

Syllabus Outline

1. GENERAL

Accounting is an information system for measuring, processing and communicating financial information that is useful to the external and internal end-users in making economic decisions. The management students need to understand financial data to be able to coordinate their decision-making in any organization. This requires understanding as to how these financial records are built up and how these statements can be analyzed and interpreted to make informed decisions. This course being the first course in accounting and finance tries to lay down the foundation for the courses that follow in the subsequent trimesters.

1.1 COURSE TITLE: **Management Accounting**

1.2 COURSE NUMBER: MT5309

1.3 CONTACT HRS: (30 Hours- teaching 10 hours- Project) Credits: 08

1.4 SEMESTER -OFFERED: Odd Semester July-December

1.5 PREREQUISITE: Basic understanding of Accounting

1.6 SYLLABUS COMMITTEE MEMBER:

Dr. Sanjay Kumar Kar & Dr. Saroj Kumar Mishra

2. OBJECTIVE

- ✓ Become financially literate and be able to analyze financial statements for better decision making
- ✓ Understanding of financial statements is a pre requisite to analyse them. To impart understanding of financial statements so as to interpret the information contained therein.
- ✓ To equip the participants with the tools to analyzer the information contained in the financial statements.
- ✓ Also, since accounting choices affect the reported financial performance, the impact of differential application of methods and estimates in making inter-firm and intra-firm comparison would be incorporated in the course.

3. COURSE CONTENT

Unit I (06 hours)

- The Nature and Purpose of Accounting
- Basic Accounting Concepts: The Balance Sheet
- Basic Accounting Concept: The Income Statement
- Accounting Records and Systems

Unit II (08 hours)

- Revenue and Monetary Assets
- Cost of Sales and Inventories
- Long-lived Non-monetary Assets and their Amortization
- Sources of Capital: Debt
- Sources of Capital: Owners' Equity
- Other Items that affect Net Income and Owners' Equity
- Working capital

Unit III (08 hours)

- Preparation of Income Statements
- Preparation of Financial Statements
- Adjusted balance Sheets
- NOPAT calculation

Unit IV (04 hours)

- Statement of Cash Flows
- Acquisition and Consolidated Statements
- Financial Statement Analysis – Ratio
- DuPont Decomposition

Unit V (04 hours)

- Budgetary control
- Cash Budget, Production and Master Budget
- Break-even analysis
- Cost-volume profit analysis

4. READINGS

4.1 TEXT BOOKS:

Anthony, Hawkins, and Merchant, "Accounting Text and Cases", Tata Mc Graw Hill, New Delhi, 13th ed.

Financial Accounting for Management , N Ramachandran & R K. Kakani 4th Edition, Mc Graw Hill Education.

4.2 REFERENCE BOOKS:

I. Financial Accounting for Management, N Naraswamy 4th Edition, PHI Publication.

II. Stice Earl K., Stice James, Financial Accounting: Reporting and Analysis, Cengage learning, 7th ed., 2007

III. Bhattacharya, H, "How to read a Balance Sheet", Oxford and IBH Publishing Co. Pvt. Ltd., 2006.

IV. Bhattacharya, S.K, Dearden, John, "Accounting for Management: Text & Cases," Vikas Publishing House, New Delhi, 2005

V. Robert N. Anthony, James S. Reece, 'Accounting Principles' 6th edition, All India Traveller Booksellers, New Delhi.

5. Course Outcomes:

On the completion of this course the participants are expected to:

1. Become financially literate
2. Be able to analyze financial statements for better decision making
3. Do equity and financial analysis