

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600086
B.COM DEGREE

SYLLABUS

(Effective from the Academic Year 2019-2020)

MANAGEMENT ACCOUNTING

CODE: 19CM/MC/MA34

CREDITS: 4

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TOTAL TEACHING HOURS: 65

OBJECTIVES OF THE COURSE

- To enable the students to prepare and analyse the financial data for internal reporting, cost control and effective decision making
- To equip the students with tools used for managerial decision making
- To create an awareness on the practical applications of cost control concepts and techniques for effective planning and forecasting

COURSE LEARNING OUTCOMES

On successful completion of the course, students will be able to

- Prepare Financial Statements for examining the relevant financial and cost data
- Use the tools and techniques for understanding the relationship between two different financial information
- Interpret and Analyse the Financial and Cost statements
- Present financial report for forecasting and managerial decision making

Unit 1 (10 Hours)

Introduction

- 1.1 Management Accounting – Meaning, Definition, Nature and Scope
- 1.2 The difference and relationship between Management Accounting, Financial Accounting and Cost Accounting
- 1.3 Tools and Techniques of Management Accounting
- 1.4 Advantages and Limitation of Management Accounting
- 1.5 Duties and functions of Management Accountant, Organization for Management Accounting

Unit 2 (15 Hours)

Budget and Budgetary Control

- 2.1 Concepts of Budgets, Budgeting and Budgetary Control
- 2.2 Objectives, Merits and Limitations of Budgetary Control
- 2.3 Classification of Budgets and its Preparation – Sales Budget, Purchase Budget, Cost of Production Budget, Cash Budget, Fixed and Flexible Budget, Cost of Production Budget, Master Budget
 - 2.3.1 Cash Budget
 - 2.3.2 Fixed and Flexible Budget

Unit 3 **(15 Hours)**

Marginal Costing and its Application

- 3.1 Definition, Meaning and features of Marginal Costing
- 3.2 Marginal Costing and Absorption Costing
- 3.3 Cost Volume Profit Analysis: Break even analysis, Margin of safety.
- 3.4 Application of Marginal Costing - Decision Making: Key factor, Make or Buy, Product Mix, Operate or Shut, Fixation of Selling Price, Exploring New Markets, Sell or Process Further

Unit 4 **(13 Hours)**

Standard Costing and Variance Analysis

- 4.1 Meaning of Standard Cost and Standard Costing, Advantages, Limitations and Application
- 4.2 Variance Analysis – Material, Labour, Overhead and Sales Variances

Unit 5 **(12 Hours)**

Financial Statement Analysis and Interpretation (Practical)

- 5.1 Meaning and Process of Financial Statement Analysis
- 5.2 Objectives, Types and Procedure for Analysis and Interpretation of Financial Statements
- 5.3 Tools of Financial Statement Analysis- Comparative Statement Analysis, Common Size Statement Analysis and Trend Analysis
- 5.4 Ratio Analysis – Liquidity, Solvency and Turnover Ratio

NOTE:

Unit -5: Not Tested in the Examination

BOOKS FOR STUDY

Maheshwari, S.N. *Principles of Management Accounting*. New Delhi: Sultan Chand, 2018

Reddy, T.S. and A Murthy. *Management Accounting*. Chennai: Margham, 2015

BOOKS FOR REFERENCE:

Atkinson A. Anthony, Robert S Kaplan and S. Mark Young. *Management Accounting*. 2008

Indian Institute of Banker, *Management Accounting*, 2008

Horngren/Sundem G.L/Stratton, *Introduction to Management Accounting*, 13th edition

Khan, M.Y Jain P.K, *Management Accounting*, 3rd Edition TMH, 2013

JOURNALS

International Journal of research in Commerce and Management

Research and Journal of Management Accounting – The ICWA of India

Management Accounting Research Journal - Elsevier

Indian Journal of Finance

WEB RESOURCES

www.icaai.org

www.icma.com

www.aicpa.org

PATTERN OF ASSESSMENT

Continuous Assessment Test: Total Marks: 50 Duration: 90 minutes

Section A – 3 X 2 = 6 Marks (no choice)

Section B – 3 X 8 = 24 (from a choice of three)

Section C – 1 X 20 = 20 (from a choice of two)

Other Components Total Marks: 50

Assignments/Problem Solving/Case Study Analysis/Mini Projects

End Semester Examination: Total Marks: 100 Duration: 3 hours.

Section A – 10 X 2 = 20 Marks (5 Theory and 5 Problems)

Section B – 5 X 8 = 40 Marks (From a Choice of 7 Problems)

Section C – 2 X 20 = 40 Marks (From a Choice of 4 Problems)