

**FURTHER DETAILS REGARDING MAIN TOPICS OF  
PROGRAMME NO. 07/2015 (Item No. 15)**

**CHIEF INTERNAL AUDITOR**

**KERALA STATE ELECTRICITY BOARD**

**(CATEGORY NO. 453/2013)**

**PART I**

- Unit I Financial and Management Accounting - Structure and contents of financial statements - analysis of financial statements - Using ratios to understand the financial status and performance of an organization - Funds Flow Analysis and Cash Flow Analysis - Inter firm comparisons and Trend analysis.
- Unit II Cost accounting - Classification of Costs - Allocation of Costs-Cost centres - Various methods of Costing - Joint products and by-products - Relevant costs for decision making-Break Even and cost volume profit analysis - Budgeting, Standard Costing and Variance Analysis - Full and Direct Costing.
- Unit III Financial Management - Investment decisions: Capital budgeting process - Estimation of cash flows - Project evaluation techniques - Payback period -Accounting rate of return - NPV method - IRR - Capital rationing - Finance decisions: capital structure planning - capital structure theories - Net income approach-Net operating income approach-MM approach-Traditional approach-Cost of capital-methods of computing cost of capital.
- Unit IV Appraisal of Project-Commercial appraisal, Technical appraisal, Financial Appraisal, Economic appraisal. Appraisal for term loan and Working capital financing,. Cost of Project, Means of Finance-Finance Leverage-Capital Budgeting Decisions-Term Loans-Non fund based credits-lines of credit-working capital finance, structure-cash credit, overdraft, Bill finance-Factoring-Forfeiting .
- Unit V Financial Markets- Money Market - Growth of money market in India, its structure and institutional developments, new money market instruments Capital Market, significance of capital market - market players-investors and companies - Financial Derivatives - Forward and Futures ; Market Structure - Currency Derivatives:

Currency forwards-Currency futures-Currency options-Pricing-Trading Strategies-  
Swaps-Options-Swaptions-Term structure and pricing principles-Trading Strategies.

## **PART II**

General Knowledge, Current Affairs & Renaissance in Kerala

***NOTE: - It may be noted that apart from the topics detailed above, questions from other topics prescribed for the educational qualification of the post may also appear in the question paper. There is no undertaking that all the topics above may be covered in the question paper.***