

B.COM 5TH SEMESTER

COM-DSE-HC-5036(A): MANAGEMENT ACCOUNTING

Marks: 100

Credit: 6

Lectures: 65

Objective: To impart the students, knowledge about the use of financial, cost and other data for the purpose of managerial planning, control and decision making.

COURSE CONTENTS:

Unit 1: Introduction 13

Meaning, Objectives, Nature and Scope of management accounting, Difference between cost accounting and management accounting, Application of Cost concepts for managerial decision making; Concept of Cost control and Cost reduction, Cost management

Unit 2: Financial Statement Analysis: 13

Meaning and objectives of Financial Statement Analysis; Techniques of Financial Statement analysis – Comparative Statement, Common-size Statement and Trend Analysis. Meaning of Accounting Ratio, Classification of Accounting Ratios; objectives of Ratio Analysis; Advantages and Limitations of Ratio Analysis; Precaution to be taken before using Ratios; Computation of various Ratios – Activity Ratios, Liquidity Ratios, Solvency and Leverage Ratios and Profitability Ratios;

Unit 3: Budgetary Control 13

Budgeting and Budgetary Control: Concept of budget, budgeting and budgetary control, objectives, merits, and limitations. Budget administration. Functional budgets. Cash Budget. Fixed and flexible budgets. Preparation of Cash Budget **and** flexible budgets.

Unit 4: Standard Costing 13

Standard Costing and Variance Analysis: Meaning of standard cost and standard costing, advantages, limitations and applications. Variance Analysis – material, labour, overheads and sales variances. Disposition of Variances.

Unit 5: Marginal Costing 13

Absorption versus Variable Costing: Distinctive features and income determination. Cost-Volume-Profit Analysis, Profit / Volume ratio. Break-even analysis-algebraic and graphic methods. Angle of incidence, margin of safety

Suggested Reading:

Charles T. Horngren, Gary L. Sundem, Dave Burgstahler, Jeff O. Schatzberg.

Introduction to Management Accounting , Pearson Education.

Anthony A. Atkinson, Robert S. Kaplan, Ella Mae Matsumura, S. Mark Young. *Management Accounting*. Dorling Kindersley(India) Pvt. Ltd.

Ronald W. Hilton and David E. Platt. *Managerial Accounting: Creating Value in a Global Business Environment*, Mc Graw Hill Education.

Singh, Surender. *Management Accounting*, Scholar Tech Press, New Delhi.

Goel, Rajiv, *Management Accounting*. International Book House,

6. Arora, M.N. *Management Accounting* . Vikas Publishing House,
New Delhi.

7. Maheshwari, S.N. and *Management Accounting*. Shree
S.N. Mahavir

Book Depot, New
Delhi.

Singh, S. K. and Gupta Lovleen. *Management Accounting – Theory and Practice*. Pinnacle Publishing House.

Khan, M.Y. and Jain, P.K. *Management Accounting*. McGraw Hill Education

H.V. Jhamb, *Fundamentals of Management Accounting*, Ane Books Pvt. Ltd.