

ACCM507:FINANCIAL REPORTING, STATEMENTS AND ANALYSIS-II

L:2 T:1 P:0 Credits:2

Course Outcomes: Through this course students should be able to

CO1 :: prepare cost sheet for ascertainment of the total cost of the product

CO2 :: make budgets to effectively plan future operations and cash flows

CO3 :: use inventory management tools and techniques for effective inventory management and control

CO4 :: apply costing techniques in planning and controlling organization's cost

CO5 :: employ cost-volume-profit and marginal analysis in pricing, marketing, and other operational decisions.

CO6 :: examine the various methods of determining transfer prices

Unit I

Introduction to management and cost accounting : comparison between cost and management accounting, cost classification, preparation of cost sheet, strategic cost management and its role

Unit II

Target costing : target costing and target pricing, key principles of target costing, target costing process, approaches to target costing

Activity based costing : activity based costing versus traditional costing, steps involved in activity based costing, cost drivers, determination of cost under ABC, activity based management

Unit III

Standard costing : preliminaries in establishing a system of standard costing, variances analysis: material variances, labour variances

Unit IV

Marginal costing and profit planning : CVP analysis, break-even point and break-even analysis, Decision involving alternative choices: steps involved in decision making, profit planning, key factor, and determination of sales mix, make or buy decision, exploration of new markets, continue or discontinue a product line

Unit V

Inventory control : inventory control system, management of inventory

Budgets and budgetary control : types of budgets, preparation of cash budget, preparation of flexible budget

Unit VI

Transfer pricing : methods of calculating transfer price, problems associated with transfer pricing

Text Books:

1. COST ACCOUNTING: A MANAGERIAL EMPHASIS by CHARLES T. HORNGREN, SHRIKANT M. DATAR, MADHAV V. RAJAN, PEARSON

References:

1. A TEXTBOOK OF ACCOUNTING FOR MANAGEMENT BY MAHESHWARI by S.N, MAHESHWARI SHARAD.K, MAHESHWARI SUNEEL.K, VIKAS PUBLISHING HOUSE

2. ACCOUNTING FOR DECISION MAKING by NEEDLES BELVERD. E, CENGAGE LEARNING

3. MANAGEMENT ACCOUNTING (TEST, PROBLEMS AND CASES) by KHAN M.Y AND JAIN P.K, MC GRAW HILL

