

B.Com III Year VI Semester
MANAGEMENT ACCOUNTING

Subject Code - 11
paper 7 - VII

BLOCK I: INTRODUCTION

Unit – 1 : Introduction to Management Accounting

Meaning and Emergence of Management Accounting – Definition of Management Accounting – Objectives and Functions of Management Accounting - Nature and Scope of Management Accounting - Importance – Limitations.

Unit – 2 : Management Accounting : Process , Tools and Techniques Management Accounting Process – Relationship between Management Accounting, Financial Accounting and Cost Accounting – Management Accounting Conventions – Tools and Techniques of Management Accounting.

BLOCK – II : FINANCIAL STATEMENT ANALYSIS – I

Unit – 3 : Introduction to Financial Statements

Objectives and Nature of Financial Statements – Forms of Financial Statements – Balance Sheet – Profit and Loss A/c – Funds Flow Statement - Cash Flow Statement – Importance of Financial Statements – Users of Financial Statements – Limitations of Financial Statements.

Unit – 4 : Methods of Financial Statements

Meaning of Financial Statement Analysis and Interpretation – Uses of Financial Statement Analysis – Methods of Financial Statement Analysis – Comparative Financial Statements – Common Size Financial Statements – Trend Analysis.

BLOCK – III: FINANCIAL STATEMENT ANALYSIS – II

Unit – 5 : Ratio Analysis

Meaning of Ratio and Ratio Analysis – Importance and Limitations – Classification of Ratios – Liquidity Ratios – Solvency Ratios – Turnover Ratios- Profitability Ratios.

Unit – 6 : Funds Flow Analysis

Meaning of Fund and Funds Flow – Definition of Funds Flow Statement – Objectives, Advantages and Limitations of Funds Flow Statement – Preparation of Statement of Changes in Working Capital – Calculation of Funds from Operations – Preparation of Funds Flow Statement – (Simple Problems) .

Unit –7 : Cash Flow Analysis

Meaning and Importance of Cash Flow Statement – Ind AS -7: Statement of Cash Flows: Objectives – Scope – Benefits of Cash Flow Statement – Types of Cash Flows: Operating Activities – Investing Activities – Financing Activities – Preparation of Statement of Cash Flow.

BLOCK IV : MARGINAL COSTING AND DECISION MAKING

Unit – 8 : Marginal Costing

Meaning – Characteristics – Importance – Marginal Cost Equation – Distinction between Marginal Costing and Absorption Costing – Application of Marginal Costing – CVP Analysis.

Unit – 9 : Decision Making

Make or Buy Decision - Fixation of Selling Price - Effect of Change in Selling Price – Maintaining a desired level of Profits – Selection of suitable Product Mix – Key Factor - Add or Drop Products – Operate or Shut-down.

BLOCK – V : BUDGETARY CONTROL AND VARIANCE ANALYSIS

Unit – 10: Budgets

Budgets - Types of Budgets: Functional Budgets – Accountability Budgets – Operating / Performance Budgets – Fixed Budgets – Flexible Budgets – Preparation of Budgets.

Unit – 11 : Budgetary Control

Budgeting and Budgetary Control – Objectives – Steps in Budgeting – Essentials of Budgetary Control – Organisation for Budgetary Control – Advantages and Limitations of Budgetary Control.

Unit -12: Standard Costing

Meaning of Standard, Standard Cost, Standard Costing – Steps in Establishing Standards – Distinction between Standard Costing and Budgetary Control – Types of Standards – Advantages and Limitations of Standard Costing.

Unit – 13 : Variance Analysis

Meaning of Variance – Types of Variances: Material Variances; Labour Variances,(Simple Problems) - Overhead Variances and Sales Variances (Theory only).