

IMPC4005MANAGEMENT ACCOUNTING (3-0-0)

Course Objectives:

1. To know the significance of management accounting in modern business
2. To familiarize students about various management accounting tools
3. To understand the application of management accounting techniques in managerial decision making

Module – I:

Management Accounting: Meaning, nature, scope and functions of management accounting; role of management accounting in decision making; management vs. financial accounting, management accounting vs. cost accounting; tools and techniques of management accounting; Financial Statement meaning and types of financial statements; Limitations of financial statement: Objectives and methods of financial statement analysis.

Module – II:

Ratio Analysis: Classification of ratios- Profitability ratios, Turnover ratios, liquidity ratios, Solvency ratios, Advantages of ratio analysis; limitations of accounting ratios; Marginal Costing: Nature and Scope, marginal cost equation, Profit Volume Ratio, Break Even Chart, Impact on profits due to changes in various factors, use of probabilities and Application of marginal costing for management decisions making

Module – III:

Budgeting and Budgetary control: Meaning of a budget; budgeting and budgetary control; advantages of budgeting; limitations of budgeting; types of budgets; process of budgeting; fixed and flexible budget; zero base budgeting
Standard Costing: Introduction; standard cost and standard costing; standard costing vs. Budgetary control; analysis of variance (for Material and Labour only); advantages and limitations of standard costing

Course Outcomes:

- CO-1: Define fundamentals concepts of management accounting and its role in decision making.
CO-2: Explain the financial statements of a company and illustrate its performance through financial statement analysis.
CO-3: Use and interpret the techniques of ratio analysis and marginal costing for informed management decision-making.
CO-4: Describe and illustrate the concepts of budgeting and standard costing, as well as analysis variances for material and labour to enhance control over cost.

Reference Book:

1. Management Accounting Principle & Practices, Gupta, Sharma & Gupta, Kalyani
2. Management Accounting, Pillai & Bagavathi, S. Chand
3. Management Accounting, R.P.Rustagi, Taxman
4. Management Accounting, Arora & Katyal, HPH