

SEMESTER – I – SYLLABUS

Programme	: M. Com
Course Code	: COC120
Course Title	: Cost and Management Accounting
Number of Credits	: 4
Effective from AY	: 2020-21

Need of the Course :	The subject ‘Cost and Management Accounting’ is very important and useful for optimum utilisation of existing resources. It is an indispensable discipline for Corporate Management, as the information collected and presented to Management based on Cost and Management Accounting techniques helps to solve not only specific problems but also guides them in decision making.
Description of the Course :	This course is designed to motivate the students to understand (1) Introduction to Cost and Management Accounting and Marginal Costing (2) Standard Costing and Budgetary Control (3) Preparation and Interpretation of Financial Statements (4) Preparation of Fund Flow and Cash Flow Statement
Objectives of the Course :	To understand the nature, scope and utility of Cost and Management Accounting. To understand how Cost Accounting arises out of the need to make business decisions. To acquire knowledge and understanding of the concepts, techniques and practices of Cost and Management Accounting and to develop skills for decision making.

Course Content

Unit 1	: Introduction to Cost and Management Accounting and Marginal Costing	10 Hours
<p>Cost Accounting- Meaning, Objectives and Scope, Management Accounting-Meaning, Objectives and Scope, Tools and Techniques of Management Accounting, Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management, Conflicts in Profit versus Value Maximisation Principle, Role of Management Accountant in Decision Making.</p> <p>Marginal Costing- Meaning, Advantages, Limitations and Applications. Breakeven Analysis, Cost-Volume Profit Analysis, P/V Ratio and its Significance, Margin of Safety, Absorption Costing: System of Profit Reporting and Stock Valuation, Difference between Marginal Costing and Absorption Costing, Income Measurement under Marginal Costing and Absorption Costing. (Practical Problems)</p>		
Unit 2	: Standard Costing and Budgetary Control	14 Hours
<p>Standard Costing- Definition, Significance and Applications, Various Types of Standards, Installation of Standard Costing System-for Material, Labour, and Overhead. Variance Analysis for Materials, Labour and Overheads, Accounting Treatment of Variances. Benchmarking for Setting of Standards, Variance Reporting to Management. (Practical Problems)</p> <p>Budgetary Control- Budget Concept, Manual, Fixed and Flexible Budgets, Preparation and Monitoring of Various Types of Budgets, Budgetary Control System- Advantages, Limitations and Installation. Zero Base Budgeting, Programme and Performance Budgeting. (Practical Problems)</p>		

Unit 3	: Preparation and Interpretation of Financial Statements	11 Hours
Financial Statements- Nature, Attributes, Objectives, Importance, Limitations, Recent Trends in Presenting Financial Statements, Financial Statements Analysis- Types, Methods, Objectives, Limitations, Ratio Analysis- Accounting, Uses, Classification, Advantages, Limitations. (Practical Problems)		
Unit 4	: Fund Flow and Cash Flow Statement	13 Hours
Fund Flow Statement Analysis – Definition, Features, Steps for Preparation of Fund Flow Statement. Cash Flow Statement Analysis – Classification, Preparation of Cash Flow Statement, Uses of Cash Flow statement, Difference between Cash Flow and Fund Flow Statement. (Practical Problems)		
Pedagogy	The following methods and forms of study are used in the course Lectures, Case Studies and Self-study (doing home assignments based on solving practical problems) Self-study on reading reference books and solving additional problems in Cost and Management Accounting. In addition to the lectures, review sessions will be scheduled to address assignments, end of chapter questions and in some occasion's assigned cases.	
Reference/Readings	Advanced Cost & Management Accounting, Saxena, V/ Vashist, C. 4th edition Sultan Chand & Sons Advanced Cost Accounting, Jain, S/ Narang, K. 9th edition Kalyani Cost & Management Accounting, Inamdar, S. M. 14th edition Everest Cost & Management Accounting Kishore, R. M. 4th edition Taxman Allied Service Principles & Practice of Cost Accounting, Bhattacharyya, A. K. 3rd edition PHI	
Course Outcome	Upon Completion of the course the students will be able to: CO1 Apply Cost Accounting concepts and techniques in the decision-making process. CO2 Make decisions such as pricing, special order pricing, make-or-buy and elimination of a part of the company or replacement of equipment. CO3 Understand the relevance of different types of costs in the decision-making process such as relevant costs, sunk costs or controllable costs. CO4 Understand fundamental concepts in Financial, Cost & Management Accounting. CO5 Develop analytical skills associated with the preparation and interpretation of Financial Statement	