

VEER NARMAD SOUTH GUJARAT UNIVERSITY

Third Year B.Com. (External)

Advanced Accounting & Auditing - Paper – IV

(Management Accounting)

Course Code - CE 520 A (2)

(Syllabus effective from Academic Year 2021-22 onwards)

Objective:

- This course provides the students an understanding of the application of accounting techniques of management

Unit	Course Contents (as per UGC Model Curriculum)	Weightage
1	<u>Management Accounting:</u> 1.1 Meaning, nature, scope and functions of management accounting 1.2 Role of management accounting in decision making 1.3 Management accounting vs. financial accounting 1.4 Tools and techniques of management accounting	5%
2	<u>Financial Statements:</u> 2.1 Meaning, objectives, types and limitations of financial statements 2.2 Types and Techniques of Financial Statement Analysis: -Common Size Statement -Trend Percentage - Comparative Statements Analysis	7.5%

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27.10.2021
Auditor
22.10.2021

3	<p>Methods of Financial Statements Analysis:</p> <p>3.1 Ratio analysis (Following ratios are to be taught)-</p> <p>a) Profitability Ratios: Gross Profit Margin RatioNet profit margin ratio Operating Ratio Expenses Ratio Return on Capital Employed Ratio Return on Shareholder's Fund Ratio Return on Equity Share Capital Ratio</p> <p>b) Leverage Ratios: Debt –Equity Ratio Proprietary Ratio Capital gearing Ratio Long term Funds/ Fixed Assets RatioInterest coverage Ratio</p> <p>c) Liquidity ratios:Current ratio Liquid ratio Acid test ratio</p> <p>d) Turnover Ratios: Stock- turnover RatioDebtors Ratio Creditors Ratio Total Assets Turnover Ratio</p> <p>3.2 Funds Flow Statement</p> <p>3.3 Cash Flow statement (AS-3)</p>	<p>12.5%</p> <p>12.5%</p> <p>12.5%</p>
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24-10-2021

4	<u>Budgeting for profit planning and control:</u> <ul style="list-style-type: none"> • Meaning of Budget and budgetary control • Types of Budgets • Cash Budget • Fixed and flexible budgeting • Objectives • Merits and Limitations of Budgeting • Responsibility accounting 	30%
5	<u>Accounting for Decision Making</u> <ul style="list-style-type: none"> • The concept of differential cost; Cost profit volume analysis- BEP analysis and its applications (Except key factor) 	15%
6	<u>Cost of Capital (Only Theory)</u> <ul style="list-style-type: none"> - Meaning and Significance - Specific, overall (weighted average cost of capital) and marginal cost of capital 	5%

Note:

1. Practical problems shall not exceed 70% of total weightage.

Suggested Readings:

- 1 Arora M. N: Cost Accounting - Principles and Practice; Vikas, New Delhi.
- 2 Jain S. P. and Narang K. L: Cost Accounting; Kalyani, New Delhi.
- 3 Anthony Robert, Reece, Et al: Principles of Management Accounting; Richard D. Irwin Inc. Illinois.
- 4 Horngren, Charles, Foster and Datar: Cost Accounting-A Managerial Emphasis; Prentice Hall of India, New Delhi.
- 5 Khan M. Y. and Jain P. K: Management Accounting; Tata McGraw Hill.
- 6 Kalpan R. S. and Atkinson A. A.: Advanced Management Accounting; Prentice Hall India, New Delhi.
- 7 Dr. S. N. Maheshwari: Problem & Solution in Management Accounting & Financial Management; Sultan Chand.
- 8 Dr. Goyal & Manmohan: Management Accountancy; Taxman Publication.
- 9 Ravi M. Kishore: Management Accountancy, Taxman Publication.
- 10 L. N. Chopde & D. H. Chaudhary: Introduction to Management Accounting; Sheth Publishers Pvt. Ltd., Bombay.

Handwritten signature and date: 27/10/2021