

MASTER OF COMMERCE - THIRD SEMESTER
ACCOUNTING FOR MANAGERIAL DECISIONS

Code: **HC 3.3**

Contact Hours: 64

Credit Points: 4

Evaluation: Continuous Internal Assessment – **30 Marks**

Semester-End Examination – **70 Marks**

Univ Code:

Work load: **4 hours per week**

Objective: This course equips the students with accounting techniques to be used for taking managerial decisions.

Pedagogy: A combination of Lecture, Case Analysis, Group Discussion, Seminar, Assignments.

Module 1: Management Accounting: Meaning, Nature, Scope and Functions of Management Accounting; Role of Management Accounting in Decision Making, Management Accounting V/s Financial Accounting; Tools and Techniques of Management Accounting.

Module 2: Financial Statement Analysis: Objectives and Methods of financial Statements analysis; Ratio Analysis, Classification of Ratios – Profitability Ratios, Turnover Ratios, Liquidity Ratios, Solvency Ratios; Advantages of Ratio analysis; Limitations of Accounting Ratios, Funds Flow Statement and Cash Flow Statement.

Module 3: Absorption and Marginal Costing: Marginal and Differential Costing as a tool for Decision making – Make or Buy; Change of Product Mix; Pricing, Break-even Analysis; Exploring New markets, Shutdown Decisions.

Module 4: Budgeting for Profit Planning and Control: Meaning of Budget and Budgetary Control; Objectives; Merits and Limitations; Types of Budgets; Fixed and Flexible Budgeting; Zero-Base Budgeting.

Module 5: Standard Costing and Variance Analysis: Meaning of Standard Cost and Standard Costing; Advantages and Applications; Variance analysis – Material, Labour and Overhead (Two-way Analysis) Variance.

Recommended Books

1. Madegowda J, **Advanced Management Accounting**, HPH, Mumbai
2. Arora. M.N., **Cost Accounting – Principles and Practices**, Vikas, New Delhi.
3. Jain.S.P. and Narang K. L., **Cost Accounting**, Kalyani, New Delhi.
4. Horngren, Charles, Foster and Dater et. al., **Cost Accounting – A Management Emphasis**, Prentice Hall, New Delhi.
5. Khan M.Y. and Jain P.K., **Management Accounting**, Tata McGraw Hill, New Delhi.
6. Kaplan R.S. and Atkinson A.A., **Advanced Management Accounting**, Prentice Hall, New Delhi.
7. Anthony, Robert & Reece, et. al., **Principles of Management Accounting**