

**BACHELOR OF COMMERCE - SIXTH SEMESTER  
MANAGEMENT ACCOUNTING**

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Code:SC 6.3

Contact Hours: 56

Credits: 4

Univ Code:

Work load: **4 hours per week**

Evaluation: Continuous Internal Assessment – **30 Marks**  
Semester-End Examination – **70 Marks**

**Objectives:** To enable the students to analyse financial statements of business enterprises to take prudent managerial decisions.

**Pedagogy:** Combination of lectures, interactive sessions, seminars, assignments - assign the students to make analysis of annual reports of companies, draw inferences and come out with managerial decisions, etc.

**Module 1: Management Accounting -** Meaning, definitions, nature and scope, Management accounting v/s Cost Accounting. Role of Management Accountant, Limitations of Management Accounting.

**Module 2: Analysis and Interpretation of Financial Statements -** Concept of financial statements, Types of financial analysis, Methods and devices used in analyzing financial statements.

**Module 3: Ratio Analysis -** Interpretations of ratios, classification of ratios, Tests of liquidity - Current ratio, acid test ratio, cash position ratios, Analysis of long term financial conditions - debt to equity ratio, proprietary ratio, capital gearing ratio, gross profit ratio, net profit ratio, net operating profit ratio, return on capital employed, inventory turnover ratio, debtors turnover ratio, creditor turnover ratio, working capital turnover ratio, preparation of balance sheet using ratios.

**Module 4: Fund Flow Analysis -** Concepts of funds, current liabilities, Meaning of fund flow statement, Importance of fund flow statement, Statement showing changes in working capital. Preparation of fund flow statement, sources and application of funds. Limitations of fund flow statement.

**Module 5: Cash Flow Analysis -** Meaning of cash, Definition of cash fund, Meaning of cash flow, Classification of cash flows, Meaning of cash flow statement, Definition of cash flow statement, Distinction between cash flow statement and Fund flow statement, preparation of cash flow statement, sources of cash, application of cash, cash flow statement according to AS-3.

**Recommended Books**

1. Management Accounting - S.N. Maheswari
2. Management Accounting - J. Madegowda
3. Management Accounting – Agarwal
4. Cost and Management Accounting - Khan and Jain
5. Management Accounting - Pandey I.M
6. Advanced Management Accounting - Ravi M Kishore