



C. U. SHAH UNIVERSITY, Wadhwan City



Faculty of: Commerce

Bachelor of Commerce

SEMESTER: Sem- V

CODE: 4CO05MAC1

Name of Subject Management Accounting - I

Teaching & Evaluation Scheme

Teaching Scheme(Hours)				Evaluation Scheme(Marks)		
Theory	Tutorial	Practical	Total	Sessional	University	Total
4	0	0	4	30	70	100

Objective: To aware the students about the management accounting principles and practices

Prerequisite: Basic Knowledge of Accounting & Fundamental Concepts

Course outline

Sr. No.	Course Contents	Number of Hours
1	INTRODUCTION TO MANAGEMENT ACCOUNTING <ul style="list-style-type: none"> • Introduction & Meaning -Nature – Characteristics – Objective -Scope and Functions • Importance and Limitations of Management Accounting • Role of Management Accountant • Difference between Management, Cost and Financial Accounting (comparative Study) • Tools & Technique of Management Accounting 	10
2	FUND FLOW STATEMENT <ul style="list-style-type: none"> • Introduction & Meaning of 'Fund' – Fund Flow – Fund Flow Statement • Sources of Funds • Applications of Funds • Importance, Limitations & Managerial Utility of Fund Flow Statement • Procedure of preparations of fund flow statement <ul style="list-style-type: none"> -Preparation of statement of changes in working capital -Preparation of necessary ledger accounts -Preparation of Adjusted Profit & Loss Account -Preparation of fund flow statement • Practical Problems 	5



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3	RATIO ANALYSIS <ul style="list-style-type: none">• Introduction & Meaning of Ratio• Financial Analysis and Interpretation -(Brief explanation)• Meaning & Nature of Ratio Analysis• Utility of Ratio Analysis• Importance & Limitations of ratio Analysis• Classification of Accounting Ratios<ul style="list-style-type: none">-Traditional Classification (Revenue, Balance-sheet and Composite) -Functional Classification – as per accounting data and user parties (Solvency, Liquidity, Turnover and Profitability)• (EXCLUDING REVERSE EXAMPLE)	10
4	MARGINAL COSTING <ul style="list-style-type: none">• Introduction• Meaning of Marginal Cost and Marginal costing• Characteristics & Assumptions• Advantages & Limitations• Break –even Analysis (Assumptions, Utility and Limitations)• Profit-Volume Ratio• Margin of Safety• Marginal Costing as a tool for Decision Making• Key Factor (Material & Labour)	10
5	DIFFERENTIAL COSTING <ul style="list-style-type: none">• Introduction, Meaning and Characteristics• Different type of Cost (relevant Cost, Opportunity cost & Sunk Cost)• Difference between Marginal & Differential Cost• Analysis of Differential Cost and Applications<ul style="list-style-type: none">-Make or Buy decisions-Determination of sales Mix-Discontinuance of a product line-equipment replacement decision-shut down or continue-introducing a new product & new market• Practical problems including above Analysis and Applications	10
Total Hours		45



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Learning Outcomes

Theoretical Outcome It helps students to have a theoretical clarity of Accounting, provide a monetary reflection of the provision and utilization of business resources

Practical Outcome Students can be able to plan, analysis, and decision making and, Supports optimizing the achievement of an enterprise's strategic objectives.

Teaching & Learning Methodology

- (A) Lectures
- (B) Case Studies
- (C) Class Participation

Books Recommended

1. 'Management Accounting' By J. Batty
2. 'Management Accounting' By S. B. Chaudhary
3. 'Management Accounting' By S. N. Maheshwari
4. 'Management Accounting' By Khan and Jain

E-Resources

<http://libguides.reading.ac.uk/management/e-resources>

http://www.imanet.org/mgi/Management_Accounting.aspx