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**Course Code: COM117**

**Semester: VI**

## **FINANCIAL & COST ACCOUNTING**

### **Course Objectives**

The course is aimed to familiarize the learners about the fundamentals of accounting, and to impart knowledge on analysis of financial statements and cost concepts and its importance, applications and to help learners to understand about the cost concepts and methods of costing, budgeting and about annual reports and its statutory requirements.

### **Unit - I**

**15 Periods**

**Fundamentals of financial Accounting:** Role of accounting in business; Generally Accepted Accounting Principles - Concepts and Conventions; Business transactions and accounting equation - capital and revenue expenditure; Accounting cycle: Journal, ledger and Trial balance, Preparation of financial statements: Income statement and Balance Sheet- Bank Reconciliation Statement- Rectification of errors - Depreciation Accounting Interpreting the financial statements: Comparative and Common size Income statements, Balance Sheet- Trend analysis - Preparation and Interpretation of Fund Flow & Cash flow Statement - Ratio Analysis.

### **Unit - II**

**15 Periods**

**Fundamentals of cost and Management Accounting:** Comparing management accounting with financial accounting and cost accounting - Role of Cost and Management Accountant- Basic Cost Concepts: Cost Unit - Cost Centre - Classification of Costs - Cost Sheet: Steps in preparation of Cost Sheet - Tender quotation - Major components of cost: Material/Labour/Overheads- Job Costing- Batch costing - Process Costing (with normal and abnormal loss and gain) - Contract Costing - Operations Costing - Operating Costing - Activity Based Costing - Target Costing.

### **Unit - III**

**15 Periods**

**Budgetary Control and Marginal Costing:** Budgeting as a Tool of Management Planning and Control - Functional Budgets - Master Budget - Performance Budgeting - Zero Base Budgeting- Standard Costing: Standard Cost - Objectives - Need - Application - Advantages - Limitations of Standard Costing; Marginal Costing and Managerial Decision Making- Cost-Volume-Profit Analysis - Applications of CVP Analysis

### **Unit -IV**

**15 Periods**

**Annual Reports and Statutory Requirements:** Integrated Reporting - Disclosure requirements - Audit of Companies- Environmental Audit- Audit under computerized environment - Accounting packages and ERP - International Financial Reporting Standards (IFRS) - Introduction - need - similarities of Indian GAAP, Ind AS and IFRS; XBRL - Introduction - Advantages of XBRL Reporting

**REFERENCES**

1. Dr. Ashok Sehgal and Dr. Deepak Sehgal, *Accounting for Management*, Taxmann Publications (P) Ltd., 2012
2. T. P. Ghosh, *Financial Accounting for Managers*, Taxmann Publications (P) Ltd., Fourth Edition, 2012.
3. Paresh Shah, *Basic Financial Accounting for Management*, Oxford University Press, 2012.
4. R. Narayanaswamy, *Financial Accounting - A Managerial Perspective*, PHI Learning Private Limited, 2012
5. Subhash Sharma & Vithal M.P., *Financial accounting for Management - Text and Cases*, Macmillan India Ltd., 2008.
6. S. K. Bhattacharya and John Dearden, *Accounting for Management - Text & Cases*, Vikas Publishing House Pvt. Ltd., 2012.
7. *Companies Act - Schedule VI*

**LEARNING OUTCOMES**

Upon successful completion of each unit, the learner will be able to

Unit I	<ul style="list-style-type: none"><li>• prepare of Income Statement and balance sheet and analyse the performance of a company and to comment on the financial position of the business</li></ul>
Unit II	<ul style="list-style-type: none"><li>• understand the scope and objectives of cost and management accounting</li><li>• prepare cost sheet and familiar with costing methods</li></ul>
Unit III	<ul style="list-style-type: none"><li>• prepare the functional budgets and apply the standard costing technique for cost control</li><li>• apply various managerial decision-making techniques by using CVP analysis</li></ul>
Unit IV	<ul style="list-style-type: none"><li>• understand the recent developments in the field of auditing, ERP, XBRL reporting and accounting standards</li></ul>

**COURSE LEARNING OUTCOMES**

Upon successful completion of this course, the learner will be able to

- prepare of Income Statement and balance sheet and analyse the performance of a company and to comment on the financial position of the business
- understand the scope and objectives of cost and management accounting
- prepare cost sheet and familiar with costing methods
- prepare the functional budgets and apply the standard costing technique for cost control
- apply various managerial decision-making techniques by using CVP analysis
- understand the recent developments in the field of auditing, ERP, XBRL reporting and accounting standards