

<b>B.Com</b>	<b>Semester – V (Skill Enhancement Course- Elective)</b>	<b>Credits:4</b>
<b>Course:18A</b>	<b>Management Accounting and Practice</b>	<b>Hrs/Wk:5</b>

### **Learning Outcomes**

Upon successful completion of the course the student will be able to

1. Understand the nature and scope of management accounting and differentiate management accounting, financial accounting and cost accounting.
2. Compute ratios and draw inferences
3. Analyze the performance of the organization by preparing funds flow statement and cash flow statements
4. Prepare cash budget, fixed budget and flexible budget.

**Syllabus:** (Total 75hrs (Teaching 60, Training 10, Others 05 including IE etc.))

**UNIT1: Introduction** Nature & Scope of Management Accounting – Management Accounting Principles – Significance of Management Accounting – Difference between management accounting, financial accounting and Cost accounting – Limitations of Management Accounting – Installation of Management Accounting – Tools of Management Accounting.

### **UNIT2: Ratio Analysis**

Meaning - Advantages and Limitation of Ratio Analysis – Types of Ratios – Profitability Ratios- Gross Profit Ratio (GPR) – Net Profit Ratio (NPR) – Operating Ratio – Solvency Ratios- Current Ratio – Liquidity Ratio – Debt-Equity Ratio-Turnover Ratios-Fixed Assets Turnover Ratio – Working Capital Turnover Ratio – Debtors Turnover Ratio – Creditors Turnover Ratio – Stock Turn Over Ratio -Return on Investment(ROI)-Calculation and interpretation.

### **UNIT3: Fund Flow and Cash Flow Analysis as per AS3**

Meaning and Concept of Working Capital (Fund) – Fund Flow Statement – Meaning and Uses of Funds Flow Statement – Preparation of Funds Flow Statement. Cash Flow Statement – Meaning and Uses of Cash Flow Statement – Preparation of Cash Flow Statement – Difference between Cash Flow Statement and Funds flow Statement.

### **UNIT4: Budgeting and Budgetary Control**

Meaning of Budget – Forecast and Budget - Elements of Budget – Features – objectives and budget procedure – Classification of Budgets - Meaning of Control – Meaning of Budgetary control – objectives of Budgetary control system – Advantages and Limitations of Budgetary control system. Prepare cash budget, fixed budget and flexible budget.

### **UNIT5: Management Reporting:**

Reports - Meaning – Modes of Reporting – Requisites of a good report – Kinds of Reports – General formats of Reports-Need for Management Reporting- financial reporting Vs. Management Reporting-Strategies for Writing Effective Reporting.

## **References**

1. Management Accounting and financial control S. N. Maheswari, Sultan Chandand Sons.
2. Principles of Management Accounting by Manmohan & Goyal, Publisher: PHILearning
3. Cost and Management Accounting by SP Jain and KL Narang
4. Introduction to Management Accounting  
Horngreen and Sundlem Publisher: PHILearning
5. Cost and Management Accounting by M.N. Arora, Vikas Publishing House PVT ltd.,
6. Management Accounting: Text, Problems & Cases by Khan & Jain, Tata McGraw Hill(TM)

WebSources: Websourcessuggestedbytheconcernedteacherandcollegelibrarianincludingreadingmaterial.

