  - c) Promissory Note.
  - d) Bank Draft.
  - e) Travelers Cheque.
  - f) Letter of Credit.
- vii) The Concept of Plastic Money.
  - a) Credit Cards.
  - b) Telephonic transfer of Money.
  - c) Electronic transfer of Money.

**Part –II****4. Commercial Banks.**

- i) Definition, Importance and Functions of Commercial Banks.
- ii) Principles of Commercial Banking.
  - a) Liquidity.
  - b) Efficiency.
  - c) Economy.
  - d) Publicity.
- iii) Credit Creation and its Limitations.
- iv) The Principal Features of Different Bank Accounts.
  - a) Fixed Account.

- b) Current Account.
- c) PLS Saving Account.
- d) PLS Fixed Term Account.
- v) Rights and Duties of a Bank Customer and a Banker.
- vi) Reasons for Dishonouring Cheques.
- vii) Kinds and Importance of Crossing and Endorsing Cheques.
- viii) Types of Bank Advances.
  - a) Cash.
  - b) Credit.
  - c) Fixed Loans.
  - d) Overdraft.
- ix) Principles of Bank Advances.
- x) Securities and Kinds of Securities.
  - a) Banker's Lien.
  - b) Pledge.
  - c) Mortgage.
  - d) Hypothecation.

**5. Central Bank (with special reference to Pakistan).**

- i) The nature, principles, constitution and objectives of Central Bank.
- ii) Importance of Central Bank for an economy like Pakistan.
- iii) Main functions of a Central Bank.
- iv) Methods of Credit Control.
- v) State Bank of Pakistan.
  - a) Its Primary and Secondary Functions.
  - b) Its Role in the Economic Development of the Country.

**Part – III**

**6. Simple Foreign Exchange Transactions.**

- i) Meaning of Foreign Exchange.
- ii) Foreign Exchange Transactions.
- iii) Factors Influencing Foreign Exchange.
- iv) Methods of International Payments.
- v) Exchange Control.
- vi) Forms of Exchange Control.
- vii) Forward Foreign Exchange.
- viii) Letter of Credit.
- ix) Import Letter of Credit.
- x) Export Letter of Credit.
- xi) Why Banks Handle Letter of Credit?
- xii) Advantages of Letter of Credit.

**7. Export and Import Transactions.**

- i) Commodity Barter.
- ii) Import License.
- iii) Cash Transactions.
- iv) Methods of Making Payments.
- v) Export Transactions.
- vi) Problems of the Exporter.
- vii) The Channels of Export Trade.
- viii) Financing of Exports.
- ix) Handling of Import and Export Documents.

**Part – IV****8. Finance.**

- i) Meaning, definition and importance of Finance.
- ii) Sources of Business Funds.
  - a) Creditors' and owners' fund.
  - b) Characteristics in relation to risk, income and credit control.
  - c) Advantages and disadvantages of creditors' and owners' fund.
- iii) Kinds of Finance.
  - a) Short Term Finance: Its sources, advantages & disadvantages.
  - b) Intermediate Term Finance: Its sources, advantages & disadvantages.
  - c) Long Term Finance: Its sources, advantages & disadvantages.

**9. Islamic Financing.**

- i) Definition and importance.
- ii) Islamic modes of financing.
  - a) Musharika.
  - b) Mudarba.
  - c) Participation Term Certificate (PTC).
  - d) Term Finance Certificate (TFC).
  - e) Leasing.
  - f) Rent Sharing.

**10. Development Financial Institutions (DFIs).**

Definition, Organization and Functions of the following Institutions:

- i) National.
  - a) Pakistan Industrial Credit and Investment Corporation (PICIC).
  - b) Agricultural Development Bank of Pakistan (ADBP).
  - c) Industrial Development Bank of Pakistan (IDBP).
  - d) Small Business Finance Corporation (SBFC).
  - e) Investment Corporation of Pakistan (ICP).
  - f) National Investment Trust (NIT).
- ii) International.
  - a) International Monetary Fund (IMF).
  - b) International Bank for Reconstruction and Development (IBRD) --- World Bank.
  - c) International Finance Corporation (IFC).
  - d) Paris Club.

**Prescribed Books:**

1. Money, Banking & Credit: Prof. M. Saeed Nasir.
2. Islamic Finance: Justice Taqi Usmani.

**Suggested Readings:**

1. Money Banking & International Trade: R.R. Paul.
2. Modern Money & Banking: Roger Leroy Miller, Robert W. Pulsinelli.
3. Banking Currency & Finance: M. Irshad.
4. International Banking Management: Syed Agha Ijaz Hussain.
5. Business Finance: B.B.Howard.

## ECONOMICS

### Introduction:

The objective of the course is to enable the students to equip themselves with the main economic concepts and their relevance to economy. Among the topics covered are analytical tools of demand optimization, consumer behaviour, cost analysis and efficient resource allocation by firms and governments.

### Specification Grid:

Part	Chapters
<b>I</b>	<b>1. Introduction.</b> <b>2. Theory of Consumer Behaviour.</b> <b>3. Demand.</b> <b>4. Supply.</b>
<b>II</b>	<b>5. The Theory of Production.</b> <b>6. Cost Analysis.</b> <b>7. Basic Market Models.</b>
<b>III</b>	<b>8. Rent.</b> <b>9. Wages.</b> <b>10. Interest.</b> <b>11. Profit.</b> <b>12. National Income.</b>
<b>IV</b>	<b>( This Part should be taught with reference to Pakistan )</b>  <b>13. Public Finance.</b> <b>14. Developing Economy and its Characteristics.</b> <b>15. Obstacles to Economic Development in an Underdeveloped Country.</b> <b>16. Capital Formation and Economic Development.</b> <b>17. Foreign Trade.</b> <b>18. Foreign Capital Inflow.</b>

### Notes to the Specification Grid:

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

### Evaluation Criteria:

1. Answer shall be evaluated on the basis of correct language, subject matter, and the necessary schedules and diagrams.

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**COURSE OUTLINE****Part – I****1. Introduction:**

- i) Definition of Economics by:
  - a) Adam Smith.
  - b) Marshal.
  - c) Robbins.
- ii) Nature of Economic Laws.
- iii) Methodology of Economics.
- iv) The Concept of Economic Welfare.
- v) Economic Analysis and Economic Policy.
- vi) Microeconomics versus Macroeconomics.
- vii) Goals of an Economic Activity.
- viii) Importance of studying Economics.

**2. Theory of Consumer Behaviour.**

- i) Cardinal Approach.
  - a) Meaning of Utility.
  - b) Meaning of Consumption and its importance in Economic Activity.
  - c) Law of Diminishing Marginal Utility.
    - 1- Graphical and Numerical illustration.
    - 2- Assumption and its Practical Importance.
  - d) Law of Substitution/Equi-Marginal Utility.
    - 1- Its Schedule
    - 2- Its Graphical and Numerical illustration.
    - 3- Its Assumptions, Limitations and Importance.
- ii) Ordinal Approach.
  - a) Marginal Rate of Substitution (MRS).
  - b) The Indifference Curve -- Defined.
  - c) Properties of Indifference Curve.
  - d) Price Line or Budget Line.
  - e) Equilibrium of the Consumer Through Indifference Curves Analysis.
    - 1- Income Effect.
    - 2- Substitution Effect.
    - 3- Income Consumption Curve.
    - 4- Price Consumption Curve
  - f) Consumer's Equilibrium under Various Situations.
  - g) Demand Curves through Indifference Curve (Individual and Market).

**3. Demand.**

- i) The Meaning of Demand.
- ii) The Law of Demand (illustration, schedule, diagram).
  - a) Assumptions.
  - b) Exceptions – Ceteris Paribus.
- iii) The Individual's Demand for a Commodity.
- iv) The Market Demand for a Commodity.
- v) Movements versus Shift of Demand Curve.
- vi) Non-Price Factors or Shift Factors Causing Changes in Demand

- vii) Slope of the Demand Curve --- rationale.
- viii) Elasticity of Demand.
  - a) Degrees of Price Elasticity of Demand.
  - b) Determinants of Price Elasticity of Demand.
  - c) Measurement of Price Elasticity of Demand.
  - d) Type of Elasticity.
    - 1- Price Elasticity.
    - 2- Income Elasticity.
    - 3- Cross Elasticity.
  - e) Importance and Measurement of Elasticity of Demand.

**4. Supply.**

- i) Meaning.
- ii) The Law of Supply (illustration, schedule, diagram, assumptions).
- iii) Movements Vs Shift in Supply.
- iv) Determinants of Supply.
- v) Elasticity of Supply.
  - a) Definition.
  - b) Categories of Price Elasticity of Supply.
  - c) Measurement of Elasticity of Supply.
  - d) Determinants of Elasticity of Supply.
  - e) Importance and Measurement of Elasticity of Supply.

**Part – II****5. The Theory of Production.**

- i) Production Functions.
- ii) Factors of Production --- Description.
- iii) Definition, Schedule and Diagrammatic representation of the following Laws:
  - a) The Law of Variable Proportions (One Variable and Two Variable).
  - b) The Law of Diminishing Returns.
  - c) The Law of Increasing Returns.
  - d) The Law of Constant Returns.

**6. Cost Analysis.**

- i) Different Concepts of Production Cost.
- ii) Short Run and Long Run Cost Curves.
- iii) Average Cost.
- iv) Analysis of Short Run Cost of Production.
- v) Marginal Cost.
- vi) Relation of Average Variable Cost and Average Total Cost to Marginal Cost.

**7. Basic Market Models.**

- i) Definition of Market.
- ii) Description of following Market Models.
  - a) Perfect Competition.
  - b) Monopoly.
  - c) Monopolistic Competition.
  - d) Oligopoly.

**Part – III****8. Rent.**

- i) Meaning.
- ii) Net and Gross Rent.
- iii) Rent Rate Determination by Demand and Supply.

**9. Wages.**

- i) Meaning.
- ii) Real and Nominal Wages.
- iii) Theories of Wages.

**10. Interest.**

- i) Meaning.
- ii) Economic/Net/Gross Interest.
- iii) Liquidity Preference Theory of Interest by Keynes.

**11. Profit.**

- i) Meaning.
- ii) Net and Gross Profit.
- iii) Difference between Economic and Accounting Profit.

**12. National Income.**

- i) Gross National Product (GNP).
- ii) Net National Product (NNP).
- iii) National Income at a Factor Cost.
- iv) Personal Income.
- v) Disposable Personal Income (DPI).
- vi) National Income Measurement.
- vii) Circular Flow of Income in Two-Sector Economy.
- viii) Determinants of National Income.
- ix) Difficulties in the Measurement of National Income.
- x) GNP as a Measure of Welfare.

**Part – IV**

**Note: This Part should be taught with reference to Pakistan.**

**13. Public Finance.**

- i) Fiscal Policy Vs Monetary Policy.
- ii) Principles of Taxation.
- iii) Direct and Indirect Taxes and their advantages and disadvantages.

**14. Developing Economy and its Characteristics.**

- i) Economic Development – Definition.
- ii) Twelve musts for Economic Development.
- iii) Measurement of Economic Development.

**15. Obstacles to Economic Development in an Underdeveloped Country.**

- i) Main Obstacles to Economic Growth in Pakistan.
- ii) Vicious Circle of Poverty.
- iii) Rostow's Growth Stages.
- iv) Obstacles to Economic Development in Pakistan.

**16. Capital Formation and Economic Development.**

- i) Meaning of Capital Formation.
- ii) Sources of Capital Formation in Pakistan.
- iii) Deficit Financing in Pakistan.

**17. Foreign Trade.**

- i) Contribution of Foreign Trade to Economic Development.



- ii) Pakistan Export Performance.
- iii) Balance of Trade --- Description.
- iv) Balance of Payment --- Description.
- v) Terms of Trade (TOT).
- vi) Rupee Exchange Rate.
- vii) Rupee Devaluation.

**18. Foreign Capital Inflow.**

- i) Foreign Economic Assistance.
- ii) Forms of Foreign Economic Assistance.
- iii) Sources of Foreign Loans.
- iv) Foreign Aid.
- v) Benefits and Costs of Foreign Economic Assistance.
- vi) Private Foreign Investment.
- vii) Domestic Debt.

**Prescribed Books.**

1. An Introduction to Economics: M. Saeed Nasir.
2. Economics of Pakistan: M. Saeed Nasir & Syed Kamal Haider.

**Additional Readings.**

1. Economic Theory: Habib Ullah Vaseer.
2. Modern Microeconomics: A. Koutsoyiannis.
3. Introductory Economics: G.F. Stanlake.
4. Economic Survey of Pakistan (latest issue).
5. Economic Development: Benjamin Higgins.
6. Economic Development: Meir & Baldwin.
7. Capital Formation in Developing Countries: Raja. J. Cheltrah.
8. Economic Theory, Practice & Policies: Browning & Browning.
9. Micro Economic Theory: Furguson & Gould.

**ENGLISH****Introduction:**

English is the internationally recognized lingua franca in commerce and industry. Most of the communication, the life-blood for business, is done through English language. As such its importance for the students of commerce is very much profound.

The syllabus of this course has been designed to provide the students with a detailed knowledge of English grammar and composition. Its objective is to train and prepare students for effective use of English language in business communication.

**Specification Grid:**

<b>Part</b>	<b>Topics</b>	<b>Total Marks of the Topic</b>
<b>I</b>	<b>Vocabulary.</b> 1. Antonyms 2. Synonyms 3. Business Colloquialisms 4. Explanation of the Business Terms	<b>20 Marks</b>
<b>II</b>	<b>Practical Grammar.</b> 5. Word Classes 6. Punctuation 7. Tenses 8. Active and Passive Voice 9. Direct and Indirect Speech	<b>40 Marks</b>
<b>III</b>	<b>Composition.</b> 10. Précis Writing ----- 15 11. Essay Writing ----- 25	<b>40 Marks</b>

**Notes to the Specification Grid:**

- There shall be 3 (three) parts of the question paper, as above.
- Students shall be required to attempt all questions.
- Questions may be set from outside the Prescribed and Suggested books.
- Maximum time allowed for answering Part-I & II shall be One and a Half ( $1\frac{1}{2}$ ) Hour; and for this purpose the answer-sheet issued to the candidate shall be collected after the expiry of first one and a half ( $1\frac{1}{2}$ ) hour. Fresh answer sheet shall be issued to answer Part-III.
- Questions appearing from Part-III shall be subjective in nature. The students shall be required to write a précis of an unknown passage and an essay of about 500 words on any one of the four given topics.

**Evaluation Criteria:**

1. Answers to the questions of Part-I & II shall be evaluated on the basis of accuracy.
2. Answers to the questions of Part-III shall be evaluated on the basis of correct language and the subject matter.

**COURSE OUTLINE****Part – I****Vocabulary.**

1. Antonyms.
2. Synonyms.
3. Business Colloquialisms.
4. Explanation of the Business Terms.

**Part – II****Practical Grammar.**

5. Word classes.
  - i) Articles. – Definite, Indefinite.
  - ii) Nouns – with further classifications (regular, irregular; countable, uncountable; singular, plural).
  - iii) Pronouns – with further classifications.
  - iv) Verbs – emphasis on the three forms of verbs.
  - v) Adjectives – with further classifications – three degrees of comparison.
  - vi) Adverbs – with further classifications.
  - vii) Preposition.
  - viii) Conjunctions – with further classifications.
  - ix) Interjections.
  - x) Auxiliary verbs.
  - xi) Determiners.
  - xii) Infinitive.
  - xiii) Participle.
  - xiv) Gerund.
  - xv) Genitives – Types and Function.
6. Punctuation.
7. Tenses.
  - i) Types.
  - ii) Structure.
  - iii) Function.
  - iv) Conversion into negative.
  - v) Conversion into interrogative.
8. Active and Passive Voice.
9. Direct and Indirect Speech.

**Part – III****Composition.**

10. Précis Writing.
11. Essay Writing.

**Prescribed Books:**

1. English For Business; A Functional Approach: J.Chilver; DP Publications Limited, Aldine Place, 142/144 Uxbridge Road, London W128AW.
2. High School English Grammar & Composition: Wren & Martin, S. Chand & Company Limited.

**Suggested Reading:**

1. Practical English Usage: Michael Swan, Oxford University Press.
2. A Practical English Grammar: A.J Thomson & A.V. Martinet.

## FINANCIAL ACCOUNTING – I

### Introduction:

This is an introductory course, aiming at development of understanding about accounting terminologies, procedures and methods. The course will enable students to learn basic accounting principles about bookkeeping, preparation of Bank Reconciliation Statement and preparation of financial statements under Double Entry for Sole Proprietorship and Non-Profit Organizations.

### Specification Grid:

Part	Chapters
<b>I</b>	<b>1. Introduction.</b> <b>2. Journal and Ledger.</b> <b>3. Accounting Concepts and Conventions.</b> <b>4. The Trial Balance.</b> <b>5. Cash Book.</b>
<b>II</b>	<b>6. Bank Reconciliation Statement.</b> <b>7. Subsidiary Books of Account.</b> <b>8. Capital and Revenue Items.</b> <b>9. Bad Debts, Provision for Bad and Doubtful Debts.</b> <b>10. Depreciation.</b>
<b>III</b>	<b>11. Inventories.</b> <b>12. Bills of Exchange.</b> <b>13. Consignment Accounts.</b> <b>14. Joint Venture Accounts.</b>
<b>IV</b>	<b>15. Final Accounts.</b> <b>16. Rectification of Errors.</b> <b>17. Manufacturing Account and Cost Statement.</b> <b>18. Accounting for Non-Profit Organisation.</b>

### Notes to the Specification Grid:

1. The question paper shall comprise 8 (eight) questions.
2. There will be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. No question shall contain theory in excess of 08 marks.

### Evaluation Criteria:

1. Answer to the theoretical question shall be evaluated on the basis of correct language and the subject matter.
2. Numerical shall be evaluated on the basis of correct answer, logical sequence and working notes.

**COURSE OUTLINE**  
**Part – I**

**1. Introduction.**

- i) Bookkeeping --- The Basis of Accounting.
- ii) Accounting Mechanics: The Double Entry System.
- iii) Classes of Accounts:
  - a) Personal Accounts.
  - b) Real Accounts.
  - c) Nominal Accounts.
  - d) Valuation Accounts.
- iv) Rules for Debit & Credit.

**2. Journal and Ledger.**

- i) The Journal.
  - a) Advantages of using a Journal.
  - b) Sub-division of Journal.
- ii) The Ledger.
  - a) Sub-division of Ledger.
  - b) Standard Form of Ledger Account.
  - c) Running Balance Form of Ledger Account.
  - d) Sequence and Number of Ledger Accounts.
  - e) The Mechanics of Posting.
  - f) Balancing Ledger Accounts.

**3. Accounting Concepts and Conventions.**

- i) The Business Entity Concept.
- ii) The Money Measurement Concept.
- iii) The Dual Aspect Concept.
- iv) The Going Concern Concept.
- v) The Periodicity Concept.
- vi) The Consistency Concept.
- vii) The Materiality Concept.
- viii) The Historical Cost Concept.
- ix) The Conservatism Concept.
- x) The Realisation Concept.
- xi) The Accrual Concept.
- xii) The Matching Concept.
- xiii) International Accounting Standard-1 (Revised 1997).

**4. The Trial Balance.**

- i) Definition.
- ii) Objectives in Drawing up a Trial Balance.
- iii) Defects of a Trial Balance.
- iv) Errors disclosed by a Trial Balance.
- v) Errors, which are not disclosed by the Trial Balance.
- vi) Construction of a Trial Balance.
  - a) Trial Balance with Balances.
  - b) Trial Balance with Totals.
  - c) Trial Balance with Balances and Totals.
- vii) Methodology of Locating Errors.

- viii) Suspense Account.
- ix) Rules for Preparing the Trial Balance from Given Ledger Balances.
- x) Treatment of Closing Stock in Trial Balance.
- xi) Correction of Trial Balance.
- xii) The Adjusted Trial Balance.

#### 5. Cash Book.

- i) Definition and Features.
- ii) Kinds of Cash Book.
  - a) Single Column Cash Book.
  - b) Double Column Cash Book.
  - c) Three Column Cash Book (cash, bank and discount columns).
    - 1- Types of Discount and their treatment in Cash Book.
      - i- Trade Discount.
      - ii- Cash Discount.
  - d) Cash Book as only book of Original Entry.

#### Part – II

#### 6. Bank Reconciliation Statement (BRS).

- i) Definition.
- ii) Causes of Difference in Bank Book and Pass Book.
- iii) Need for Bank Reconciliation Statement.
- iv) Preparation of Bank Reconciliation Statement:
  - a) Where causes of difference are given:
    - 1- Bank Reconciliation Statement is to prepared without adjusting the cashbook.
      - i- When bank favourable balance as per the cashbook is given.
      - ii- When bank overdraft as per the cashbook is given.
      - iii- When bank favourable balance as per the passbook is given.
      - iv- When bank overdraft as per the passbook is given.
    - 2- B.R.S. is to be prepared after adjusting the cashbook.
      - i- When bank favourable/overdraft balance as per the cashbook is given.
      - ii- When bank favourable/overdraft balance as per passbook is given.
  - b) Where causes of difference are not given, but extract of the cashbook and passbook are given:
    - 1- When cashbook and passbook are of the same period are given.
    - 2- When both cashbook and passbook of the same period and also the B.R.S. of the previous period are given.
  - c) To prepare the B.R.S. according to the Accountant's Method (to reach at correct Bank Balance).

#### 7. Subsidiary Books of Account.

- i) Sub division of Journal.
- ii) Purchase Day Book.
- iii) Sales Day Book.
- iv) Sales Day Book with Sales Tax Column.
- v) Purchase Return Book.

- vi) Sales Return Book.
- vii) Bills Receivable Book.
- viii) Bills Payable Book.
- ix) Journal Proper or General Journal.

#### **8. Capital and Revenue Items.**

- i) Capital and Revenue Expenditure.
  - a) Rules for determining Capital Expenditure.
  - b) Rules for determining Revenue Expenditure.
- ii) Deferred Revenue Expenditure.
- iii) Capital and Revenue Receipts.
- iv) Capital and Revenue Profits.
- v) Capital and Revenue Losses.

#### **9. Bad Debts, Provision for Bad Debts and Doubtful Debts.**

- i) Introduction.
- ii) Estimating Bad Debts.
- iii) Effects of not providing for future Bad Debts.
- iv) Accounting for Bad Debts.
- v) Accounting for Provision for Bad Debts.
- vi) Provision for Discount on Debtors.
- vii) Reserve for Discount on Creditors.
- viii) Recovery of Bad Debts.
- ix) Treatment of Bad Debts recovery in the books of buyer.

#### **10. Depreciation.**

- i) Introduction.
- ii) Depreciation is an Expense.
- iii) Objects of providing Depreciation.
- iv) Effects of not providing Depreciation.
- v) Factors in the Measurement of Depreciation.
- vi) International Accounting Standard – 16 (Revised 1998).
- vii) The Accounting Concept of Depreciation.
- viii) Important terms regarding Depreciation.
- ix) Methods of Depreciation.
  - a) The Straight Line Method (SLM).
  - b) The Diminishing Balance Method.
  - c) Sinking Fund Method.
  - d) Sum of years' digits Method.
  - e) Depletion Method.
- x) Factors to be taken into Consideration in Selecting a Depreciation Method.
- xi) Intangible Assets and Depreciation.
  - a) Patents.
  - b) Trademarks.
  - c) Copyrights.
- xii) Charges for Depreciation and Materiality Concept.
- xiii) Profit and Loss on Disposal of Fixed Assets.
  - a) When no provision for depreciation is maintained.
  - b) When provision for depreciation is maintained.
- xiv) Exchange of Used Asset with New Asset/ Trade-in.
- xv) Change of Method of Depreciation.
  - a) With Retrospective Effect.



- b) Without Retrospective Effect.
- xvi) Depreciation -- A source of Fund or not.

### **Part – III**

#### **11. Inventories.**

- i) Introduction.
- ii) Objectives of Accounting for Inventories.
- iii) Methods of Recording Closing Stock.
- iv) Effects of an error in Valuing Inventory.
- v) Accounting for Inventories.
  - a) Perpetual and Periodic Inventory Method.
  - b) Inventory Valuation.
  - c) Choice among the flow of Cost.
    - 1- Specific Identification Method.
    - 2- FIFO Method.
    - 3- LIFO Method.
    - 4- Weighted-Average Method.
    - 5- Moving-Average Method.
- vi) International Accounting Standard – 2 (Revised 1993).
- vii) Problems of Stock Taking.

#### **12. Bills of Exchange.**

- i) Definition.
- ii) Distinction between Bills of Exchange and Promissory Notes.
- iii) Parties to a bill of exchange.
- iv) Types of Bills of Exchange.
- v) Bills Receivable and Bills Payable.
- vi) Due date of a bill of exchange.
- vii) Methods of dealing with a Bill of Exchange by the drawer:
  - a) Holding the bill till the date of maturity and then presenting the bill to the drawee for payment.
  - b) Discounting the bill with the banker.
  - c) Endorsing the bill in favour of a third party.
  - d) Sending the bill to the banker for collection.
- viii) Bills Receivable Book and Bills Payable Book.
- ix) Dishonour of a Bill.
- x) Noting Charges.
- xi) Insolvency:
  - a) Effect of insolvency of the Drawee.
  - b) Provision against Doubtful Drawees.
- xii) Renewal of a Bill.
- xiii) Retiring a Bill.
- xiv) Accommodation Bill.

#### **13. Consignment Accounts.**

- i) Economics of Consignment.
- ii) Distinction between Sale and Consignment.
- iii) Account Sales.
- iv) Cost Price Method.
- v) Valuation of Unsold Stock.
- vi) Entries in the books of the Consignee.

- vii) 'Del-credere' Commission.
- viii) Loss of Goods on Consignment.
- ix) Invoice Price Method.
- x) Invoice Price Memorandum Column Method.

**14. Joint Venture Accounts.**

- i) Features of a Joint Venture.
- ii) Difference between Partnership and Joint Venture.
- iii) Methods of keeping Accounts.
- iv) Separate set of Books kept.
- v) No Separate set of Books kept.
- vi) Memorandum Method.
- vii) Valuation of unsold Stock.

**Part – IV****15. Final Accounts.**

- i) Trading Account.
- ii) Profit and Loss Account.
- iii) Adjustments.
  - a) Interest on Capital.
  - b) Interest on Drawing.
  - c) Depreciation.
  - d) Outstanding Expenses.
  - e) Accrued Income.
  - f) Prepaid Expenses.
  - g) Income Received in Advance.
  - h) Valuation of Inventory.
- iv) Balance Sheet.
- v) Distinction between Profit & Loss and Balance Sheet.
- vi) Form of a Balance Sheet.
- vii) Assets and their Classification.
- viii) Liabilities and their Classification.
- ix) Uses of Balance Sheet.
- x) Limitation of Balance Sheet.

**16. Rectification of Errors.**

- i) Types of Errors.
- ii) Rectification of Errors before preparation of Trial Balance.
- iii) Rectification of Errors after preparation of Trial Balance.
- iv) Suspense Account.
- v) Rectification of Errors after the preparation of Final Accounts.

**17. Manufacturing Account and Cost Statement.**

- i) The Cycle of Production.
- ii) Elements of Cost.
- iii) Manufacturing Account sharing Manufacturing Profit.
- iv) Cost Statement.

**18. Accounting for Non-Profit Organisation.**

- i) Accounting Procedures.
- ii) Preparation of:
  - a) Receipt and Payment Account.
  - b) Income and Expenditure Account.
  - c) Balance Sheet.

- iii) Distinction between Receipt & Payment Account and Income & Expenditure Account.

**Prescribed Books:**

- 1. Modern Accountancy: M. Hanif and A. Mukherjee.

**Suggested Reading:**

- 1. Advanced Accounts: M.C.Shukla and T.S.Grewal.
- 2. Principles of Accounting: M.A.Ghani and Ejaz.

## INTRODUCTION TO BUSINESS

### Introduction:

This course will enable the students to understand the nature and importance of business, the formation and the functions of various business organizations.

### Specification Grid:

Part	Chapters
I	<b>1. Introduction.</b> <b>2. Sole Proprietorship.</b> <b>3. Partnership.</b> <b>4. State Ownership.</b>
II	<b>5. Joint Stock Company.</b>
III	<b>6. Combinations.</b> <b>7. Insurance.</b> <b>8. Customs &amp; Excise.</b>
IV	<b>9. Stock Exchange.</b> <b>10. Securities and Exchange Commission of Pakistan (SECP).</b> <b>11. Central Depository Company (CDC).</b> <b>12. Produce Exchange.</b>

### Notes to the Specification Grid:

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

### Evaluation Criteria:

1. Answers shall be evaluated on the basis of correct language and the subject matter.

## COURSE OUTLINE

### Part - I

#### **1. Introduction.**

- i) Definition of business, its scope and objectives.
- ii) The concept of entrepreneur, its functions and qualities of good entrepreneur.
- iii) Industry, its meanings and types.
- iv) Definition and scope of commerce.
- v) Meaning and basic principles of business organization.
- vi) Common features of business enterprise.

**2. Sole Proprietorship.**

- i) Meaning.
- ii) Features.
- iii) Advantages and Disadvantages.

**3. Partnership.**

- i) Definition, elements, advantages and disadvantages.
- ii) Partnership agreement: Its contents & importance.
- iii) Registration of Firms and its benefits.
- iv) Effects of non-registration.
- v) Kinds of Partners.
- vi) Mutual rights, duties and liabilities of Partners.
- vii) Minor as Partner – The provision of Partnership Act in this respect.
- viii) Incoming partners, their rights and liabilities.
- ix) Outgoing partners, their rights and liabilities.
- x) Kinds of Partnership.
  - a) Ordinary Partnership: Definition and features.
  - b) Partnership at Will: Definition and features.
  - c) Limited Partnership: Definition and features.
- xi) Requisites of an ideal Partnership.
- xii) Dissolution of Partnership versus that of a Firm.
- xiii) Reasons and ways of dissolution of a firm.
- xiv) Conduct of the winding up of the firm.

**4. State Ownership.**

- i) Definition.
- ii) Causes of State Ownership.
- iii) Types.
  - a) Government Department: Organization, features, advantages and disadvantages.
  - b) Public Corporations: Features, advantages and disadvantages.
  - c) Government Companies: Features, advantages and disadvantages.

**Part - II****5. Joint Stock Company.**

- i) Definition and features.
- ii) Classification of Joint Stock Companies.
  - a) Chartered Company.
  - b) Statutory Company.
  - c) Registered Company.
- iii) Kinds of Joint Stock Companies.
  - a) Limited Company.
    - i- Public Limited Company.
    - ii- Private Limited Company.
  - b) Unlimited Company.
  - c) Guarantee Limited Company.
- iv) Promoting a Joint Stock Company.
  - a) Documents to be furnished for Incorporation.
    - i- Memorandum of Association.
    - ii- Articles of Association.
  - b) Certificate of Incorporation.
  - c) Documents to be furnished after incorporation.

- i- Prospectus.
  - ii- Statement in lieu of Prospectus.
  - iii- Certificate of Commencement of Business.
- v) Advantages and Disadvantages of Joint Stock Company.
- vi) Difference between Partnerships and Joint Stock Company.
- vii) Financing of Joint Stock Company.
  - a) Types of Capital.
    - i- Fixed Capital.
    - ii- Working Capital.
    - iii- Share Capital.
  - b) Sources of Raising Funds.
    - i- Shares: Definition & Procedure of Allotment.
    - ii- Debentures: Definition & Procedure of Allotment.
    - iii- Participation Term Certificate (PTC).
    - iv- Capital Gearing.
    - v- Under writing of Shares.
    - vi- Lending Institutions (introduction only).
    - vii- Retained Earnings/Un-appropriated profits.
- viii) Dividends.
  - a) Definition.
  - b) Types of dividends.
  - c) Rules regarding issuance of dividends.
- ix) Company Management.
  - a) Share Holders.
    - i- How one can become a shareholder?
    - ii- Rights, liabilities and role in company's management.
  - b) Directors.
    - i- Board of directors.
    - ii- Qualification, appointment, power, duties, liabilities, removal and retirement of directors.
    - iii- Managing Director/Chief Executive Officer.
      - 1- Appointment.
      - 2- Terms of appointment.
      - 3- Restriction on removal of Chief Executive Officer.
  - c) Secretary of Joint Stock Company.
    - i- Appointment.
    - ii- Duties before and after incorporation of the company.
- x) Company Meetings.
  - a) Statutory Meeting.
    - i- Definition.
    - ii- Procedure and conduct of Statutory Meeting.
    - iii- Business conducted at statutory meeting.
    - iv- Statutory Report.
  - b) Annual General Meeting (AGM).
    - i- Definition.
    - ii- Procedure of convening.
    - iii- Business conducted at Annual General Meeting.
    - iv- Legal Requirements.
    - v- Reports.

- c) Extra Ordinary Meeting.
  - i- Definition.
  - ii- Purposes.
  - iii- Procedure of conduct.
- d) Meeting of Board of Directors.
  - i- Procedure and Conduct.
- xi) Winding up of Joint Stock Company.
  - a) Meaning of winding up.
  - b) Modes of winding up.
    - i- Winding up by court or compulsory winding up.
    - ii- Voluntary winding up.
    - iii- Winding up by shareholders and creditors.
    - iv- Voluntary winding up subject to supervision of court.

### Part - III

#### 6. Combinations.

- i) Definition.
- ii) Causes, Objects and Purposes.
- iii) Types of Combinations.
  - a) Horizontal.
  - b) Vertical.
  - c) Diagonal.
  - d) Circular.
- iv) Forms of Combination.
  - a) Trade Associations.
  - b) Chambers of Commerce.
  - c) Pool and Cartel.
- v) Advantages and Disadvantages of Combination.

#### 7. Insurance.

- i) Definition and Concepts.
- ii) Insurance Contracts.
  - a) Elements of Contracts.
  - b) Principles of Contracts.
    - i- Umberrimae Feidi.
    - ii- Insurable Interest.
    - iii- Indemnity Principle.
- iii) Types of Insurance.
  - a) Marine.
  - b) Life.
  - c) Fire.
- iv) Advantages and Disadvantages of Insurance Business.

#### 8. Customs & Excise.

- i) Definition and Objective of duty.
- ii) Types of duty.
  - a) Custom duty.
  - b) Excise duty.

### Part – IV

#### 9. Stock Exchange.

- i) Meaning.
- ii) Features.

- iii) Functions.
- iv) Procedure of dealing at Stock Exchange.
- v) Different types of sales and purchase transactions.
- vi) Causes of price fluctuation.

**10. Securities and Exchange Commission of Pakistan (SECP).**

- vii) Definition.
- viii) Structure.
- ix) Powers and Functions.

**11. Central Depository Company (CDC).**

- x) Definition.
- xi) Structure.
- xii) Functions.

**12. Produce Exchange.**

- iii) Meaning.
- iv) Importance of produce exchange.
- v) Characteristics of commodities suitable for produce exchange.

**Prescribed Books:**

1. Business Organization: M.H.Ali.
2. Introduction to Business: M.Saeed Nasir.
3. Companies Ordinance 1984.
4. Securities and Exchange Commission of Pakistan Act, 1997.
5. Central Depositors Act, 1997



**ISLAMMIYAT****Introduction:**

The course seeks to introduce Islamic Teachings related to economic behaviour and commercial activities. It would spell out the measures towards establishing an Islamic Order based on the legal norms and ethical values of Islam. Special emphasis has been placed in this course on Islamic Orientation for economic behaviour and commercial transactions.

**Specification Grid:**

<b>Part</b>	<b>Topics</b>
<b>I</b>	<b>1. Quran.</b>
<b>II</b>	<b>2. Sunnah.</b>
<b>III</b>	<b>3. Fundamentals of Islamic Belief.</b> <b>4. This World and Hereafter.</b> <b>5. The Concept of Khalifah and the responsibility of man.</b> <b>6. Ethical, religious, economical &amp; political conditions of Arabia before Islam.</b> <b>7. Sirah of the Prophet (sall-laho-alaih-e-wasallam).</b> <b>8. Features of Islamic Society.</b> <b>9. Role of Islam in building of human culture.</b>

**Notes to the Specification Grid:**

1. The paper shall comprise nine (09) questions.
2. There shall be 3 (three) parts of the question paper, as above.
3. Each Part shall contain questions as under:

**Part-I**

1. One question on Translation and explanation of Quranic Text. (10 marks)  
The candidate shall attempt any two parts, of 05 marks each, out the three.
2. One essay type question on Quran. (05 marks)  
The candidate shall attempt any one question out of two.

**Part-II**

1. One question on Translation and explanation of the text of Hadees. (10 marks)  
The candidate shall attempt any two parts, of 05 marks each, out the three.
2. One essay type question on Hadees. (05 marks)  
The candidate shall attempt any one question out of two.

**Part-III**

1. Three essay type questions of 10 mark each. (30 marks)  
The candidate shall attempt any three questions, of 10 marks each, out of five.
4. Questions may be set from outside the Prescribed and Suggested books.

5. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

**Evaluation Criteria:**

1. Answer shall be evaluated on the basis of correct language and the subject matter.
2. In the case of translation and explanation of Quran and Hadees weight shall be given to word-by-word translation and to the point explanation.

**COURSE OUTLINE**

**Part – I**

**1. Quran:**

- i) Place of the Holy Quran in the life of Muslims.
- ii) Compilation of the Quran.
- iii) Characteristics of Makki and Madani Suras.
- iv) Textual study of:
  - a) “Surah-e-Al-Hujrat” (complete).
  - b) “Surah-e-Furqan” (verses 63 to 77).
  - c) “Surah-e-Baqara” (verses 282 & 283).

**Part – II**

**2. Sunnah (Hadees):**

- i) Difference between Sunnah and Hadees.
- ii) Definition and explanation of various forms of the Hadees.
- iii) Textual study of 20 Ahadees (see Annexure 1).

**Part – III**

**3. Fundamentals of Islamic Belief:**

- i) Tauheed.
- ii) Prophet-hood and finality of the Prophet-hood.

**4. This World and the Hereafter.**

**5. The Concept of Khalifah and the responsibility of man.**

**6. Ethical, religious, socio-economic & political conditions of Arabia before Islam.**

**7. Sirah of the Prophet (sallal-laho-alaih-e-wasallam).**

- i) Life of the Holy Prophet (Makki era).
  - a) Before Prophet-hood.
  - b) After Prophet-hood.
- ii) Life of the Holy Prophet (Madani era).
- iii) The last sermon of the Holy Prophet at “Hajjat-ul-Wida).

**8. Features of Islamic Society.**

- i) Emphasis on fairness, equity and justice.
- ii) Economic Affairs:
  - a) Prohibition of Riba.
    - 1- Definition of Riba in the light of Sunnah.
    - 2- Different Terms: Usry, Interest etc.
    - 3- Quranic verses and Ahadees prohibiting Riba. (see Annexure 2).
    - 4- Economic/social/moral demerits of Riba.

- b) Prohibition of Bribery, Theft and Hoarding of Wealth.
  - 1- Definition of Bribery, Theft and Hoarding of Wealth.
  - 2- Quranic teachings and Ahadees prohibiting bribery, theft and Hoarding of Wealth (see Annexure 3).
  - 3- Economic/moral/social implications of bribery and theft.
- c) Prohibition of Deception.
  - 1- Prohibition of telling lies, giving false impression, false bidding etc.
  - 2- Quranic teachings and Ahadees regarding the above (see Annexure 4).
  - 3- Economic and moral implications of;
    - i- False statements.
    - ii- False impressions (especially with reference to marketing).
    - iii- False bidding (especially with reference to stock exchange).
- d) Prohibition of Hoarding.
  - 1- Definition of Hoarding.
  - 2- Ahadees regarding the hoarding of necessities of life (see Annexure 5).
  - 3- Economic and moral implications of hoarding the necessities of life.
- e) Prohibition of selling items not owned by the seller.
  - 1- Definition --- Advance Purchase and Sale.
  - 2- Nature of advance purchase and sale at stock exchange.
  - 3- Islamic teachings regarding the above.
  - 4- Economic and moral implications.
- iii) Ethical Behavior.
  - 1- Sincerity and Sacrifice.
  - 2- Truthfulness.
  - 3- Gratitude.
  - 4- Perseverance.
  - 5- Humility.
  - 6- Backbiting.
  - 7- Keeping Promises.
  - 8- Earning money by fair means.
  - 9- Avoiding immoral behaviour (Arrogance, Oppression, Exploitation, Selfishness, Miserliness).

## 9. Role of Islam in building of human culture.

- i) Human Culture and Civilization before the advent of Islam.
- ii) Impact of the teachings of Islam on Human Culture and Civilization.

### **Suggested Readings:**

1. The Introduction to Islam: Dr. Muhammad Hamidullah.
2. Islami Nazriyae Hayat (In Urdu): Khurshid Ahmad.
3. Islam and Modern Economics and Trade (In Urdu): Justice Taqi Usmani.
4. Prohibition of Riba and Interest Free Monetary System (In Urdu): Dr. Mahmood A. Ghazi.

## MANAGEMENT INFORMATION SYSTEMS

### Introduction:

Management Information Systems provides the fundamental concepts of a system. It pinpoints the importance of information in today's organization and the role, which IT is playing in this regard. Course also describes the key features of computer hardware and software. Besides this, it gives an introduction to the significance of information technology (IT) in business and society. Also practical training in every-day computer software packages will be provided to the students.

### Specification Grid:

Part	Chapters
I	<b>1. Introduction to Information Systems in Business.</b> <b>2. Fundamentals of Information Systems.</b>
II	<b>3. Solving Business Problems with Information Systems.</b> <b>4. Computer Hardware.</b>
III	<b>5. Computer Software.</b> <b>6. Telecommunications.</b>
IV	<b>7. Information Systems for End User Computing and Collaboration.</b> <b>8. Information Systems for Business Operations.</b> <b>9. Information Systems and Artificial Intelligence Technologies.</b>

### Notes to the Specification Grid:

1. The paper is composed of:
  - a. Theory and,
  - b. Practical.
2. The Theory and Practical shall carry 75 and 25 marks respectively.
3. The question paper shall comprise 8 (eight) questions.
4. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
5. Each question shall carry 15 (fifteen) marks.
6. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
7. Questions may be set from outside the Prescribed and Suggested books.
8. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

### Evaluation Criteria:

1. Answer shall be evaluated on the basis of correct language and the subject matter.

## COURSE OUTLINE

### A. Theory:

#### Part – I

#### **1. Introduction to Information Systems in Business.**

- i) Reasons for studying Information Systems (IS).
  - a) Importance of Information Systems.
    - 1- Information System Resources and Technologies.
    - 2- An End User Perspective.

- 3- An Enterprise Perspective.
- b) The Real World of Information Systems.
- c) A Global Information Society.
- d) Technological and Behavioral Dimensions of IS.
- e) What Managerial Ends Users Need to Know.
  - 1- A Framework for Managerial End Users.
- ii) Need of Information Technology for Businesses.
  - a) The Roles of Information Systems.
  - b) The Winds of Change.
    - 1- Globalization.
    - 2- Business Process Reengineering.
    - 3- Competitive Advantage.

## 2. Fundamentals of Information Systems.

- i) Fundamental Information System Concepts.
  - a) System Concepts.
    - 1- Feedback and Control.
    - 2- System Characteristics.
  - b) Components of an Information System.
  - c) Information System Resources.
    - 1- People Resources.
    - 2- Hardware Resources.
    - 3- Software Resources.
    - 4- Data Resources.
  - d) Information System Activities.
    - 1- Input of Data Resources.
    - 2- Processing of Data into Information.
    - 3- Output of Information Products.
    - 4- Storage of Data Resources.
    - 5- Control of System Performance.
  - e) Recognizing Information Systems.
    - 1- The IS Component Matrix.
    - 2- Analyzing the Shuttle-Express Information System.
- ii) Overview of Information Systems.
  - a) The Expanding Roles of Information Systems.
    - 1- Operations and Management Classifications.
  - b) Operations Support Systems.
    - 1- Transaction Processing Systems.
    - 2- Process Control Systems.
    - 3- Office Automation Systems.
  - c) Management Support Systems.
    - 1- Management Information Systems.
    - 2- Decision Support Systems.
    - 3- Executive Support Systems.
  - d) Other Classifications of Information System.
    - 1- Expert System.
    - 2- End User Computing Systems.
    - 3- Strategic Information Systems.
    - 4- Business Information Systems.
    - 5- Integrated Information Systems.

**Part – II****3. Solving Business Problems with Information Systems.**

- i) A Systems Approach to Problem Solving.
  - a) The System Approach.
  - b) Defining Problems and Opportunities.
    - 1- A System Context.
  - c) Developing Alternative Solutions.
  - d) Evaluating Alternative Solutions.
  - e) Selecting the Best Solution.
  - f) Designing and Implementing a Solution.
    - 1- Post-implementation Review.
  - g) Using the System Approach.
    - 1- Defining the Problem.
    - 2- Statement of the Problem.
- ii) Developing Information System Solutions.
  - a) The Systems Development Cycle.
  - b) System Investigation.
    - 1- Information System Planning.
    - 2- Feasibility Studies.
  - c) System Analysis.
    - 1- Organizational Analysis.
    - 2- Analysis of the Present System.
    - 3- Functional Requirements Analysis.
  - d) System Design.
    - 1- User Interface, Data, and Process Design.
  - e) Implementation and Maintenance.
  - f) Computer-Aided Systems Engineering.
    - 1- Using CASE Tools.
  - g) Prototyping.
    - 1- The Prototyping Process.
  - h) Checklist for End User Analysis and Design.

**4. Computer Hardware.**

- i) Computer Systems: End User and Enterprise Computing.
  - a) The Computer System Concept.
  - b) Computer System Components.
    - 1- The Central Processing Unit.
    - 2- Multiple Processors.
    - 3- Computer Processing Speeds.
    - 4- Primary and Secondary Storage.
    - 5- Computer Storage Capacities.
  - c) Types and Trends in Computers.
    - 1- Computer Generations.
    - 2- Computer Categories.
  - d) Microcomputer Systems.
  - e) Midrange Computer Systems.
  - f) Mainframe Computer Systems.
    - 1- Super Computers.
  - g) Networked Computer Systems.

- ii) Computer Peripherals: Input, Output, and Storage Technologies.
  - a) Input/Output Hardware Trends.
  - b) Pointing Devices.
  - c) Pen-Based Computing.
  - d) Video Recognition and Response.
  - e) Optical and Magnetic Recognition.
    - 1- Optical Scanning.
    - 2- Magnetic Data Entry.
  - f) Storage Trends and Trade-Offs.
    - 1- Direct and Sequential Access.
  - g) Semiconductor Memory.
    - 1- Semiconductor Secondary Storage.
  - h) Magnetic Disk Storage.
    - 1- Types of Magnetic Disks.
  - i) Magnetic Tape Storage.
  - j) Optical Disk Storage.

### **Part – III**

#### **5. Computer Software.**

- i) System Software: Computer System Management.
  - a) Introduction to Software.
    - 1- Software Trends.
    - 2- System Software Overview.
  - b) Operating Systems.
    - 1- Operating System Functions.
    - 2- Popular Operating Systems.
  - c) Database Management Systems.
  - d) Telecommunications Monitors.
  - e) System Support Programs.
  - f) Programming Languages.
    - 1- Machine Languages.
    - 2- Assembler Languages.
    - 3- High-Level Languages.
    - 4- Fourth Generation Languages.
    - 5- Object-Oriented Languages.
  - g) Language Translating Programs.
    - 1- Programming Tools.
- ii) Applications Software: End User Applications.
  - a) Application software for End Users.
    - 1- General-Purpose Programs.
    - 2- Application-Specific Programs.
  - b) Word Processing Packages.
  - c) Electronic Spreadsheet Packages.
    - 1- What-if Analysis.
  - d) Database Management Packages.
  - e) Telecommunications Packages.
  - f) Graphics Packages.
  - g) Integrated Packages and Software Suites.
  - h) Other End User Packages.

#### **6. Telecommunications.**

- 
- i) A Manager's Overview of Telecommunications.
    - a) Why Telecommunication is Important?
      - 1- Applications of Telecommunications.
    - b) Trends in Telecommunications.
      - 1- Industry Trends.
      - 2- Technology Trends.
      - 3- Open Systems.
      - 4- Application Trends.
    - c) The Information Superhighway.
    - d) A Telecommunications Network Model.
    - e) Types of Telecommunications Networks.
      - 1- Wide Area Networks (WAN).
      - 2- Local Area Networks (LAN).
      - 3- Inter-networks.
      - 4- Client/Server Computing.
      - 5- Inter-organizational Networks.
    - f) The Internet.
    - g) Business on the Internet/E-Commerce.
      - 1- Importance.
      - 2- Online Transactions.
        - i. B2B Transactions.
        - ii. B2C Transactions.
        - iii. C2B Transactions.
      - 3- Payment by Credit Cards.
      - 4- ATMs.
  - ii) Technical Telecommunications Alternatives.
    - a) Telecommunications Alternatives.
    - b) Telecommunications Media.
      - 1- Twisted-Pair Wire.
      - 2- Coaxial Cable.
      - 3- Fiber Optics.
      - 4- Terrestrial Microwave.
      - 5- Communications Satellite.
      - 6- Cellular Radio.
      - 7- Wireless LANs.
    - c) Telecommunications Carriers.
      - 1- Common Carriers.
      - 2- Value-Added Carriers.
    - d) Telecommunication Processors.
      - 1- Modems.
      - 2- Multiplexers.
      - 3- Internetwork Processors.
      - 4- Private Branch Exchange.
      - 5- Front-End Processors.
    - e) Telecommunication Software.
      - 1- Common Software Functions.
    - f) Telecommunication Network Topologies.
      - 1- Star, Ring and Bus Networks.
    - g) Network Architectures and Protocols.
-



- h) Communication and Channel Characteristics.
  - 1- Transmission Speed.
  - 2- Transmission Mode.
  - 3- Switching Alternatives.
  - 4- Access Methods.

**Part – IV**

**7. Information System for End User Computing and Collaboration.**

- i) End User Computing and Collaboration.
  - a) End User Computing.
  - b) End User Collaboration.
  - c) Components of an End User Computing System.
  - d) Resources for End User Computing.
    - 1- Hardware Resources: End User Workstations.
    - 2- Software Resources: End User Packages.
    - 3- Data Resources: Multiple Databases.
    - 4- People Resources: The Information Center.
  - e) End User Computing Applications.
    - 1- Office Automation.
    - 2- Information Management and Retrieval.
    - 3- Applications.
    - 4- Decision Support Applications.
    - 5- End User Application Development.
  - f) Work Group Computing.
    - 1- Electronic Work Groups.
    - 2- The Role of Groupware.
  - g) Management Implications of End User Computing.
- ii) Office Automation Systems.
  - a) Introduction.
  - b) Electronic Communications Systems.
    - 1- Electronic Mail.
    - 2- Voice Mail.
    - 3- Bulletin Board Systems.
    - 4- Public Information Systems.
    - 5- Videotex.
    - 6- Facsimile.
  - c) Electronic Meeting Systems.
    - 1- Teleconferencing.
    - 2- Telecommuting.
  - d) Electronic Publishing Systems.
    - 1- Desktop Publishing.
  - e) Image Processing.
  - f) Computer Graphics.
    - 1- Presentation Graphics.
  - g) Multimedia Presentations.
    - 1- Multimedia Hardware and Software.
    - 2- Hypertext and Hypermedia.
    - 3- Interactive Video.
  - h) Office Management Systems.
  - i) Management Implication of Office Automation.

**8. Information Systems for Business Operations.**

- i) Business Information Systems.
  - a) IS in Business.
    - 1- Cross-Functional Information Systems.
- ii) Brief Description of:
  - a) Marketing Information System (MkIS)
  - b) Decision Support System (DSS).
  - c) Executive Information System (EIS).
  - d) Group Decision Support System (GDSS).

**9. Information Systems and Artificial Intelligence Technologies.**

- i) Artificial Intelligence and Human Information Processing.
  - a) An Overview of Artificial Intelligence.
    - 1- The Domains of Artificial Intelligence.
  - b) Neural Networks.
  - c) Fuzzy Logic Systems.
  - d) Virtual Reality.
  - e) Human Information Processing.
    - 1- The Human Information Processing System.
    - 2- Information Filtering.
    - 3- Cognitive Style and Information Processing.
  - f) Information Technology and Information Systems.
    - 1- Redundancy.
    - 2- Other Factors.
- ii) Expert Systems and Other Knowledge-Based Systems.
  - a) Knowledge-Based Information Systems.
    - 1- Expert-Assisted IS.
  - b) Components of an Expert System.
  - c) Examples of Expert Systems.
    - 1- Expert System Applications.
  - d) Developing Expert Systems.
    - 1- Expert System Suitability.
    - 2- Expert Systems: Make or Buy?
    - 3- Knowledge Engineering.
  - e) The Value of Expert Systems.
    - 1- Benefits of Expert Systems.
    - 2- Limitations of Expert Systems.
  - f) Intelligent Agents.
  - g) Hybrid AI Systems.
  - h) How Expert Systems Work?
    - 1- Rule-Based Knowledge.
    - 2- Frame-Based Knowledge.
    - 3- Object-Based Knowledge.
    - 4- Case-Based Knowledge.
    - 5- The Inference Engine.

**B. Practical:****1. MS Windows 98 or Higher.**

- i) Definition.
- ii) Definition and Parts of the Desktop.

- a) Start Button.
  - 1) Settings Menu.
    - i. Control Panel --- Regional Settings.
  - 2) Use of Find Menu.
  - 3) Use of Help Command.
  - 4) Use of Run Command.
- b) Taskbar: Definition and Purpose.
- c) Icons: Definition and Types.
- iii) How to create a New Shortcut or Folder?
- iv) Use and Purpose of Windows Explorer.
- v) How to Copy, Cut, Paste, Delete, and Rename a file?

## 2. MS WORD.

- i) Definition and Purpose.
- ii) Use of Vertical and Horizontal Scroll bars.
- iii) Use of Status Bar.
- iv) File Menu:  
Create a New document; Open, Save, Save As, and Close an existing document; Page Setup, Print Preview and Print a Document.
- v) Edit Menu:  
Undo, Redo, Cut, Copy, Paste, Find, Replace, Go To, and Select All Commands.
- vi) View Menu:  
Normal, Print layout, Outline view; Tool Bars; Ruler and document map; Header and Footer; Zoom.
- vii) Insert Menu:  
Break, Page Number, Date and Time; Footnote, Cross-reference, Picture, Text Box.
- viii) Format Menu:  
Font, Paragraph, Bullets and Numbering, Border and Shading; Columns, Tabs, Drop Case, Change Case.
- ix) Tools Menu:  
Spelling and Grammar, Language.
- x) Table Menu:  
Draw Table, Insert, Delete and Select Rows and Columns.

## 3. MS Excel.

- i) Definition and Purpose.
- ii) Use of Formula Bar.  
Addition including Auto sum; Subtraction, Multiplication and Division.
- iii) Insert Menu:
  - a) Cells, Rows, Columns, Sheet.
  - b) Chart: Column, Bar, Line Chart, Pie Chart, and Scatter Chart.

- c) Functions: Any 10 (ten) simple functions including “If-Else” and “Nested If-Else” functions.
- iv) Data Menu:  
Sort, Filter and Form Commands.

**Note: At the end of MS Excel Training the students must be able to prepare:**

- a) Payroll including simple tax deductions.
- b) Prepare Profit and Loss and Balance Sheet.

**4. Internet (where available).**

- i) Definition, Purpose and Importance.
- ii) Difference between Internet and Intranet.
- iii) Browsing.
- iv) Chatting.
- v) Conferencing.

**Prescribed Books:**

1. Management Information Systems: James A. O’Brien, Irwin.
2. Mastering Microsoft Office.

**Suggested Reading:**

1. Management Information System: Charles Parker & Thomas Case, McGraw Hill Book Company.

## PAKISTAN STUDIES

### Introduction:

This course highlights the ingredients of the ideology of Pakistan in historical perspective. In this context, different phases of Pakistan movement have also been discussed. Natural and economic resources of Pakistan have also been introduced in some detail.

### Specification Grid:

Part	Topics
I	<ol style="list-style-type: none"> <li>1. Ideology of Pakistan: Definition, Explanation, &amp; Aims.</li> <li>2. Ideology of Pakistan in the light of the sayings of Quaid-e-Azam and Allama Iqbal.</li> <li>3. Historical Background of the Ideology of Pakistan.</li> <li>4. Presidential Address of Allama Iqbal at Allahabad.</li> <li>5. Pakistan Movement: Muslim Nationhood, Evolution of Two-Nation Theory.</li> <li>6. Elections of 1946, Congress Behavior &amp; Transfer of Power.</li> <li>7. Independence of Pakistan and India.</li> <li>8. Initial Difficulties after the formation of Pakistan.</li> </ol>
II	<ol style="list-style-type: none"> <li>9. Efforts for Execution of Islamic System in Pakistan.</li> <li>10. Natural Resources in Pakistan.</li> <li>11. Communication Infrastructure in Pakistan.</li> <li>12. Important Industrial Production and their Economic Impact.</li> <li>13. Pakistan's Major Imports and Exports.</li> <li>14. Economic Self-reliance.</li> </ol>

### Notes to the Specification Grid:

1. The question paper shall comprise 6 (six) questions.
2. There shall be 2 (two) parts of the question paper, as above.
3. Part-I shall contain 3 (three) questions of 5 (five) marks each, while Part-II shall contain 5 (five) questions of 10 (ten) marks each.
4. Students shall be required to attempt 5 (five) question in all by selecting 2 (two) questions from Part-I and 3 (three) questions from Part-II.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. The composition of questions and allocation of marks for them shall be as under:

### Evaluation Criteria:

1. Answer shall be evaluated on the basis of correct language and the subject matter.

## COURSE OUTLINE

### **Part – I**

- 1. Ideology of Pakistan: Definition, Explanation, & Aims.**
- 2. Ideology of Pakistan in the light of the statements of Quaid-e-Azam and Allama Iqbal.**
- 3. Historical Background of the Ideology of Pakistan.**
  - i) Reformative Movements.
    - a) Sheikh Ahmad Sarhindi.
    - b) Shah Waliullah.
    - c) Syed Ismail Shaheed.
    - d) Maulana Ashraf Ali Thanvi.
  - ii) Educational Movements.
    - a) Devband.
    - b) Aligarh.
    - c) Nudwatul Ulema.
    - d) Sind Madrasat-al-Islam.
    - e) Islamia College Peshawar.
- 4. Presidential Address of Allama Iqbal at Allahabad.**
- 5. Pakistan Movement: Muslim Nationhood, Evolution of Two-Nation Theory.**
- 6. Elections of 1946, Congress Behavior & Transfer of Power.**
- 7. Independence of Pakistan & India.**
- 8. Initial difficulties after the formation of Pakistan.**

### Part – II

- 9. Efforts for Execution of Islamic System in Pakistan.**
  - i) Objectives resolution and our national ideological commitment.
  - ii) Establishment of the Complete Islamic Society.
  - iii) Islamic Clauses of the Constitution of 1956, 1962 & 1973.
  - iv) Implementation for practical implementation of the Sharia.
  - v) Educational, intellectual and political efforts for the establishment of the Islamic socio-political order in Pakistan.
- 10. Natural Resources in Pakistan.**
  - i) Rivers and Water: Their passages and benefits.
  - ii) Sind Bason Treaty and its Importance.
  - iii) Generation of Electricity: Dams and Power Houses.
  - iv) Minerals and their benefits.
  - v) Important crops and their economic impact.
- 11. Communication Infrastructure in Pakistan.**
  - i) Roads: Important road routes and their importance for economic development.
  - ii) Railways: Major railway routes and their commercial importance.
  - iii) Airlines: Importance in economic & industrial development.
  - iv) Seaports: Major Seaports and their economic importance.
  - v) Telecommunications --- Brief Introduction.
  - vi) Information Technology --- Brief Introduction and its impact on National Economy.
- 12. Important Industrial Production and their Economic Impact.**
- 13. Pakistan's Major Imports and Exports.**

**14. Economic Self-reliance.**

- i) Ways and means.
- ii) Difficulties and Hurdles.
- iii) Its promise for a strong, stable and ideologically independent Pakistan.

**15. Human Rights.**

- i) Definition and Scope.
- ii) Human Rights --- A Perspective.
- iii) Important International HR Instruments (Conventions and Documents etc.).
- iv) Islam and Human Rights.

**Suggested Reading:**

1. A Comprehensive Book of Pakistan Studies: M. Ikram Rabbani.

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**ACCOUNTING INFORMATION SYSTEMS**

**Introduction:**

The course has been designed to equip the students with the “system” view of the subject of “Accounting”. The contents present a blend of Accounting and Information Technology (IT). The approach of the syllabus will enable the students to understand the role and usefulness of IT for processing accounting information.

**Specification Grid:**

<b>Part</b>	<b>Chapters</b>
<b>I</b>	<b>1. A Model for Processing Accounting Information. 2. Responsibility Accounting Systems.</b>
<b>II</b>	<b>3. Systems Concept and Accounting. 4. System Tools.</b>
<b>III</b>	<b>5. Accounting Transaction Cycles. 6. Revenue Cycle Applications.</b>
<b>IV</b>	<b>7. Expenditure Cycle Applications. 8. Conversion Cycle Applications. 9. Financial Cycle Applications.</b>

**Notes to the Specification Grid:**

1. The paper is composed of:
  - a. Theory, and
  - b. Practical.
2. The Theory and Practical shall carry 75 and 25 marks respectively.
3. The question paper shall comprise 8 (eight) questions.
4. There shall be 4 (four) parts, of the question paper as above, and every part shall contain 2 (two) questions.
5. Each question shall carry 15 (fifteen) marks.
6. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
7. Questions may be set from outside the Prescribed and Suggested books.
8. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

**Evaluation Criteria:**

1. Answer shall be evaluated on the basis of correct language and the subject matter.

**COURSE OUTLINE**

**A. Theory:**

**Part – I**

**1. A Model for Processing Accounting Information.**

- i) Introduction.
  - a) Organizations.
  - b) Events Affecting an Organization.
  - c) Human and Computer Resources.
- ii) Accounting Methods and Objectives.
  - a) Scope of the System and Nature of the Events.
  - b) The Accounting Process.
  - c) Technology and Accounting Information Systems (AIS).
  - d) Reasons for studying Accounting Information Systems.

**2. Responsibility Accounting System.**



- 
- i) Introduction.
    - a) Information Flows.
  - ii) Top-down Information Flow.
    - a) Organization Structure.
    - b) Policy Statements.
    - c) Performance Goals.
  - iii) Bottom-Up Information Flow.
    - a) Responsibility Centers.
    - b) Cost, Profit and Investment Centers.
    - c) Performance Reports.
  - iv) Data Accumulation.
    - a) Responsibility Codes.
    - b) Account Codes.
    - c) Budget Codes.
    - d) Financial Reporting and Responsibility Accounting.

### **Part – II**

#### **3. Systems Concepts and Accounting.**

- i) Introduction.
- ii) System Theory.
  - a) Characteristics of Systems.
  - b) Types of Systems.
- iii) Accounting Information Systems.
  - a) Accounting as a System.
- iv) Accounting as a Sub system.
  - a) Decision-Making Activities.
  - b) Decision Problems and the Activity Level.
  - c) A Spectrum of Management Information Needs.
- v) The System Approach.
  - a) Define the Objective.
  - b) Explore Alternative Solutions.
  - c) Take Broad Viewpoint.
  - d) Use a Project Team.

#### **4. System Tools.**

- i) Introduction.
- ii) Flowcharting.
  - a) Standard Flowchart Symbols.
  - b) System Flowcharts.
  - c) Program Flowcharts.
  - d) Document Flowcharts.
- iii) Other Systems Documentation.
  - a) Dataflow Diagrams.
  - b) System Charts.
  - c) Structure Charts.
  - d) Decision Tables.
- iv) Project Management Tools.
  - a) Gantt Charts.
  - b) Network Diagrams.
- v) Interviews.

### **Part – III**

#### **5. Accounting Transaction Cycle.**

- i) Introduction.

- 
- ii) Economic Events.
    - a) The Cycle of Business Activities.
  - iii) Economic Events and Accounting Transactions.
    - a) Transaction Cycles.
    - b) Cycles and Applications.
    - c) Advantages of Using Transaction Cycles.

**6. Revenue Cycle Applications.**

- i) Introduction.
- ii) Documents, Records, and Reports.
  - a) Revenue Cycle Transaction and Documents.
  - b) Revenue Cycle Reports.
  - c) Revenue Cycle Accounting Records.
- iii) Transaction Processing.
  - a) Manual Processes.
  - b) Computerized Processes.

**Part – IV****7. Expenditure Cycle Application.**

- i) Introduction.
- ii) Documents, Records, and Reports.
  - a) Expenditure Cycle Transactions and Documents.
  - b) Expenditure Cycle Reports.
  - c) Expenditure Cycle Accounting Records.
- iii) Transaction Processing.
  - a) Manual Processes.
  - b) Computerizes Processes.

**8. Conversion Cycle Application.**

- i) Introduction.
- ii) Inventory Systems.
  - a) Transaction and Documents.
  - b) Reports.
  - c) Records.
  - d) Transaction Processing.
- iii) Cost Accounting Systems.
  - a) Transactions and Documents.
  - b) Reports.
  - c) Records.
  - d) Transaction Processing.
- iv) Payroll Systems.
  - a) Payroll Transactions and Documents.
  - b) Payroll Reports.
  - c) Payroll System Records.
  - d) Payroll Transaction Processing.
- v) Non-accounting Policies.
  - a) Production Scheduling Systems.
  - b) MRP Systems.
  - c) JIT Systems.
- vi) Control Flowcharts for the Conversion Cycle.

**9. Financial Cycle Applications.**

- i) Introduction.
- ii) Debt and Equity Capital.

- 
- a) Capital Transactions.
  - b) Accounting Records for Debt and Equity Capital.
  - c) Controls for Debt and Equity Transactions.
  - iii) Property Systems.
    - a) Transactions and Documents.
    - b) Reports.
    - c) Records.
    - d) Transaction Processing.
  - iv) The Journal Entry and Financial Reporting Systems.
    - a) Journal Entry and Financial Reporting Transactions.
    - b) Journal Entry and Financial Reports.
    - c) Journal Entry and Financial Reporting Records.
    - d) Journal Entry and Financial Report Processing.
    - e) Recording Depreciation.
    - f) Application Controls.
    - g) Responsibility Accounting.

**B. Practical:****1. Use of Computer Based Accounting Information System (Peachtree Complete Accounting --- Version 7.00/latest version).**

- v) Use of following menus in detail excluding screen designing of various reports.
  - a) File Menu.
  - b) Edit Menu.
  - c) Maintain Menu.
  - d) Task Menu.
  - e) Analysis Menu.
  - f) Options Menu.
  - g) Reports Menu.
  - h) Windows Menu.
  - i) Help Menu.

**Prescribed Book:**

1. Accounting Information Systems: J.L. Bookholdt and David H.Li. IRWIN.

**Prescribed Software:**

1. Peachtree Complete Accounting (Version 7.00/latest).

**Recommended Books:**

1. Accounting Information Systems: Summer.

## AUDITING

### Introduction:

As a first course in auditing it is designed to provide students with a basic understanding of the nature and objectives of audit; basic principles and procedures involved in auditing. A familiarity of auditing techniques such as routine checking, vouching and verification is necessary to inspire confidence to work as an auditor.

### Specification Grid:

Part	Chapters
<b>I</b>	<b>1. Principles of Auditing.</b> <b>2. Auditing Procedure.</b> <b>3. Internal Control.</b>
<b>II</b>	<b>4. Vouching.</b> <b>5. Verification --- General.</b> <b>6. Verification --- Liabilities.</b>
<b>III</b>	<b>7. Verification --- Assets.</b> <b>8. Verification --- Revenue Account.</b> <b>9. Auditor's Report.</b>
<b>IV</b>	<b>10. Divisible Profit.</b> <b>11. Investigation.</b> <b>12. Computer Audit.</b> <b>13. Government Audit.</b>

### Notes to the Specification Grid:

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

### Evaluation Criteria:

1. Answers shall be evaluated on the basis of correct language and the subject matter.

## COURSE OUTLINE

### Part – I

#### **1. Principles of Auditing.**

- i) Definition of Audit.
- ii) Auditing differentiated from Accounting.
- iii) Qualities required of an Auditor.
- iv) Objects of an Audit.
- v) Responsibility of an Auditor in connection with detection of error & fraud.

#### **2. Auditing Procedure.**

- i) The operation of Audit/ Techniques of Audit.
- ii) Procedures affecting Audit.

- 
- iii) Scope of Audit.
  - iv) Types/Conduct of Audit.
  - v) Audit engagement letters.
  - vi) Audit planning.
  - vii) Audit evidence.
  - viii) Commencement of a new audit.
  - ix) Audit program.
  - x) Test checking.
  - xi) Audit notebook.
  - xii) Working papers.
  - xiii) Records of progress of audit.

### **3. Internal Control.**

- i) Definition.
- ii) Difference among internal check, internal audit and internal control.
- iii) Internal Audit.
- iv) Difference between internal audit and external audit.
- v) Principles of Internal Control.
- vi) Review and reliance of Internal Control by the Auditor.
- vii) Systems of Internal Control.
- viii) Use of Statistical Records.
- ix) Methods of evaluating Internal Control.
- x) Management Letter.

## **Part – II**

### **4. Vouching.**

- i) Definition of Voucher.
- ii) Routine Checking.
- iii) Definition of Vouching.
- iv) Extent of Vouching.
- v) Procedure of Vouching.
- vi) Technique of Vouching.
- vii) Cut-off Procedure.
- viii) Audit Sampling.
- ix) Selection of Sample.
- x) Evaluation of Sample Results.
- xi) Conclusions.
- xii) Depth Test.
- xiii) Vouching of Cash Book – Receipt Side.
- xiv) Vouching of Cash Book – Payment Side.
- xv) Vouching of Petty Cash Book.
- xvi) Vouching of Purchase Book.
- xvii) Vouching of Sales Book.
- xviii) Vouching of Purchase Return Book.
- xix) Vouching of Sales Return Book.
- xx) Vouching of Bills Receivable Book.
- xxi) Vouching of Bills Payable Book.
- xxii) Vouching of Journal.
- xxiii) Audit of Purchase Ledger.
- xxiv) Audit of Sales Ledger.
- xxv) Audit of General Ledger.
- xxvi) Audit of Bank Statements.

### **5. Verification – General.**

- i) Need for Verification.
- ii) Six-point technique for verification.
- iii) Verification of Assets not in possession of clients.
- iv) Events occurring after the date of Balance Sheet.
- v) Representation Letter.
- vi) Analytical Procedures.
- vii) Quality of Audit Work.

**6. Verification – Liabilities.**

- i) Capital.
- ii) Reserves.
- iii) Deferred Taxation.
- iv) Debentures.
- v) Loans.
- vi) Unclaimed Dividends.
- vii) Liabilities.
- viii) Un-expired Discounts.
- ix) Contingent Liabilities.
- x) Liability Certificate.
- xi) Depreciation – Auditor’s duties in regard thereto.

**Part – III**

**7. Verification – Assets.**

- i) Balance Sheet Audit.
- ii) Fixed Assets.
- iii) Preliminary Expenses.
- iv) Commission on Shares and Debentures.
- v) Underwriting Commission.
- vi) Stores and Spare Parts.
- vii) Loose Tools.
- viii) Live Stock.
- ix) Stocks (Inventories).
- x) Bills of Exchange.
- xi) Book Debts.
- xii) Advances.
- xiii) Investments.
- xiv) Cash and Other Balances.
- xv) Deferred Revenue Expenditure.
- xvi) Contingent Assets.
- xvii) Stock Certificate.

**8. Verification – Revenue Account.**

- i) Scrutiny of Trading Account.
- ii) Scrutiny of Profit and Loss Account.
- iii) Scrutiny of Profit and Loss Appropriation Account.

**9. Auditor’s Report.**

- i) Certification of Statutory Report.
- ii) Report for insertion in Prospectus.
- iii) Annual Audit.
- iv) Submission of Auditor’s Report to Shareholders.
- v) Auditor’s report to the Members.
- vi) Auditor’s report: Forms of Qualification.
- vii) Audit conclusion and reporting.

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- viii) Report on the affairs of a company in support of a director's declaration of the company's insolvency.

**Part – IV**

**10. Divisible Profits.**

- i) Importance of proper ascertainment of profits.
- ii) The concepts of the profit.
- iii) Difficulties in the determination of profits.
- iv) Consequences of incorrect determination of profit.
- v) Legal Provisions.
- vi) Concept of Divisible Profit.
- vii) Declaration of dividend.
- viii) Payment of Dividend.
- ix) Payment of Interim Dividend.
- x) Appropriation of Retained Profits.
- xi) Revaluation of Fixed Assets and the Auditor.
- xii) Secret Reserve and Auditor.
- xiii) Sinking Fund.

**11. Investigation.**

- i) Definition.
- ii) Distinction from Audit.
- iii) Objects.
- iv) Procedure under Companies Ordinance 1984.

**12. Computer Audit.**

- i) Objectives.
- ii) Audit Process.
- iii) Internal Control.

**13. Government Audit.**

- i) General Principles & Rules of Audit Para No. 21-29 of Audit Code.
- ii) Audit of Expenditures.
  - a) Audit of Sanctions of Expenditure (para 58-70 of Audit Code).
- iii) Audit against propriety (para 84 & 85 of Audit Code).
- iv) Miscellaneous Instructions about Audit (para 86 of Audit Code).
- v) Audit of Stores and Stock Accounts, para No.170, Volume-I and Appendix-II, Volume-II of General Financial Rules (GFR).

**Prescribed Books:**

1. Auditing: Dr. Khawaja Amjad Saeed.
2. Government Audit Code.

**Suggested Reading:**

1. Auditing: Millichamp, ELBS.

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**BUSINESS COMMUNICATION**

**Introduction:**

Communication is believed to be the most important tool of efficient management of a business organization. The objective of this course is to provide the students an insight into the importance of communication and an introduction of various tools of communication used by business organizations.

**Specification Grid:**

Part	Chapters
<b>I</b>	<b>1. Importance of Business Communication.</b> <b>2. The Process of Communication and Miscommunication.</b> <b>3. Business Communication Principles.</b> <b>4. The Process of Preparing Effective Business Messages.</b> <b>5. Direct Requests.</b>
<b>II</b>	<b>6. Good News and Neutral Messages.</b> <b>7. Bad News Messages.</b> <b>8. Sales Letters.</b> <b>9. Collection Messages.</b> <b>10. Official Letters.</b>
<b>III</b>	<b>11. Business Reports.</b> <b>12. Market Reports.</b> <b>13. Proposals.</b>
<b>IV</b>	<b>14. Successful Oral Presentation and Successful Listening.</b> <b>15. Successful Informative Speaking.</b>

**Notes to the Specification Grid:**

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.

**Evaluation Criteria:**

1. Answer shall be evaluated on the basis of correct language and the subject matter.

**COURSE OUTLINE**

**Part – I**

- 1. Importance of Business Communication.**
  - i) Introduction.
  - ii) Benefits in your career and personal life.
  - iii) Importance.
- 2. The Process of Communication and Miscommunication.**
  - i) Elements of Communication.
  - ii) General Communication Concepts and Problems.



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iii) Nonverbal Communication.

**3. Business Communication Principles.**

- i) Completeness.
- ii) Conciseness.
- iii) Consideration.
- iv) Concreteness.
- v) Clarity.
- vi) Courtesy.
- vii) Correctness.

**4. The Process of Preparing Effective Business Messages.**

- i) Steps in Planning an Effective Business Message.
- ii) Basic Organizational Plans.
- iii) Beginnings and Endings.
- iv) Composition of the Message.

**5. Direct Requests.**

- i) Organizational Plan.
- ii) Inquiries.
- iii) Claims (complaints) and requests for adjustments.
- iv) Requests regarding Routine Business or Public Causes.
- v) Invitations, Orders, Reservations.

**Part – II**

**6. Good News and Neutral Messages.**

- i) Favorable Replies.
- ii) Unsolicited Favorable Messages.

**7. Bad News Messages.**

- i) The Right Attitude.
- ii) Plans for Bad News Messages.
- iii) Unfavorable Replies to Requests.
- iv) Unfavorable Unsolicited Messages.

**8. Sales Letters.**

- i) Solicited Sales Letter.
- ii) Unsolicited Sales Letter.

**9. Collection Messages.**

- i) Right Attitude for Effective Collections.
- ii) Collection Stages.

**10. Official Letters.**

- i) Parts of an Official Letter.
- ii) Writing an Office Memo.
- iii) Parts of an Office Memo.

**Part – III**

**11. Business Reports.**

- i) Meaning and Classification of Business Reports.
- ii) Main Parts of the Report.
- iii) Organization and Outline of Report.

**12. Market Reports.**

- i) Definition.
- ii) Scope.
- iii) Importance.
- iv) Contents.
- v) Title.
- vi) Tone.

- vii) Tendency.
- viii) Market Terms.

**13. Proposals.**

- i) Purposes of Proposals.
- ii) Kinds of Proposals.
- iii) Parts of Proposals.
- iv) A short Proposal.
- v) Long Formal Proposal.
- vi) Writing Style and Appearance.

**Part – IV****14. Successful Oral Presentation and Successful Listening.**

- i) Presentation: Description and Methodology.
- ii) Listening: Description.

**15. Successful Informative Speaking.**

- i) Purpose of Informative Speaking.
- ii) Kinds of Informative Speaking.
- iii) Analysis of Audience.
- iv) Organization and Outline of the Informative Speech.
- v) Support for Informative Speeches.

**Prescribed Books:**

1. Effective Business Communication: Harta A. Murphy & Herbert W. Hildebrandt. McGraw Hill International Editions.
2. Effective Business Communication and Report Writing: Sh. Atta-ur-Rahman.

**Suggested Readings:**

1. Model Business Letters: L. Gartside.
2. Writing that Works: Effective Communication in Business: W.E. Olio, CT. Bursa, G.J.Alfred.

## COST ACCOUNTING

### Introduction:

The course looks into the treatment of costs with particular emphasis on cost records and their maintenance. It studies the treatment of material, labor and overhead allocation. Different types of costing procedures have also been discussed.

### Specification Grid:

Part	Chapters
I	<b>1. Concept of Management and Function of Controller.</b> <b>2. Financial Statements.</b> <b>3. Cost: Concepts, Uses and Classification.</b> <b>4. The Cost Accounting System.</b>
II	<b>5. Job Order Costing.</b> <b>6. Process Costing: Cost of Production Report; Lost Units Calculation.</b> <b>7. Process Costing: Addition of Materials; Average and Fifo Costing.</b> <b>8. By-Product and Joint Product Costing.</b>
III	<b>9. Factory Overhead: Planned, Applied, and Actual with Variance Analysis.</b> <b>10. Factory Overhead: Departmentalization for Product Costing and Cost Control.</b> <b>11. Factory Overhead: Responsibility Accounting and Responsibility Reporting.</b>
IV	<b>12. Controlling and Costing Materials.</b> <b>13. Quantitative Models for Materials Planning and Control.</b> <b>14. Controlling and Accounting for Labor Costs.</b>

### Notes to the Specification Grid:

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. No question shall contain theory in excess of 08 marks.

### Evaluation Criteria:

1. Answer to the theoretical question shall be evaluated on the basis of correct language and the subject matter.
2. Numerical shall be evaluated on the basis of correct answer, logical sequence and working notes.

## COURSE OUTLINE

### Part – I

#### **1. Concept of Management and Function of the Controller.**

- i) The Concept “Management”.
- ii) Organizing.
- iii) The Organization Chart.

- 
- iv) Accounting --- The Framework for Planning and Controlling Management Activities.
  - v) The Controller's Participation in Planning and Control.
  - vi) The Nature of Cost Accounting.
  - vii) Scope of Cost Accounting.
  - viii) The Cost Department.
  - ix) Relationship of the Cost Department of Other Departments.
  - x) Sources of Cost Accounting Data.
  - xi) Information System.
- 2. Financial Statements.**
- i) The Reporting Function.
  - ii) Financial Statements in the Annual Report.
  - iii) Evaluating Annual Results to Orient the Outsiders.
  - iv) Evaluating results to Orient Insiders.
  - v) The Flow of Costs.
  - vi) Planning and Control Models.
  - vii) Cost-and-Profit Analysis.
  - viii) Operations Research.
  - ix) Governmental and Private Organizations influencing General and Cost Accounting Principles and Practices.
- 3. Cost: Concepts, Uses and Classifications.**
- i) The Concept "Cost".
  - ii) Uses of Cost Data.
  - iii) Cost Data: Importance of Past, Present, and Future.
  - iv) Classification of Cost.
  - v) Factors Influencing Responsible Cost Control.
  - vi) Cost Accounting Standards Board.
- 4. The Cost Accounting System.**
- i) Fundamentals of a Cost Accounting Information System.
  - ii) Chart of Accounts.
  - iii) Data Processing by means of the Journal Voucher Control System.
  - iv) The Manufacturing Cost Accounting Cycle.
  - v) The Factory Ledger.
  - vi) Electronic Data Processing.

### Part – II

- 5. Job Order Costing.**
- i) Cost Systems: Actual or Standard.
  - ii) Cost Accumulation Procedures: Job Order or Process.
  - iii) Job Order Cost Accumulation Procedures.
- 6. Process Costing: Cost of Production Report; Lost Unit Calculations.**
- i) Characteristics and Procedures of Process Costing.
  - ii) Costing by Departments.
  - iii) Product Flow.
  - iv) Procedures for Materials, Labor, and Factory Overhead Costs.
  - v) The Cost of Production Report.
- 7. Process Costing: Addition of Materials; Average and Fifo Costing.**
- i) Increase in Unit Cost Due to Addition of Materials.
  - ii) Increase in Units and Change in Unit Cost Due to Addition of Materials.
  - iii) Beginning Work in Process Inventories.
  - iv) Difficulties Encountered in Process Cost Accounting Procedures.
- 8. By-Product and Joint Product Costing.**

- 
- i) Difficulties in Costing By-Products and Joint Products.
  - ii) Joint Products and Cost Defined.
  - iii) By-Products Defined.
  - iv) Nature of By-Products.
  - v) Methods of Costing By-Products.
  - vi) Characteristics of Joint Products and Cost.
  - vii) Methods of allocating the Joint Production Cost.
  - viii) Joint Product Cost Analysis for Managerial Decision Making.

**Part – III**

**9. Factory Overhead: Planned, Applied, and Actual with Variance Analysis.**

- i) Factory Overhead – Predetermined.
- ii) Factory Overhead – Actual.
- iii) Factory Overhead – Applied, Over or Under-applied
- iv) Variance Analysis.
- v) Incorrect Overhead Rates.
- vi) Changing Overhead Rates.
- vii) Graphic Presentation of Factory Overhead.

**10. Factory Overhead: Departmentalization for Product Costing and Cost Control.**

- i) The Concept of Departmentalization.
- ii) Producing and Service Departments.
- iii) Direct Departmental Expenses in Producing and Service Departments.
- iv) Indirect Departmental Expenses.
- v) Establishing Departmental Overhead Rates.
- vi) Use of Departmental Factory Overhead Rates.
- vii) Actual Factory Overhead Departmentalized.
- viii) Over or Under-applied Factory Overhead.
- ix) Spending and Idle Capacity Variance Analysis.
- x) Overhead Departmentalization in Non-manufacturing.
- xi) Businesses and Nonprofit Organization.

**11. Factory Overhead: Responsibility Accounting and Responsibility Reporting.**

- i) Responsibility Accounting and Control of Factory Overhead.
- ii) Responsibility Reporting.

**Part – IV**

**12. Controlling and Costing Materials.**

- i) Procedures for Materials.
- ii) Procurement and Use.
- iii) Materials Costing Methods.
- iv) Cost of Materials in Inventory at the End of a Period.
- v) Costing Procedures for Scrap, Spoiled Goods, and Defective Work.
- vi) Summary of Materials Management.

**13. Quantitative Models for Materials Planning and Control.**

- i) Planning Materials Requirements.
- ii) Materials Control.

**14. Controlling and Accounting for Labor Costs.**

- i) Basis for Labor Cost Control.
- ii) Productivity and Efficiency Measurement and Labor Cost.
- iii) Labor Performance Reports.
- iv) The Computer's Contribution of Labor Cost Control.
- v) Productivity, Inflation, and Prices.
- vi) Organization for Labor Cost Control.

- vii) Procedures for Labor Costing.
- viii) Computerized Payroll Procedures.
- ix) Incentive Wage Plans.
- x) Wage Incentive Time Standards Via Learning Curve Theory.
- xi) Union Contracts.

**Prescribed Book:**

1. Cost Accounting, Planning and Control: Matz and Usry, South Western Publishing Company.

**Suggested Readings:**

1. Cost Accounting: Edward B. Deakin, Irwin.
2. Cost Accounting: Charles T Harngren, Prentice Hall Inc.

**FINANCIAL ACCOUNTING – II****Introduction:**

This course is designed to provide understanding of accounting methods and procedures as followed by different forms of business organizations and commercial ventures. It systematically covers the accounting process of classification, summarization, presentation and interpretation of historical data in the light of established accounting practices and major form of business organization i.e. partnerships and limited companies. Application of principles set out by IASs in the preparation of financial statements is also required from the students.

**Specification Grid:**

<b>Part</b>	<b>Chapters</b>
<b>I</b>	<b>1. Average Due Date and Account Current.</b> <b>2. Sectional and Self-Balancing System.</b> <b>3. Single Entry System.</b> <b>4. Partnership – I: Appropriation of Profit and Loss.</b> <b>5. Partnership – II: Admission of a Partner.</b>
<b>II</b>	<b>5. Partnership – III: Retirement of a Partner.</b> <b>6. Partnership – IV: Death of a Partner.</b> <b>8. Partnership – V: Dissolution of the Firm.</b>  <b>9. Partnership – VI: Amalgamation of Firms and Conversion/ Sale to A Company.</b>  <b>10. Company Accounts: Accounting for Issue of Share.</b>
<b>III</b>	<b>11. Company Final Accounts.</b>
<b>IV</b>	<b>12. Contract Accounts.</b> <b>13. Ratios.</b> <b>14. Cash Flow and Fund Flow Statements.</b>

**Notes to the Specification Grid:**

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. No question shall contain theory in excess of 08 marks.

**Evaluation Criteria:**

1. Answer to the theoretical question shall be evaluated on the basis correct language and the subject matter.
2. Numerical will be evaluated on the basis of correct answer, logical sequence and working notes.

**COURSE OUTLINE**

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**Part – I****1. Average Due Date and Account Current.**

- i) Average Due Date.
- ii) Steps for calculation of Average Due Date.
- iii) Due date of a Bill of Exchange.
- iv) Average due date as the Basis for Calculation of Interest.
- v) Account Current.

**2. Sectional and Self-Balancing System.**

- i) Classification of Ledgers.
- ii) Sectional Balancing System.
- iii) Self-Balancing System.
- iv) Transfer between Subsidiary Ledgers.
- v) Advantages of Self-Balancing Ledger.
- vi) Rectification of Errors relating to the Self-Balancing System.

**3. Single Entry System.**

- i) Pure, Simple and Quasi Single Entry System.
- ii) Characteristics of Single Entry System.
- iii) Limitations of Single Entry System.
- iv) Difference between Double Entry System and Single Entry System.
- v) The Transaction Approach.
- vi) The Balance Sheet Approach.
- vii) Steps for ascertaining Profit.
- viii) Difference between Statement of Affairs and Balance Sheet.
- ix) Conversion to Double Entry System.

**4. Partnership – I: Appropriation of Profit and Loss.**

- i) Meaning of Partnership.
- ii) Features of Partnership.
- iii) Partnership Deed.
- iv) Kinds of Partners.
- v) Registration of Partnership Firm.
- vi) Partners' Capital Account.
- vii) Interest on Capital.
- viii) Partner's Salaries, Commission etc.
- ix) Partners' Drawings.
- x) Partners' Loan Accounts.
- xi) Sharing of Profits.
- xii) Guarantee of Profits to or by a Partner.

**5. Partnership – II: Admission of a Partner.**

- i) Adjustment in regard to Profit-sharing Ratio.
- ii) Adjustment in regard to Goodwill.
- iii) Types of Goodwill.
- iv) Valuation of non-purchased Goodwill.
- v) Treatment of Goodwill on Admission of a New Partner.
- vi) Adjustment in regard to Revaluation of Assets and Liabilities.
- vii) Adjustment in regard to Undrawn Profits.
- viii) Adjustment in regard to Partners' Capitals.
- ix) Admission of a partner during an Accounting Year.

**Part – II****6. Partnership – III: Retirement of a Partner.**

- i) Adjustment in regard to Goodwill.



- ii) Adjustment in regard to Revaluation of Assets and Liabilities.
- iii) Adjustment in regard to Undistributed Profit.
- iv) Computation of retiring Partner's Interest.
- v) Mode of payment of Retiring Partner's Interest.
- vi) Unsettled accounts of a Retiring Partner.
- vii) Admission-cum-Retirement.

**7. Partnership – IV: Death of a Partner.**

- i) Ascertainment of Financial Interest.
- ii) Unsettled accounts of a Deceased Partner.

**8. Partnership – V: Dissolution of the Firm.**

- i) Dissolution by the Partners.
- ii) Dissolution by the Court.
- iii) Steps in the dissolution Process.
- iv) Settlement of Accounts.  
Accounting Entries for Dissolution.

- a) Realisation of Assets and Settlement of Liabilities.
- b) Settlement of the Accounts of the Partners.
  - (i) Where all the partners are solvent.
  - (ii) Where some of the partners are solvent and other are insolvent.
  - (iii) Where all the partners are insolvent.

**Note:** Gradual Realisation of Assets and Piece-meal Distribution are excluded.

**9. Partnership – VI: Amalgamation of Firms and Conversion/Sale to a Company.**

- i) When two or more Sole Proprietorship form a New Partnership Firm.
  - a) Accounting Entries in the Books of Amalgamating Sole Proprietors.
  - b) Accounting Entries in the Books of the New Firm.
- ii) Accounting Entries in the Books of Amalgamating Firms When:
  - a) An existing Partnership Firm absorbs Sole Proprietorship.
  - b) An existing Partnership Firm absorbs another Partnership Firm.
  - c) Two or more Partnership Firms form a New Partnership Firm.
- iii) Conversion or Sale of a Partnership Firm to a Company.
  - a) Accounting Entries in the Books of Selling Firms.
  - b) Accounting Entries in the Books of Purchasing Company

**10. Company Accounts: Accounting for Issue of Shares.**

- i) Share – Defined.
- ii) Difference between share and debenture.
- iii) Share Capital of a Company.
- iv) Preference Shares.
- v) Equity Shares.
- vi) Issue of Shares (entries for only fully paid up shares as required under the Companies Ordinance 1984 – section 91).
- vii) Procedure for Issue of Shares.
- viii) Issue of Shares at Par.
- ix) Issue of Share at Premium.
- x) Issue of Share at Discount.
- xi) Issue of Share for Consideration other than Cash.
- xii) Over subscription and Pro-rata Allotment.

**Part – III**

**11. Company Final Accounts.**

- 
- i) Books of Accounts to be kept by a Company.
  - ii) Statutory Books.
  - iii) Annual Accounts and Balance Sheet.
  - iv) International Accounting Standard – 8 (Revised 1993).
  - v) Forms and Contents of Balance Sheet and Profit & Loss Account. (under 4<sup>th</sup> and 5<sup>th</sup> Schedule of Companies Ordinance, 1984).
  
  - vi) Requirements as to Profit and Loss Account.
  - vii) Some Special Points regarding Profit & Loss Account of a Company.
  - viii) Some General Points regarding Profit & Loss Account of a Company.
  - ix) Typical Adjustments in Problems of Company Final Accounts.
    - a) Depreciation.
    - b) Interest on Debentures.
    - c) Tax Deducted at Source.
    - d) Advance Payment of Income Tax.
    - e) Provision for Taxation.
    - f) Dividend.
    - g) Suspense Account.
    - h) Profit on Revaluation of Fixed Assets.
    - i) Discount on Issue of Shares and Debentures.
  - x) Managerial Remuneration.
  - xi) Remuneration for Directors.
  - xii) Remuneration to Manager.
  - xiii) Overall Maximum Managerial Remuneration.
  - xiv) Calculation of Net Profit for Managerial Remuneration.
  - xv) Commission after Charging such Commission.
  - xvi) Divisible Profit.
  - xvii) International Accounting Standard – 10 (Revised 1993).
  - xviii) Transfer of Reserves.
  - xix) Profit and Loss Appropriation Account.

#### Part – IV

### 12. Contract Accounts.

- i) Nature.
- ii) Work in Progress.
- iii) Profit on Incomplete Contract.
- iv) Estimated Profits.
- v) International Accounting Standard – 11 (Revised 1993).

### 13. Ratios.

- i) Importance of Accounting Ratios.
- ii) Limitations of Accounting Ratios.
- iii) Various Accounting Ratios.
  - a) Return on Investment (ROI).
    - 1- Return on Fixed Assets.
    - 2- Return on Current Assets.
    - 3- Return on Fixed + Current Assets.
    - 4- Return on Working Capital.
  - b) Profitability Ratios.
    - 1- Gross Profit Ratio.
    - 2- Net Profit Ratio.
    - 3- Operation Ratio.
  - c) Turnover Ratios.

- 
- 1- Total Capital Turnover Ratio.
  - 2- Fixed Asset Turnover Ratio.
  - 3- Working Capital Turnover Ratio.
  - 4- Stock (inventory) Turnover Ratio.
  - 5- Raw Material Stock Turnover Ratio.
- d) Equity Ratios.
- 1- Debt-Equity Ratio.
  - 2- Ratio of Capital and Long Term Funds to Fixed Assets or Fixed Asset Ratio.
- e) Liquidity Ratios.
- 1- Current Ratio or Working Capital Ratio.
  - 2- Quick Ratio or Acid Test Ratio.
- f) Average Collection Period.
- g) Dividends Paid to Profits Earned Ratio.
- h) Operating and Financial Leverage.
- i) Earning per Share Ratio.
- iv) Predictability of Insolvency on the Basis of Ratios.

#### **14. Cash Flow and Funds Flow Statements.**

- i) Meaning of Cash Inflow from Operations.
- ii) Cash Flow Statement.
- iii) Funds Flow Statement (Funds as Working Capital).
- iv) International Accounting Standard – 7.
- v) Rules and Advantages.

#### **Prescribed Books:**

1. Modern Accountancy: M. Hanif and A. Mukhurjee.
2. Advanced Accounts: M.C.Shukla and T.S.Grewal.

#### **Suggested Readings:**

1. Principles of Accounting: M.A.Ghani and Ejaz.

**INCOME TAX LAW****Introduction:**

To provide students with the knowledge of the Income Tax Ordinance, 1979 and to develop amongst them an understanding of its application to various types of persons, excluding advanced topics.

**Specification Grid:**

<b>Part</b>	<b>Chapters</b>
<b>I</b>	<b>1. Introduction.</b> <b>2. Income Exempt from Tax.</b> <b>3. Salary.</b> <b>4. Interest on Securities.</b> <b>5. Income from Property.</b> <b>6. Income from Business, Profession.</b>
<b>II</b>	<b>7. Depreciation.</b> <b>8. Capital Gains.</b> <b>9. Income from Other Sources.</b> <b>10. Registration of Firms.</b>
<b>III</b>	<b>11. Assessment Procedure.</b> <b>12. Set-off and Carry-forward of Losses.</b> <b>13. Income Tax Authorities.</b> <b>14. Appeals and Revision</b>
<b>IV</b>	<b>15. Assessment of Individuals.</b>

**Notes to the Specification Grid:**

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. Students shall be required to solve the problems according to the rates given in the question paper.

**Evaluation Criteria:**

1. Answer to the theoretical question shall be evaluated on the basis of correct language and the subject matter.
2. Numerical shall be evaluated on the basis of correct answer, logical sequence and working notes.

**COURSE OUTLINE****Part – I****1. Introduction.**

- i) Nature and Importance of Tax.
- ii) Objectives of Taxation.
- iii) Definitions.

- a) Agricultural Income.
- b) Assessee.
- c) Assessment Year.
- d) Business.
- e) Capital Asset.
- f) Company.
- g) Dividend.
- h) Income Year.
- i) Income.
- j) Person.
- k) Principal Officer.
- l) Registered Firm.
- m) Return of Total Income.
- n) Resident/Non-resident.
- o) Total Income.
- p) Total World Income.

**2. Income Exempt from Tax.**

- i) Income Exempt from Tax and not to be included in Total Income.
- ii) Income Exempt from Tax but included in Total Income.

**3. Salary.**

- i) Definition.
- ii) Features of Salary Income.
- iii) Scope of Salary Income.
- iv) Taxation of Perquisites.
- v) Provident Fund: Types and Treatment.
- vi) Computation of Salary Income.
- vii) Calculation of Gross Tax Payable.
- viii) Calculation of Tax Payable.
- ix) Relief and Allowances.
  - a) Donations for Charitable Purposes.
  - b) Legal Expenditure.
  - c) Investment Allowances.
  - d) Benevolent Fund Contribution.
  - e) Group Insurance Contribution.
  - f) Cases of Marginal Relief.

**4. Interest on Securities.**

- i) Definition.
- ii) Conditions for Taxability of Interest.
- iii) Scope of Interest on Securities.
- iv) Allowable Deductions.
- v) Tax Free Securities.
- vi) Bond Washing Transactions.
- vii) Grossing Up of Income from Interest on Securities.

**5. Income from Property.**

- i) Definition.
- ii) Scope of Income from House Property.
- iii) Annual Letting Value.
- iv) Allowable Deductions.
- v) Liability in Case of Co-owners.
- vi) Property Exempt from Tax.
- vii) Taxation of Un-adjustable Advance or Pugree Received by Owner.

- 
- viii) Taxation of Pugree Received by Tenant.

**Part – II**

**6. Income from Business, Profession.**

- i) Taxability of Business and Profession.
- ii) Scope of Business and Profession.
- iii) Allowable Deductions.
- iv) Inadmissible Expenses.
- v) Deduction of Head Office Expenditure in the Case of Non-residents.

**7. Depreciation.**

- i) Conditions for Allowability of Depreciation.
- ii) Kinds of Depreciation Allowance.

**8. Capital Gains.**

- i) Definition.
- ii) Computation.
- iii) Determination of Cost of Acquisition.
- iv) Exemption of Capital Gains.

**9. Income from Other Sources.**

- i) Income Charged under this Head.
- ii) Allowable Deductions.

**10. Registration of Firms.**

- i) Grant of Registration.
- ii) Cancellation of Registration.
- iii) Grounds for Refusal of Registration.
- iv) Privileges of Registered Firm.
- v) Assessment of Firms and Partners.

**Part – III**

**11. Assessment Procedure.**

- i) Cycle of Assessment.
- ii) Legal Provisions regarding Filing of Return of Income.
- iii) Assessment and Its Types.
- iv) Limitations on Assessment.
- v) Payment of Tax.
- vi) Recovery of Tax.
- vii) Refund of Tax.

**12. Set-off and Carry Forward of Losses.**

- i) Loss from Source of Income.
- ii) Set off Losses.
- iii) Carry Forward of Losses.

**13. Income Tax Authorities.**

- i) Central Board of Revenue (CBR).
- ii) Director General of Inspection.
- iii) Regional Commissioner of Income Tax.
- iv) Director General of Investigation and Intelligence.
- v) Commissioner Headquarters (Commissioner Survey).
- vi) Commissioner of Income Tax.
- vii) Inspecting Additional Commissioner.
- viii) Inspector of Income Tax.
- ix) Income Tax Officer.
- x) Tax Recovery Officer.

**14. Appeals and Revision.**

- i) Appeal before Income Tax Authorities.

- ii) Appeal to the Appellate Additional Commissioner.
- iii) Appeals to High Court and Supreme Court.

**Part – IV**

**15. Assessment of Individuals.**

Computation of the following for the individuals:

- i) Total Income (earned from any source of income).
- ii) Taxable Income (on the basis of the above), and
- iii) Tax Payable.

**Prescribed Books:**

1. Income Tax, Principles and Practices: Muhammad Moazzam Mughal.
2. Income Tax Ordinance, 1979. Government of Pakistan.

**Suggested Reading:**

1. Income Tax Law: Dr. Khawaja Amjad Saeed.

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**STATISTICS**

**Introduction:**

After studying the course students will be able to go in depth of the field of Statistics, which is basically concerned with generalizations and predictions.

**Specification Grid:**

Part	Chapters
<b>I</b>	<b>1. Introduction.</b> <b>2. Presentation of Data.</b> <b>3. Measures of Central Tendency or Averages.</b>
<b>II</b>	<b>4. Measures of Dispersion, Moments and Skewness.</b> <b>5. Index Numbers.</b>
<b>III</b>	<b>6. Method of Least Squares and Curve Fitting.</b> <b>7. Time Series.</b>
<b>IV</b>	<b>8. Simple Regression and Correlation.</b> <b>9. Multiple Regression and Correlation.</b> <b>10. Interpolation.</b>

**Notes to the Specification Grid:**

1. The question paper shall comprise 8 (eight) questions.
2. There shall be 4 (four) parts of the question paper, as above, and every part shall contain 2 (two) questions.
3. Each question shall carry 20 (twenty) marks.
4. Students shall be required to attempt 5 (five) questions in all by selecting at least 1 (one) question from each part.
5. Questions may be set from outside the Prescribed and Suggested books.
6. Questions, if deemed necessary by the examiner, may be fragmented into parts, not exceeding four in number.
7. No question shall contain theory in excess of 08 marks.

**Evaluation Criteria:**

1. Answer to theoretical question shall be evaluated on the basis of correct language and the subject matter.
2. Numerical shall be evaluated on the basis of correct answer, logical sequence and working notes.

**COURSE OUTLINE**

**Part – I**

**1. Introduction.**

- i) Meaning of Statistics.
- ii) Observations and Variables.
- iii) Collection of Data.

**2. Presentation of Data.**

- i) Introduction.
- ii) Classification.
- iii) Tabulation.
- iv) Frequency Distribution.
- v) Graphical Distribution.



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**3. Measures of Central Tendency or Averages.**

- i) Introduction.
- ii) Desirable Qualities of a Good Average.
- iii) Types of Averages.
- iv) The Arithmetic Mean.
- v) The Geometric Mean.
- vi) The Harmonic Mean.
- vii) The Median.
- viii) The Mode.
- ix) Empirical Relations between Mean, Median and Mode.
- x) Relative Merits and Demerits of Various Averages.

**Part – II****4. Measures of Dispersion, Moments and Skewness.**

- i) Introduction.
- ii) Range.
- iii) The Semi-Inter-Quartile Range or the Quartile Deviation.
- iv) The Mean (or average) Deviation.
- v) The Variance and Standard Deviation.
- vi) Moments.
- vii) Skewness.
- viii) Kurtosis.
- ix) Describing a Frequency Distribution.

**5. Index Numbers.**

- i) Introduction.
- ii) Main Steps in the Construction of Index Numbers of Wholesale Prices.
- iii) Un-Weighted Index Numbers.
- iv) Weighted Index Numbers.
- v) Quantity Index Numbers.
- vi) Theoretical Test for Index Numbers.
- vii) Consumer Price Index Number.
- viii) Uses of Index Numbers.
- ix) Limitations of Index Numbers.

**Part – III****6. Methods of Least Squares and Curve Fitting.**

- i) Introduction.
- ii) Finding Plausible Values by LS Method.
- iii) Curve Fitting.
- iv) Exponential Curves.
- v) Other Types of Curves.
- vi) Criteria for a Suitable Curve.

**7. Time Series.**

- i) Introduction.
- ii) Components of a Time Series.
- iii) Analysis of Time Series.
- iv) Measurement of Secular Trend.
- v) De-trending.
- vi) Measurement of Seasonal Variations.
- vii) De-seasonalization of Data.
- viii) Measurement of Cyclical Variations.
- ix) Measurement of Irregular Variations.
- x) Forecasting.

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**Part – IV****8. Simple Regression and Correlation.**

- i) Introduction.
- ii) Deterministic and Probabilistic Relations or Models.
- iii) Scatter Diagram.
- iv) Simple Linear Regression Model.
- v) Correlation.
- vi) Rank Correlation.

**9. Multiple Regression and Correlation.**

- i) Introduction.
- ii) Multiple Linear Regression with Two Regressors.
- iii) Multiple Regression and Correlation --- An Alternative Approach.
- iv) Partial Correlation.
- v) Curvilinear Regression.

**10. Interpolation.**

- i) Meaning.
- ii) Extrapolation.
- iii) Necessity of Interpolation.
- iv) Assumptions of Interpolation.
- v) Methods of Interpolation.
  - i- Newton's Method of interpolation for equal intervals.
  - ii- Newton's formula for unequal intervals.
  - iii- Lagrange's Method of interpolation.

**Prescribed Books.**

1. Introduction to Statistical Theory: Professor Sher Muhammad Chaudhry.
2. Elements of Statistics: Iqbal Bhatti.

**Suggested Readings.**

1. Introduction to Statistics: Ronald E. Walpole.
2. Introductory Statistics for Business and Economics: Thomas H. Wonnacott and Ronald J. Wonnacott, John Wiley & Sons, N.Y., U.S.A.