

COC103 Managerial Accounting [4 Credits]

Learning Objective: 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** – 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** – Companies Act 1956 Amendments to 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 – AS 3 Revised Cash Flow Analysis – Cash Flow Statement Vs Funds Flow Statement – Advantages and limitations of Cash Flow Statement. **(Includes Practical 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 Practical 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 Practical Problems)**

Budgets and Budgetary Control - Introduction – Definition – Budget – Budgeting – Budget Control – Characteristics – **Process of Budgetary Control** - **Classification of Budgets** - **Zero Based Budgeting**. **(Includes 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**

Inflation Accounting – Concept – Limitations of Historical Cost based Financial Statements – **Methods of Inflation Accounting** – **Current Purchasing Power Method (CPP)** – **Current Cost Accounting Method (CCA)**. **(Includes Practical 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 (BSC)** – 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** – **Segment Reporting** – **Consolidated Financial Statements** – **Provisions** – **Contingent Liabilities and Assets**.

Suggested Readings:

1. I.M. Pandey: Management Accounting, Vikas Publishing House.
2. Khan and Jain, Management Accounting, Tata McGraw Hill, Delhi.
3. Sharma and Gupta, Management Accounting, Kalyani Publishers.
4. Ravi M. Kishore, Advanced Management Accounting, Taxmann Publication.
5. S. N. Maheshwari, Management Accounting and Financial Control, Sultan Chand and Sons.
6. Jain, Narang, Accounting Theory and Management Accounting, Kalyani Publisher.
7. Saxena & Vashisht, Cost and Management Accounting- Methods, Techniques, Applications, Sultan Chand & Sons.

