

**Department of Commerce**  
**University of Delhi**

<b>Course : B.Com (Hons.)</b>	<b>Semester : VIth</b>
<b>Subject : Auditing and Corporate Governance</b>	
<b>Paper No. : BCH - 6.1</b>	

The meeting for the above mentioned paper was held at Satyawati College on February 1, 2018 at 10:00 am. The following guidelines were set in the meeting with the consent of all teachers and the representative of Department of Commerce, University of Delhi.

**Unit I: Auditing (20 Lectures)**

Basic Principles and Techniques; Classification of Audit: Continuous and Final Audit, Statutory Audit, Internal Audit and Government Audit; Audit Planning; Internal Control and Internal Check: Cash Sales, Purchases, Wages; Audit Procedure-Vouching: Cash Book, Sales Book, Purchases Book; Verification of Assets: Land & Building, Plant & Machinery, Cash, Receivables and Stock (Cases: Kingston Cotton Mills, Westminster and Robbins); Verification of Liabilities: Loan & Advances, Sundry Creditors.

Company Auditor- Qualifications and Disqualifications, Appointment, Rotation, Removal, Remuneration, Rights & Duties; Auditor's Report – Contents and Types of Reports, Liabilities of Statutory Auditors under the Companies Act, 2013-Civil and Criminal.

Special Areas of Audit (To be Covered briefly) - Cost Audit, Tax Audit and Management Audit; Recent Trends in Auditing: Basic Considerations of Audit in EDP Environment; Relevant Auditing and Assurance Standards (AASs).

**Unit II: Corporate Governance**

Meaning; Theories: Agency Theory and Stakeholder Theory; Models: US Models, German Model, Japanese Models, Indian Model; Benefits of Corporate Governance: Politics and Governance; Board Committees and Their Functions-Audit Committee, Remuneration and Nomination Committee, Risk Committee, CSR Committee, Stakeholder Grievance Committee; Insider Trading; Rating Agencies- Role of Credit Rating Agencies (to be covered in brief); Green Governance/E-Governance (Relevant to Indian Context); Clause 49 of Listing Agreement(Only Historical Brief), Listing Obligation and Disclosure Requirement, 2015 (LODR) to be done in detail; Corporate Governance in Public Sector Undertakings; Corporate Funding of Political

Parties (to be covered in brief); Class Action as per provisions of Companies Act, 2013; Whistle Blowing; Shareholder Activism.

### **Unit III: Major Corporate Governance Failures**

Maxwell Communication (UK), Enron (USA), WorldCom (USA), Satyam Computer Services Limited (all need to be more emphasized); BCCI (UK), Anderson Worldwide (USA), Vivendi (France), Harshad Mehta and Kingfisher Airlines Scam (all to be covered in brief); Common Governance Problems noticed in various corporate failures; Codes and Standards on Corporate Governance: Cadbury, OECD, Oxley Act; Initiatives in India: CII, SEBI, Clause 49 of Listing Agreement, Kumar Mangalam Committee, Naresh Chandra Committee, Narayan Murthy Committee, LODR.

### **Unit II and III together. (30 Lectures)**

### **Unit IV: Business Ethics (5 Lectures)**

Morality and Ethics; Business Values and Ethics; Various Approaches to Business Ethics; Ethical Theories: Utilitarian Theory, Virtues Theory, Deontological Theory; Ethical Governance; Corporate Ethics; CSR- Extension of Business Ethics; Benefits of adopting Ethics in Business; Ethics Programme; Code of Ethics: Ethics Committee (Major Emphasis is to be given).

### **Unit V: Corporate Social Responsibility (CSR) (10 Lectures)**

Corporate Philanthropy; Meaning of CSR; CSR and CR; CSR and Corporate Sustainability; CSR and Business Ethics; CSR and Corporate Governance; Environmental Aspect of CSR; CSR Provisions under the Companies Act, 2013 (Section 135); CSR Committees; CSR Models: Stakeholders Model and Carroll Model; Drivers of CSR (Why Companies Adopting CSR); Codes and Standards on CSR; Global Reporting Initiative (GRI), Tripple Bottom Line (Meaning and Concept), ISO 26000.