

- Baye, M., & Prince, J. (2021). *Managerial Economics and Business Strategy* (3<sup>rd</sup> ed.). New York, United States: McGraw Hill.
- Case, K. E., & Fair, R. C. (2017). *Principles of Economics* (12<sup>th</sup> ed.). London, United Kingdom: Pearson Education.
- Chaturvedi, D. D., & Chaturvedi, S. (2022). *Business Economics*. Delhi, India: Kitab Mahal.
- Deepashree (2021). *Business Economics*. Delhi, India: MKM Publisher.
- Gillespie, A. (2013). *Business Economics* (2<sup>nd</sup> ed.). Oxford, United Kingdom: Oxford University Press.
- Gupta, G. S. (2011). *Managerial Economics* (2<sup>nd</sup> ed.). Delhi, India: McGraw Hill.
- Maddala, G. S., & Miller, E. (2017). *Microeconomics Theory and Applications*. Delhi, India: Tata McGraw Hill.
- Mankiw, N. G., Aswin A., & Taylor, M. P. (2019). *Business Economics*. United Kingdom: Cengage Learning.
- Miller, R. L. (1982). *Intermediate Microeconomics: Theory, Issues, Applications* (2<sup>nd</sup> ed.). New York, United States: McGraw-Hill.
- Pindyck, R., & Rubinfeld, D. (2017). *Microeconomics* (8<sup>th</sup> ed.). London, United Kingdom: Pearson Education.
- Salvator, D., & Rastogi S. K. (2016). *Managerial Economics: Principles and Worldwide Applications* (8<sup>th</sup> Ed.). Delhi, India: Oxford University Press.
- Samuelson, P. A., Nordhaus, W. D., Chaudhari S., & Sen, A. (2019). *Economics (SIE)* (20<sup>th</sup> ed.). New York, United States: McGraw-Hill.

**Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.**

**Discipline Specific Core Course- 5.3 (DSC-5.3): Management Accounting**

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
<b>DSC 5.3 – Management Accounting</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>Pass in Class XII with Mathematics/ Accountancy</b>	<b>Studied Cost Accounting (DSC- 4.2)</b>

**Learning Objective:** The course aims to enable students to acquire knowledge of concepts, methods and techniques of management accounting for the purpose of managerial planning, control and decision making.

## Learning Outcomes:

After completion of the course, learners will be able to:

1. Examine the conceptual framework of Management Accounting and identify the differences between various forms of accounting.
2. Analyse budgetary control system as a tool of managerial planning and control
3. Evaluate the standard costing system as a tool of managerial control.
4. Recognise the concept of marginal costing and cost-volume-profit analysis.
5. Analyse techniques of decision making.
6. Discuss the concept of responsibility accounting and performance measurement.

## Syllabus of DSC-5.3

### Unit 1: Introduction to Management Accounting (4 hours)

Meaning, objectives, nature and scope of management accounting, Difference between different forms of accounting- Cost, Financial and Management accounting, Cost control and Cost reduction.

### Unit 2: Budgetary Control and Standard Costing Systems (18 hours)

- (a) **Budgeting and Budgetary Control:** Concept of budget, budgeting and budgetary control; objectives, merits and limitations; Functional Budgets; Fixed and Flexible budgeting; An overview of different approaches to budgeting (Zero base budgeting, Performance budgeting and Programme budgeting)
- (b) **Standard Costing and Variance Analysis:** Meaning of standard cost and standard costing; advantages, limitations and applications; Variance Analysis – material, labour, overheads and sales variances. Control ratios.

### Unit 3: Marginal Costing (9 hours)

Concept of marginal cost and marginal costing; Absorption versus Variable Costing: Distinctive features and income determination; Cost-volume-profit analysis; Break-even Analysis-Statements, mathematical and graphical approaches; Profit-volume ratio, angle of incidence, margin of safety, key factor, determination of cost indifference point.

### Unit 4: Decision Making (9 hours)

Steps in Decision making process. Concept of relevant costs. solving various short -term decision making problems using marginal costing and differential costing techniques – 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 and Pricing decisions

### Unit 5: Performance Measurement (5 hours)

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

**Note: Spreadsheet may be used for doing basic calculations in Management Accounting and giving students subject related assignments for their internal assessment purposes.**

### Practical Exercises:

The learners are required to:

1. Discuss differences between various forms of accounting.
2. Prepare different types of budgets.
3. Apply the concept of zero base budgeting on a select firm by collecting relevant data.
4. Visit any manufacturing unit and study the relevance of marginal costing.
5. Compute variances and perform analysis.
6. Perform cost-volume-profit analysis.
7. Compute the foreign export sales price for a domestic firm engaged in manufacturing goods/services.
8. Evaluate various decision making techniques using case studies.
9. Identify the responsibility centres of a pharmaceutical industry.
10. Discuss case studies on divisional performance measurement.

### Suggested Readings:

- Arora, M. N. (2019). *Management Accounting*. Delhi, India: Himalaya Publishing House.
- Goel, R. K., & Goel, I. (2019). *Concept Building Approach to Management Accounting for B.Com(Hons.)*, Delhi, India: Cengage.
- Maheshwari, S. N., & Mittal, S. N. (2019). *Management Accounting*. Delhi, India: Shri Mahaveer Book Depot.
- Maheshwari, S. N., Maheshwari, S. K., & Maheshwari, S. K. (2021). *Principles of Management Accounting*. Delhi, India: Sultan Chand & Sons.
- Maheshwari, S. N. (2015). *Management Accounting and Financial Control*. Delhi, India: Sultan Chand & Sons.
- Shah, P. (2015). *Management Accounting*. Delhi, India: Oxford University Press.
- Singh, S. (2023). *Management Accounting*. Delhi, India: PHI Learning Pvt. Limited.
- Singh, S. K., & Gupta, L. (2021). *Management Accounting: Theory and Practice*. Delhi, India: A. K. Publications.
- Tulsian, P. C., & Tulsian, B. (2023). *Advanced Management Accounting*. Delhi, India: S. Chand.

### Additional Readings:

- Drury, C. (2020). *Management and Cost Accounting*. China: Cengage.
- Horngren, C. T., Foster, G., & Dattar, S. M. (2002). *Cost Accounting: A Managerial Emphasis*. Delhi, India: Prentice Hall of India Ltd.
- Khan, M. Y., & Jain, P. K. (2021). *Management Accounting*. Delhi, India: Tata McGraw Hill Publishing Co.
- Usry, M. E., & Lawrence, H. H. (2010). *Cost Accounting: Planning and Control*. Nashville, United States: South Western Publishing Co.

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