UPSC Commerce and Accountancy Syllabus, Download Optional PDF

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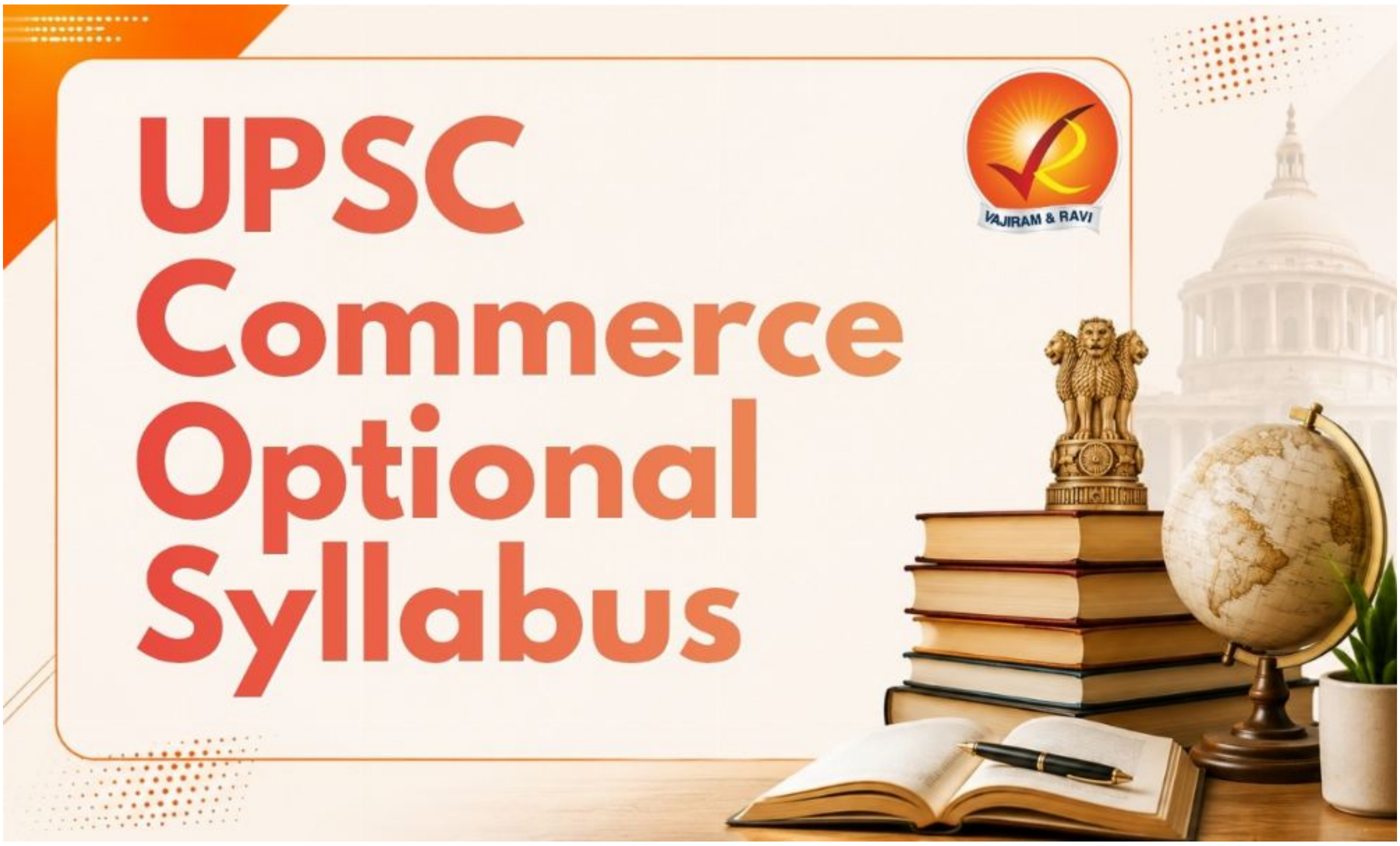

UPSC Commerce and Accountancy Syllabus Commerce and Accountancy is one of the most advantageous optional subjects for UPSC aspirants with a commerce background. It consists of two papers, Paper 1 and Paper 2, each with 250 marks.

This article covers the UPSC Commerce and Accountancy optional syllabus for both Paper 1 and Paper 2, a few tips on how to prepare for this subject, and essential topics of the subject.

UPSC Commerce and Accountancy Syllabus

UPSC Commerce and Accountancy is one of the most popular optional subjects among aspirants with a commerce background. It is a lengthy and technical optional subject with a defined syllabus. Being lengthy and technical in nature, it requires proper preparation and multiple revisions.

This optional subject plays an instrumental role in aiding aspirants to learn about basic financial literacy, the economic evolution from the currency of the day to the digital currency of today, and how businesses work to create profits.

It carries a weightage of 500 marks in the UPSC CSE Mains Examination, that is, 250 marks for each paper. Accounting, auditing, financial management, tax accounting, and human resource management are among the major important topics covered under the commerce optional.

UPSC Commerce and Accountancy Optional Course

UPSC Commerce and Accountancy Syllabus for Paper 1

Commerce and Accountancy Optional Paper 1 focuses on the principles and practices of financial accounting, cost accounting, and auditing. It covers topics like accounting standards, financial statement analysis, and various aspects of auditing and assurance services. Let's have a look at the detailed syllabus of Commerce and Accountancy Optional Paper 1 :

<table>
<tr><th colspan="2">Commerce and Accountancy Optional Paper 1 Syllabus</th></tr>
<tr><th>Topics</th><th>Subtopics</th></tr>
<tr><td colspan="2">Accounting, Taxation & Auditing</td></tr>
<tr><td>1. Financing Accounting</td><td>Accounting as a financial information system; Impact of behavioural sciences. Accounting Standards e.g., accounting for Depreciation, Inventories, Research and Development Costs, Long-term Construction Contracts, Revenue Recognition, Fixed Assets, Contingencies, Foreign Exchange Transactions, Investments and Government Grants, Cash Flow Statement, Earnings per Share.
Accounting for Share Capital Transactions including Bonus Shares, Right Shares.
Emplyees Stock Option and Buy-Back of Securities.
Preparation and Presentation of Company Final Accounts.
Amalgamations, Absorption, and Reconstruction of Companies.</td></tr>
<tr><td>2. Cost Accounting</td><td>Nature and functions of cost accounting. Installation of Cost Accounting System. Cost Concepts related to Income Measurement, Profit Planning, Cost Control, and Decision Making.
Methods of Costing: Job Costing, Process Costing, Activity Based Costing. Volume-cost-Profit Relationship as a Tool of Profit Planning.
Incremental Analysis/Differential Costing as a Tool of Pricing Decisions, Product Decisions, Make or Buy Decisions, Shut-Down Decisions, etc.
Techniques of Cost Control and Cost Reduction: Budgeting as a Tool of Planning and Control. Standard Costing and Variance Analysis.
Responsibility Accounting and Divisional Performance Measurement.</td></tr>
</table>

3. Taxation	• **Income Tax:** Definitions. Basis of charge; Incomes which do not form part of total income. **Simple problems of computation of income** (of individuals only) under various heads, i.e., salaries, income from house property, profits and gains from business or profession, capital gains, income from other sources, Income of other persons included in assessee's total income. • Set-off and Carry forward of Loss. • Deductions from gross Total Income. • Salient Features/Provisions Related to **VAT and Services Tax**.
4. Auditing	• **Company Audit:** Audit related to Divisible Profits, Dividends, Special investigations, Tax audit. • **Audit of banking**, Insurance, Non-Profit Organization and Charitable societies/Trusts/Organizations.
Financial Management, Financial Institutions and Markets	
1. Financial Management	• **Finance Function:** Nature, Scope and Objectives of Financial Management, Risk and Return relationship. • **Tools of Financial Analysis**: Ratio Analysis, Funds-Flow and Cash-Flow Statement. • **Capital Budgeting Decisions:** Process, Procedures and Appraisal Methods. Risk and Uncertainty Anlysis and Methods. • **Cost of Capital:** Concept, Computation of Specific Costs and Weighted Average Cost of Capital. CAPM as aTool of Determining Cost of Equity Capital. • **Financing Decisions:** Theories of Capital Structure—Net Income (NI) Approach, • Net Operating Income (NOI) Approach, MM Approach and Traditional Approach. **Designing of Capital structure:** Types of Leverages (Operating, Financial and Combined), EBIT-EPS Analysis, and other factors. • **Dividend Decisions and Valuation of Firm**: Walter's Model, MM Thesis, Gordan's Model, Lintner's Model. Factors Affecting Dividend Policy. • **Working Capital Management:** Planning of Working Capital. Determinants of Working Capital. **Components of Working Capital**—Cash, Inventory and Receivables. • **Corporate Restructuring** with focus on Mergers and Acquisitions (Financial aspect only).
2. Financial Markets and Institutions	• **Indian Financial System:** An Overview • **Money Markets:** Participants, Structure and Instruments. Commercial Banks. Reforms in Banking Sector. Monetary and Credit Policy of RBI. RBI as a Regulator. • **Capital Market:** Primary and Secondary Market. Financial Market Instruments and Innovative Debt Instruments. SEBI as a Regulator. • **Financial Services:** Mutual Funds, Venture Capital, Credit Rating Agencies, Insurance and IRDA.

UPSC Commerce and Accountancy Syllabus for Paper 2

Commerce and Accountancy Optional Paper 2 delves into business organization, management, and taxation. It includes topics such as corporate governance, financial management, human resource management, and direct and indirect tax laws. Here is the detailed Syllabus of Commerce and Accountancy Optional Paper 2:

<table>
<tr><th colspan="2">Commerce and Accountancy Optional Paper 2 Syllabus</th></tr>
<tr><th>Topics</th><th>Subtopics</th></tr>
<tr><td colspan="2">Organisation Theory and Behaviour</td></tr>
<tr><td>1. Organisation Theory</td><td>Nature and Concept of Organisation: External Environment of Organisation—Technological, Social, Political, Economical and Legal, Organisational Goals Primary and Secondary Goals, Single and Multiple Goals, Management by Objectives.
Evolution of Organisation theory: Classical Neo-classical and system approach.
Modern Concepts of Organisation Theory: Organisational Design, Organisational Structure and Organisational Culture.
Organisational Design—Basic Challenges, Differentiation and Integration Process, Centralization and Decentralization Process, Standardization/Formalization and Mutual Adjustment. Coordinating Formal and Informal Organizations. Mechanistic and Organic Structures.
Designing Organizational structures—Authority and Control, Line and Staff Functions, Specialization and Coordination. Types of Organization Structure—Functional. Matrix Structure, Project Structure. Nature and Basis of Power, Sources of Power, Power Structure and Politics. Impact of Information Technology on Organizational Design and Structure.
Managing Organizational Culture.</td></tr>
<tr><td>2. Organisation Behaviour</td><td>Meaning and Concept: Individual in organization; Personality, Theories, and Determinants; Perception Meaning and Process.
Motivation: Concepts, Theories and Applications. Leadership—Theories and Styles. Quality of Work Life (QWL): Meaning and its impact on Performance, Ways of its Enhancement. Quality Circles (QC)—Meaning and their Importance. Management of Conflicts in Organizations. Transactional Analysis, Organizational Effectiveness, Management of Change.</td></tr>
<tr><td colspan="2">Human Resources Management and Industrial Relations</td></tr>
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1. Human Resources Management (HRM)	• Meaning Nature and Scope of HRM, Human Resource Planning, Job Analysis, Job Description, Job Specification, Recruitment Process, Selection Process, Orientational and Placement, Training and Development Process Performance Appraisal and 360° Feedback Salary and Wage Administration, Job Evaluation, Employee Welfare, Promotions, Transfers and Separations.
2. Industrial Relations (IR)	• Meaning, Nature, Importance and Scope of IR, Formation of Trade Union, Trade Union Legislation, Trade Union Movement in India, Recognition of Trade Unions, Problems of Trade Unions in India, Impact of Liberalization on Trade Union Movement. • Nature of Industrial Disputes: Strikes and Lockouts, Causes of Disputes, Prevention and Settlement of Disputes. • Worker's Participation in Management: Philosophy, Rationale, Present Day Status and Future Prospects. • Adjudication and Collective Bargaining, Industrial Relations in Public Enterprises, Absenteeism and Labour Turnover in Indian Industries and their Causes and Remedies. • ILO and its Functions.

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UPSC Commerce and Accountancy Optional Syllabus Preparation Strategy

Commerce and Accountancy Optional being one of the scoring optional subjects in UPSC CSE Mains, this optional requires proper preparation with adequate time. Aspirants should have conceptual clarity of the core topics due to the technical nature of the subject. Both paper 1 and paper 2 are theoretical, while paper 1 is a blend of theoretical and practical concepts. Many of the questions asked in paper 1 are in numerical form. Thus it requires a lot of practice and revisions to brush up on the concepts.

While preparing for the UPSC Commerce and Accountancy syllabus, the following points should be taken into consideration:

- First carefully read and review the syllabus and filter out syllabus-centric topics. Next, start studying the previous year's questions and analyse the major topics, as many questions are asked repetitively. Due to the vast syllabus, the syllabus should be covered thoroughly.
- Making notes is extremely important. It should include diagrams, definitions, examples, and key points without notes being too bulky. This will be helpful in easy revisions and answer writing. Adding relevant diagrams and flowcharts from these notes in both paper 1 and paper 2 can provide you with an edge.

Strategy for Commerce and Accountancy Optional Paper 1:

- Paper 1 is mostly about practical numerical questions. A strong hold over concepts in Paper 1 will help in getting excellent marks on these questions. Adequate practice and revision is the key to detecting errors and mistakes and completing the questions within the given time. However, aspirants should also give equal emphasis on the theoretical aspects of paper 1, as the conceptual clarity of topics is helpful in answering such questions, especially when the numericals are unpredictable.

Strategy for Commerce and Accountancy Optional Paper 2:

- Paper 2 is mostly theoretical in nature. Thus, having a good hold of the concepts and covering the syllabus comprehensively should be the priority. Revision and making short notes are the essential aspects of the paper 2 strategy. Because of the inherent theoretical nature of Paper 2, answer writing is extremely important. Regular practice is essential in this regard.

Even though current affairs might not seem important from the standpoint of the Commerce & Accountancy optional subject, they might be used to enhance answers. If possible, an aspirant may cite new approaches from diverse Indian and international companies.

UPSC Commerce and Accountancy Optional Books

To prepare the UPSC Commerce and Accountancy Syllabus effectively, aspirants can refer to several recommended books and study materials. Some popular choices include:

UPSC Commerce and Accountancy Optional Books	
Commerce and Accountancy Optional Paper 1	• Fundamentals of Corporate Accounting by J.R.Monga • Accounting Standards byICAI publications • Cost Accounting; Theory & Problems by Maheshwari & Mittal • Students' Guide to Auditing by Aruna Jha • Students' Guide to Income Tax by V.K.Singhania or Girish Ahuja • Financial Management by R. P. Rustagi • Financial management; Text & problems by Khan & Jain • Indian Financial System by M.Y. KHAN or Bharati Pathak • Other sources: Finance related section in newspapers, Economic Survey, The Chartered Accountant Journal
Commerce and Accountancy Optional Paper 2	• Organisation Theory and Behaviour by B.P. Singh & T.N. Chabra • Organisational behaviour by SP Robbins • Human Resource Management by C.B. Gupta • Human Resource and Personnel Management by K. Ashwathapa • Industrial Relations by T.N Chabra and R.K Suri • Industrial Relations in Indian Enterprises by R.S.Dwivedi • Other sources: Reports/publications of the central govt/govt committees concerning labour policy

Other Related UPSC Optional Syllabus		
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