

## **Paper BC 6.1 (c): MANAGEMENT ACCOUNTING**

**Duration: 2.5 hrs Total Marks: 60(Term end examination 56 (Marks for Attendance 4)**

**Lectures: 65**

**Objective:** *To impart the students' knowledge about the use of financial, cost and other data for the purpose of managerial planning control and decision making.*

### **Unit 1: I Conceptual understanding**

Meaning, Objectives, Nature and Scope of management accounting, Difference between cost accounting and management accounting, Cost control and Cost reduction, Cost management. Budgeting and Budgetary Control: Concept of budget, budgeting and budgetary control, objectives, merits, and limitations. Functional budgets. Fixed and flexible budgets.

### **Unit 2: Standard costing and variance analysis**

Standard Costing and Variance Analysis: Meaning of standard cost and standard costing, advantages, limitations and applications. Variance Analysis – material, labour, overheads. Disposition of Variances.

### **Unit 3: Marginal Costing**

Absorption versus Marginal Costing. Cost-Volume- Profit Analysis, Profit / Volume ratio. Break-even analysis. Margin of safety. Steps in Decision Making Process, Concept of Relevant Costs and Benefits, Various short term decision making situations – profitable product mix, Acceptance or Rejection of special/export offers, Make or buy, Addition or Elimination of a product line, sell or process further, operate or shut down. Pricing Decisions: Major factors influencing pricing decisions, various methods of pricing.

### **Unit 4: Contemporary Issues**

Responsibility Accounting: Concept, Significance, Different Responsibility Centres, Divisional Performance Measurement: Financial and Non-Financial measures. Transfer Pricing

### **Unit V and Unit IV (For Internal Assessment)**

#### **Tutorials**

**Analysis of case studies based on syllabi of Unit I to Unit IV/ Assignments based on field survey/subject tours wherever feasible/Quiz programmes/moot courts wherever feasible/class presentations/class room seminars/Group discussions**

#### **Suggested Reading:**

1. Charles T. Horngren, Gary L. Sundem, Dave Burgstahler, Jeff O. Schatzberg. *Introduction to Management Accounting*, Pearson Education.
2. Anthony A. Atkinson, Robert S. Kaplan, Ella Mae Matsumura, S. Mark Young. *Management Accounting*. Dorling Kindersley(India) Pvt. Ltd.
3. Singh, Surender. *Management Accounting*, Scholar Tech Press, New Delhi.
4. Garrison H., Ray and Eric W. Noreen. *Managerial Accounting*. McGraw Hill.
5. Goel, Rajiv, *Management Accounting*. International Book House,
6. Arora, M.N. *Management Accounting*. Vikas Publishing House, New Delhi.
7. Maheshwari, S.N. and S.N. Mittal. *Management Accounting*. Shree Mahavir Book Depot, New Delhi.
8. Singh, S. K. and Gupta Lovleen. *Management Accounting – Theory and Practice*. Pinnacle Publishing House.
9. Khan, M.Y. and Jain, P.K. *Management Accounting*. McGraw Hill Education

#### **Journals:**

1. Management Accounting Research - Journal - Elsevier

2. American Accounting Association - Journal of Management *Accounting* Research (JMAR).