

EFFECTIVE FROM ACADEMIC YEAR 2021-22 WITH COMMENCEMENT OF FIRST SEMESTER

(FIRST TERM OF ACADEMIC YEAR 2021-22)

CE 302 A MANAGEMENT ACCOUNTING – I SEMESTER - V

UNIT	PARTICULARS	MARKS
UNIT 1	Introduction to Management Accounting and Analysis of Financial Statements: 1. Definition, scope, objectives, functions, tools and techniques, limitations of Management Accounting, Installation of Management Accounting system, difference between Management Accounting and Cost Accounting; 2. Nature and limitations of Financial Statements, Essentials of good financial statements, Analysis and interpretation, Tools of financial analysis (methods, Comparative financial statements, procedure for interpretation, objectives of analysis and interpretation, Common size statements, Trend analysis.)	25%
UNIT 2	Interpretation and Analysis through Financial Ratios: Meaning, Importance and limitations of ratio analysis, Calculation and interpretation of the following ratios only: Gross Profit Ratio, Net Profit Ratio, Stock Turnover Ratio, Operating Ratio, Expense Ratios, Return on Investment (ROI), Earning per share (EPS: including concept of EPS as per AS 20), Current Ratio, Liquid Ratio, Acid Test Ratio, Proprietary Ratio, Debt-equity Ratio, Long-term Funds to Fixed Assets Ratio, Capital Gearing Ratio, Coverage Ratio (interest and total), Debtors Ratio (velocity), Creditors Ratio (velocity), Fixed Assets to Turnover Ratio, Total Assets to Turnover Ratio, Debt- service coverage Ratio, Cash earning per share, Dividend pay-out Ratio, Dividend Yield Ratio, Price Earning Ratio, Market Price to book value Ratio. Note: Preparation of Financial Statements from given ratios is not expected. Emphasis is to be given on interpretation rather than calculation.	25%
UNIT 3	Cash Flow Statement: Concept and significance of Funds Flow Statement; Sources and Application of Cash; Cash from Operation; Income and Expenditure Approach and Net Profit Approach; Difference between Fund Flow Statement and Cash Flow Statement; Preparation of Cash Flow Statement as per AS 3.	25%
UNIT 4	BUDGETING: 1. Budgets and Budgetary Control: Definition, Objectives, Merits and de-merits of Budgetary Control, Fixed and Flexible Budgets (Theory only), Control Ratios, Zero base Budgeting; Preparation of following Functional Budgets only: Sales Budget, Selling and Distribution Cost Budget, production Budget, cost of Production Budget (Materials, Labour and Overheads). 2. Introduction, Advantages and limitations of Cash Budget, Methods of preparing Cash Budget: Cash Receipts and Disbursement Method, Adjusted Earnings Method, Balance Sheet Projection Method and Working Capital Differential Method.	25%

Reference Books:

1. Management and Cost Accounting Author: Colin Drury Publisher: Pat Bond (U. K.)
- 2 Cost Accounting Author: Charles T. Horngren (Hardback | ISBN10: 0132329018; ISBN13: 9780132329019)
3. Ravi M. Kishore; "Cost and Management Accounting", Taxmann's Publications.
4. Jawahar Lal; "Advanced Management Accounting", S.Chand Publications.
- 5 Paresh Shah; "Management Accounting", Oxford Publication 6. Horngren, C.T., Cost Accounting – A Managerial Emphasis,. Prentice – Hall