SEMESTER-VI

MANAGEMENT ACCOUNTING

Programme: B.Com(Computer Applications) **Max hours:75**
Course Code:U20/COM/DSE/601A **Max Marks: 100(40:60)**
Course Type: DSE -I **Hours per week:5**
No. of credits:4

Course Objective:

To acquaint about Managerial Accounting decision-making techniques and reporting methods.

Course Outcomes:

CO1: Relate the relationship between Cost, Financial and Management Accounting

CO2: Draw conclusion about the liquidity, solvency and profitability of business entities based on comparative statements, common size statements, trend analysis and ratio analysis

CO3: Prepare Fund flow and Cash flow Statement

CO4: Prepare Marginal Cost Statement and Apply Marginal Costing for Decision making in Business

CO5: Prepare different types of budgets and Calculate material, labour and overhead variances

MODULE I: INTRODUCTION **(15 Hrs)**

Introduction-Meaning and emergence of management accounting- definition of management accounting-Characteristics of management accounting-Scope of Management Accounting-Objectives of management accounting –Functions of Management accounting – Management Accounting Process- Management accounting Vs Financial Accounting- Management accounting Vs Cost accounting- Tools and techniques of Management Accounting – Need and Importance of Management Accounting – Limitations of Management Accounting – Management Information System(MIS) – Installation of Management Accounting System (Only Theory)

MODULE II: FINANCIAL STATEMENT ANALYSIS **(15 Hrs)**

Concept of financial statements –nature – Income statement – statement of changes in financial position –statement of changes in retained earnings – Limitations of financial statements- Analysis and Interpretation – External analysis- Internal analysis – Horizontal analysis – Vertical analysis- tools – Comparative financial statements – Common size statements – Trend analysis(Problems) -Limitations of financial analysis (Theory and Problems)

Ratio analysis – meaning –nature and interpretation of ratios – use and significance of ratios – short term financial ratios – long term financial ratios – profitability ratios – propriety and yield ratios – turnover ratios – DUPONT control chart (Theory and Problems)

MODULE III: FUNDS FLOW AND CASH FLOW ANALYSIS **(15 Hrs)**

Meaning- concept of funds flow- Sources and use of funds – construction of funds flow statement - uses – significance of funds flow statement – limitations of funds flow statement (Theory and Problems)
Cash flow analysis – Introduction – meaning – Distinction of cash from funds- Cash flow from Operating , Investing and Financing activities- Construction of cash flow statement – Uses and Significance of cash flow statements- Limitations of cash flow statements.(Theory and Problems)

MODULE IV: MARGINAL COSTING AND DECISION MAKING **(15 Hrs)**

Meaning of Marginal cost and Marginal costing – Marginal costing VS absorption costing, Contribution, Margin of Safety ,Breakeven analysis and profit volume graph. (Problems) Applications of marginal costing and Cost volume profit analysis – cost control, profit planning, evaluation of performance, Decision making. (Problems)

MODULE V: BUDGETORY CONTROL & STANDARD COSTING (15 Hrs)

Meaning and need for Budget, meaning of estimate ,forecast and budget difference between budget and forecast , Budgetary control, objective of budgetary control. Types of Budgets - Fixed & flexible budget, preparation of functional budget for operating and non-operating functions, cash budget((Problems), Zero base budgeting – control ratios.

Standard cost and standard costing- standard costing and budgetary control- standard cost and estimated cost- standard costing and marginal costing- Various types of standards, Setting of standards, Basic concepts of material and Labour standards. Analysis of variances – Material, labour, overhead and sales variances. (Problems)

LAB WORK

Application of excel for preparation of budgets and variance analysis.

Suggested Readings:

1. Shashi K. Gupta &R.K. Sharma -Management Accounting Principles and Practice – Kalyani Publishers
2. S.P.Jain&K.L.Narang-Cost accounting principles and practice- Kalyani Publishers
3. S.P.Jain&K.L.Narang-Advanced cost accounting-Kalyani Publishers
4. Saxena&Vashist-Advanced Cost and Management accounting-Sultan Chand

MANAGEMENT ACCOUNTING

MODEL QUESTION PAPER

Course Code: U20/COM/DSE/601A **Max Marks: 60**
Credits: 5 **Time : 2Hrs**

I. Answer any FIVE from the following EIGHT Questions. 5q × 2m= 10 Marks

1.
2.
3.
4.
5.
6.
7.
8.

II. Answer the following 5 q x 10 m = 50 marks

1.
OR
2.

3.
OR
4.

5.
OR
6.

7.
OR
8.

9.
OR
10.