

Part B

Programme: Master of Commerce (Semester II) NEP

Code of Course: Subject	Title of Course: Subject	Total No. of Periods
M. Com. NEP/21	Accounting for Managerial Decisions	60

Course Outcomes: After going through the subject Accounting for Managerial Decisions, the student will be able to:

1. Understand the basics of management accounting and its role in the overall field of accounting and understand the position, role, and responsibilities of a management accountant.
2. Define, understand the necessity, advantages, and limitations of ratio analysis. Classify and interpret different types of ratios for assessing liquidity, activity, leverage, and profitability
3. Understand the basics of fund flow statement. Learn the procedure for preparing a fund flow statement. Understand the purpose and importance of a cash flow statement. Follow the guidelines of Accounting Standard (AS-3) for preparing a cash flow statement.
4. Understand standard costing as a control technique in cost accounting. Explain the method of cost control and the objectives of standard costing. Analyze the relationship between standard costing and budgetary control. Learn the process of setting and revising standards.
5. Define variance and its importance in cost analysis. Identify and calculate material variance and labor variance. Analyze the relevance of variances in budgeting and standard costing.
6. Differentiate between marginal costing and absorption costing. Understand cost-volume-profit analysis in marginal costing.
7. Explain the assumptions and practical applications of break-even analysis. Apply break-even analysis in decision-making scenarios such as sales mix, make or buy decisions, and product line discontinuation. Solve problems related to marginal costing and break-even analysis.
8. Define budget and understand its essentials. Identify different types of budgets (functional, master, etc.), the concepts of fixed and flexible budgets and solve problems related to cash budget and flexible budget.
9. Define the purpose and objectives of reporting to management. Identify the reporting needs at different managerial levels. Discuss types of reports and modes of reporting. Explain the reporting requirements at various management levels

Unit	Contents	No. of Periods
I	<p>1.1 Introduction to Management Accounting:- Management Accounting as a area of accounting, Objectives, Nature and Scope of Financial Accounting, Cost Accounting and Management Accounting. Management Accounting and Managerial Decision, Management Accountant's Position, Role and responsibilities.</p> <p>1.2 Analysis and interpretation of Financial Statement: - Ratio Analysis: Definition, objects, importance, advantages, limitations, classification and interpretation of ratios.</p> <p>1.3 Problems on Computation of Balance Sheet ratios: - 1.3.1 Liquidity Ratio (Short Term Solvency Ratio): Current Ratio and Acid Test Ratio 1.3.2 Activity Ratio/ Turnover Ratio: Stock (Inventory) Turnover Ratio, Debtors Turnover Ratio, Fixed Asset Turnover Ratio 1.3.3 Leverage Ratio: Proprietary Ratio, Debt Equity Ratio, Fixed Asset Ratio 1.3.4 Profitability Ratio: Return on Capital Employed Ratio, Earning Per Share Ratio</p>	12
II	<p>2.1 Fund Flow Statement: 2.1.1 Definition, object and utility of Fund Flow Statement 2.1.2 Preparation of Fund Flow Statement 2.2 Cash Flow Statement: Definition object and utility of Cash Flow Statement 2.2.1 Preparation of Cash Flow Statement as per AS-3</p>	12
III	<p>3.1 Standard Costing: Standard Costing as control technique, Methods of Cost Control, Objectives of Standard Costing Method, Relationship between Standard Costing and Budgetary control, Setting of standard and their revision. Advantages and limitations of Standard Costing Method.</p> <p>3.2 Analysis of Variance: Meaning, Importance, Kinds of variances and their uses, Material, Labour and Overhead Variance, Comparison between Budgeting and</p>	12

	Standard Costing 3.2.1 Problems on Material Variance and Labour Variance	
IV	<u>Marginal Costing and Break Even Analysis</u> :- 4.1 Concept of Marginal Costing and Absorption Costing, Marginal Costing V/S Direct Costing, Cost Volume Profit Analysis. 4.2 Break Even Analysis, Assumption and practical application of Break Even Analysis, Decisions regarding sales mix, make or buy decision and discontinuation of a product line etc. 4.3 Problems on Marginal Costing and Break Even Analysis	12
V	5.1 <u>Budget</u> :- 5.1.1 Budgeting:- Definition of Budget, Essentials of Budgeting, Type of Budget, Functional, Master, etc. Fixed and flexible budget 5.1.2 Problems on Flexible Budget and Cash Budget 5.2 Reporting to Management: Definition, Objectives of reporting. Reporting need at different managerial level, Types of Reports, Modes of Reporting, Reporting at different levels of Management	12

Reference Books:

1. Singhavi NP, Tated RM, Chandak SS, Dahake RR, Management Accounting, Himalaya Publishing House, ISBN: 978-93-5495-247-0.
2. Gupta S. P. : Management Accounting, Sahitya Bhawan Publicatiob, Agra
3. Khan M. Y & Jain P. K. : Management Accounting, Tata Mc Graw-Hill Publishing Co. Ltd. New Delhi
4. Manmohan & Goyal S. N. Principles of Management Accounting, Sahitya Bhawan Publicatiob, Agra
5. Management Accounting: By- Anthony, Robert. (Publisher- Tarapore-wala, Mumbai)
6. Introduction to Management Accounting: By- Homgran, C.T.Gary,L.Dundem and William O.Stration. (Publisher-Prentice Hall, Dellii)
7. Management Accounting: By - Pandey I.M.(Publisher- VaniPublication,Delhi)
8. Management Accounting: By-Hingorani.
9. Mangate BS, A Book of MCQs on Cost and Management Accounting, Eagle Leap Printer and Publisher Pvt. Ltd., Pune.
10. Fundamentals of Management Accounting: By-R.K.Ghoshand&G.S.Gupta.
11. Outline of Management Accounting: By-R.L.Gupta
12. Sawalika R. K. & Dr. R. P. Ingole: Management Accounting, Das GanuPrakashan, Nagpur.
13. Management Accounting: Dr. K. L. Gupta Sahitya Bhawan publication, Agra
14. प्रबंधकीयलेखांकन : अग्रवालजे . के . गुप्ताएवंआर . के , . रमेशबुकडेपो , जयपुर