

Accounting for Managers

Course Objectives

The objective of this course is to familiarize the students with the accounting practices and to develop analytical and interpretative skills necessary to take managerial decisions

Syllabus

Introduction, Cost, Managerial and Financial accounting, meaning of company, maintenance of book of accounts, analysis of financial statements, fund flow and cash flow statements, ratio analysis, marginal cost analysis techniques

Expected Outcome

After successful completion of the course, the students will be able to understand the accounting practices, able to prepare and analyse financial statements to help managerial decision making.

References

1. Charles T. Horngren, Gary L. Sundem, William O. Stratton, Dave Burgstahler, Jeff Schatzberg, Introduction to Management Accounting, 14/e, Pearson Prentice Hall, 2008
2. Gupta R. L. and Radhaswamy M., Advanced Accounting, Sultan Chand Publishers, New Delhi
3. Maheshwari S. N., Accounting for Management, 3/e, Vikas Publishing House, New Delhi, 2012
4. Jain S. P. and Narang K. L., Advanced Cost Accounting, Kalyani Publishers, New Delhi
5. Shashi K. Gupta and R. K. Sharma, Management Accounting, Kalyani Publishers, New Delhi

COURSE PLAN

I Introduction to Accounting: Introduction to Financial, Cost and Management Accounting- Generally accepted accounting principles, Conventions and Concepts - Mechanics of Accounting - Double entry system of accounting.

II Meaning of Company - Maintenance of Books of Account-Statutory Books- Profit or Loss Prior to incorporation- Final Accounts of Company - Profit & Loss Account, Profit & Loss Appropriation account and Balance Sheet of companies, Policies related with depreciation, inventory and intangible assets like copyright, trademark, patents and goodwill.

First Internal Examination

III Analysis of financial statement: Ratio Analysis- solvency ratios, profitability ratios, activity ratios, liquidity ratios, market capitalization ratios - Inter firm comparison - Common Size Statement - Comparative Statements and Trend Analysis.

IV Analysis of Financial Statements: Funds Flow Statement – Meaning - Concept of Gross and Net Working Capital - Preparation of Schedule of Changes in Working Capital -

Second Internal Examination

IV Preparation of Funds Flow Statement and its analysis - Cash Flow Statement - Various cash and non-cash transactions - flow of cash - preparation of Cash Flow Statement and its analysis.

V Introduction, Meaning of Cost, Objective of Costing, Methods of Costing, Technique of Costing, Classification of Cost, Elements of Cost, Statement of Cost Sheet, Standard costing- organization and establishing a standard costing system, Variance analysis - classification of variances, material cost, labour cost, overhead cost and sales variances. Disposition of variances. Marginal Cost - Marginal Costing - applications of Marginal Costing - advantages of Marginal Costing - break-even analysis - CVP Analysis - margin of safety - key factor.

Final Examination