

## COC103 Managerial Accounting [4 Credits]

**Learning Objectives:** This course aims at strengthening the technical skills of students in the area of corporate accounting and enhancing their knowledge on contemporary issues and developments in the area.

### **UNIT 1: Management Accounting and Accounting Standards and Practice (12 Hours)**

Accounting – Meaning – Scope – Need – Branches of Accounting - Methods of Accounting – Concepts – Conventions – Limitations – Financial Accounting Vs Cost Accounting Vs Management Accounting – Significance – Nature – Scope – Functions – Tools and Techniques of Management Accounting – **Accounting Standards** – GAAP – International Accounting Standards Committee (IASC) – International Accounting Standards Board (IASB) – Accounting Standards Board (ASB) – Indian Accounting Standards. – Need and Significance of IFRS- IFRS Vs IAS – Adaptability and limitations of IFRS in India.

### **UNIT 2: Financial Statements and Analysis (12 hours)**

Financial Statements – Types of Financial Statements – Income Statement – Balance Sheet – Fund Flow Statement – Cash Flow Statement – Owners Equity Statement – Need – Significance – Limitations – Comparison of all Financial Statements - **FINANCIAL STATEMENT ANALYSIS**; Meaning – Need – Objectives – Techniques – Comparative Statement Analysis – Common Size Statement Analysis – Ratio Analysis – Trend Analysis – **Statement of Changes in Financial Position** - Funds Flow Analysis - Funds Flow Statement Vs Income Statement – Funds Flow Statement Vs Balance Sheet- Uses and Importance – Procedure for Preparing Funds Flow Statement – AS 3 Revised Cash Flow Analysis – Cash Flow Statement Vs Funds Flow Statement – Advantages and limitations of Cash Flow Statement. (Including Problems)

### **UNIT 3: Marginal Costing and Budgetary Control (12 Hours)**

Definition – Marginal Costing Vs Absorption Costing – Contribution – P/V Ratio – Margin of Safety – Cost – Profit – Volume Analysis – Computation of Break Even Point (BEP) – Composite Break – Even Point – Contribution – Angle of Incidence – (Including Problems) : **Marginal Costing and Decision Making** – Pricing Decisions – Profit Planning and Maintaining Desired Level of Profit - Make or Buy Decisions – Problem of key or Limiting Factor - Export Decisions – Sales Mix Decisions – Shutdown or Continue Decisions. (Including Problems) - **Budgets and Budgetary Control** - Introduction – Definition – Budget – Budgeting – Budget Control – Characteristics – Process of Budgetary Control - Classification of Budgets – Functional Budgets – Sales Budget – Production Budget – Direct Material Budget – Direct Labor Budget – Manufacturing Overhead Budget – Capital Expenditure Budget – Cash Budget – Master Budget – Flexible Budget – Zero Based Budgeting. [Theory and Practical Problems]

### **UNIT 4: Leasing and Price Level Accounting (12 Hours)**

Meaning – Need and Significance – Types of Lease – Financial Lease – Operating Lease – Sale and lease Back – Leveraged Lease – Sales Aid Leasing – Structure of Lease Rentals – Effects in Financial Statements and Taxation – Advantages and Disadvantages – Evaluation of Lease or Buy Decision (Including Problems)- **Inflation Accounting** – Concept – Limitations of Historical Cost based Financial Statements – Methods of Inflation Accounting – Current Purchasing Power Method (CPP) – Current Cost Accounting Method (CCA).(Including Problems)

### **UNIT 5: Contemporary Developments in Accounting (12 Hours)**

**Financial Measures of Performance:** Introduction – Return on Investment (ROI) – Concept – Uses and Limitations – Economic Value Added (EVA) - Concept – Significance – Measurement of EVA – Balance Score card (BAC) – Concept – Objectives – Perspectives of BSC – Multiple Score Card – Activity Based Costing – Responsibility Centers - **Accounting Standards and Disclosure Practices in India** - Disclosures of Accounting Policies – Valuation of Inventory – Cash Flow Statement(CFS) – Depreciation Accounting – Revenue Recognition – Accounting for Investments – Accounting for Amalgamation – Segment Reporting – Consolidated Financial Statements – Provisions – Contingent Liabilities and Assets.

### **Suggested Readings:**

1. Meigs & Meigs, Accounting the Basis for Business Decisions, Tata McGraw Hill, New Delhi.
2. Pankaj Gupta, Management Accounting, Excel Books, New Delhi, 2006.
3. Bhattacharya S.K. & Dearoon.J., Accounting for Management – Text and Cases, New, Delhi, Vikas.
4. Narayana Swamy, Financial Accounting: A Managerial Perspective, PHI, 3rd ed, 2012.

5. Ashish k., Bhattacharya, Cost Accounting for Business managers, Elsevier
6. Bhattacharya, Financial Accounting for Business Managers – Perspective, PHI.2nd ed,2010
7. MC Shukla, TS Grewal, Cost Accounting, S. Chand
8. I.M. Pandey: Management Accounting, Vikas Publishing House, 4th ed,2010
9. Chakraborty & Hrishikesh – Management Accountancy, Oxford University Press.
10. Khan and Jain, Management Accounting, Tata McGraw Hill, Delhi, 4th ed, 2009
11. Rajsekharan, Financial Accounting, Pearson
12. J.C. Varshney: Financial and Management Accounting, Wisdom Publication.
13. Tulsian, P.C., “Cost Accounting”, S.Chand
14. Paresh Shah, Management Accounting, Oxford University Press
15. Sahaf, M.A., Management Accounting, Vikas Publishing House.
16. T. P. Ghosh, Accounting Standards and Corporate Accounting Practices, (6/e), Taxmann Publication
17. Sharma and Gupta, Management Accounting, Kalyani Publishers.
18. Ravi M. Kishore, Advanced Management Accounting, Taxmann Publication.
19. S. N. Maheshwari, Management Accounting and Financial Control, Sultan Chand and Sons.
20. Jain, Narang, Accounting Theory and Management Accounting, Kalyani Publisher.
21. Christopher Nobes, Parker, Comparative International Accounting, Pearson Education.
22. Gupta & Radhaswami, Advanced Accountancy, Sultan Chand & Sons.
23. Saxena & Vashisht, Cost and Management Accounting- Methods, Techniques, Applications, Sultan Chand & Sons.
24. Richard Lynch, Accounting for Management: Planning and Control, Tata McGraw Hill.
25. Hingorani, Ramnathan, & Grewal, Management Accounting, Sultan Chand & Sons.
26. Lele & Jawaharlal, Accounting Theory, Tata McGraw Hill