

## Programme..Master of Commerce (MCom)

### MCM5203 COST AND MANAGEMENT ACCOUNTING

Course Code	MCM5203	Semester	II
Course Title	COST AND MANAGEMENT ACCOUNTING		
Credits	4	Type	Core

#### Learning/Course Objective

- To explain the concept of Financial Accounting, Cost Accounting and Managerial Accounting.
- To develop clear understanding on Revenue budgeting and Capital budgeting.
- To identify the need for convergence of Ind AS with IFRS.
- To acquaint the students with management accounting techniques for the analysis and interpretation of financial statements and to study the basic framework of financial reporting.

#### Course Structure

##### Unit 1:

**Accounting Fundamentals and Statements:** Definition – Accounting – Types of Accounting- Financial, Management and Cost accounting – Scope of Accounting –Financial Accounting Concepts –Uses of Accounting –Double Entry System- Preparation of journal and ledger, Subsidiary Books – Errors and Rectification-Trial Balance, Profit and Loss Account and Balance Sheet Preparation (Simple Problems only).

##### Unit 2:

**Financial Statement Analysis:** Concept and Need for analysis of Financial Statements –Types and Tools of analysis: Trend analysis, Common size statements and Comparative statements- Financial Ratio Analysis- Turnover ratios – Liquidity ratios – Proprietary ratios –Profitability Ratios- Uses and limitations of Ratio analysis- (Relevant One or Two Case Studies).

##### Unit 3:

**Fund and Cash Flow:** Fund Flow Concept- Preparation of schedule of changes in working capital and the fund flow statement – Managerial uses and limitation of fund flow statement- Cash Flow Concept – Preparation of cash flow statement – Managerial uses of cash flow statement- (Relevant One or Two Case Studies).

##### Unit 4:

**Revenue and Capital Budgeting:** Concept of Budget and Budgetary control- Revenue Budget Preparation – Sales and Production Budgets- Cash Budget –Master budget- Fixed and Flexible budgets- Capital Budgeting: Features and Significance- Methods of Appraisal: Payback period, ARR, NPV and IRR.

##### Unit 5:

**Accounting Theory and Standards:** Concept and Classes of Accounting Theory- Their Uses- Indian Accounting Standards (Ind AS) Issued by Institute of Chartered Accountants of India as to Inventories, Depreciation, Borrowing Costs, Earnings Per Share and Impairment of Assets - Need for Convergence of Ind AS with International Financial Reporting Standards (IFRS) - (Relevant One or Two Case Studies).

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### Learning/Course Outcome

- Students are introduced to the application of management accounting tools for analysis of financial statements.
- Understand International Financial Reporting Standards in detail.
- Understand the concept of Capital Budgeting and Revenue Budgeting.

### Books for Reference:

1. Eddie McLaney and Peter Atrill, Accounting and Finance: An Introduction with My Accounting Lab access card, 2016.
2. Anthony Atkinson and Robert S Kaplan, Management Accounting: Information for Decision-Making and Strategy Execution, Student Value Edition (6th Edition) Prentice Hall, 2011.
3. Gupta RL & Gupta VK, Principles and Practice of Accounting, Sultan Chand & Sons, 2010.
4. Rawat, DS, Accounting Standards, Taxmann's, 2011.
5. Shukla & T.S. Grewal, *Advanced Accounting*, S.Chand&Company, 2010
6. S.N. Maheswari, *Management Accounting & Financial Accounting*, Vikas Publishers, 2010.
7. Manmohan&Goyal, *Principles of Management Accounting*, Shakithabhavan Publication.