

VEER NARMAD SOUTH GUJARAT UNIVERSITY
Third Year B.Com.
External Programme
Advanced Accounting & Auditing - Paper – IV
(Management Account)
(Syllabus effective from Academic Year 2018-19 onwards)

Objective:

- This course provides the students an understanding of the application of accounting techniques of management

Unit	Course Contents (as per UGC Model Curriculum)	Weightage
1	<p><u>Management Accounting:</u></p> <p>1.1 Meaning, nature, scope and functions of management accounting</p> <p>1.2 Role of management accounting in decision making</p> <p>1.3 Management accounting vs. financial accounting</p> <p>1.4 Tools and techniques of management accounting</p>	5%
2	<p>Financial Statements:</p> <p>2.1 Meaning, objectives, types and limitations of financial statements</p> <p>2.2 Types and Techniques of Financial Statement Analysis:</p> <p>-Common Size Statement</p> <p>-Trend Percentage</p> <p>- Comparative Statements Analysis</p>	7.5%
3	<p>Methods of Financial Statements Analysis:</p> <p>3.1 Ratio analysis (Following ratios are to be taught)-</p> <p>a) Profitability Ratios:</p> <p>Gross Profit Margin Ratio</p> <p>Net profit margin ratio</p> <p>Operating Ratio</p> <p>Expenses Ratio</p> <p>Return on Capital Employed Ratio</p> <p>Return on Shareholder's Fund Ratio</p> <p>Return on Equity Share Capital Ratio</p> <p>b) Leverage Ratios:</p> <p>Debt –Equity Ratio</p> <p>Proprietary Ratio</p> <p>Capital gearing Ratio</p>	12.5%

	<p>Long term Funds/ Fixed Assets Ratio Interest coverage Ratio</p> <p>c) Liquidity ratios: Current ratio Liquid ratio Acid test ratio</p> <p>d) Turnover Ratios: Stock- turnover Ratio Debtors Ratio Creditors Ratio Total Assets Turnover Ratio</p>	
	3.2 FundsFlow Statement	12.5%
	3.3 Cash Flow statement (AS-3)	12.5%

Unit	Course Contents (as per UGC Model Curriculum)	Weightage
1	<p><u>Budgeting for profit planning and control:</u></p> <ul style="list-style-type: none"> • Meaning of Budget and budgetary control • Types of Budgets • Cash Budget • Fixed and flexible budgeting • Control ratios • Zero Base control • Objectives • Merits and Limitations of Budgeting • Responsibility accounting • Performance Budgeting (Practical Problem only relating to cash budget and flexible budget). 	25%
2	<p><u>Accounting for Decision Making</u></p> <ul style="list-style-type: none"> • The concept of differential cost; Cost profit volume analysis- BEP analysis and its applications (Except key factor) 	15%
3	<p><u>Computer Accounting</u> (Basic knowledge of computer accounting) Introduction-Variou components of a computer including hardware and software-Features of personal computers-Role of computer accounting - Advantages - Limitations – Why</p>	5%

	computerization-preparatory work-Master creation, Generation of printouts - preservation of data - Reports - Practical with one of the accounting programme (recommended Tally software system - latest version at the time of beginning of the respective academic year) (e.g. for the year 2017-18 it is 9.2 version)	
4	<u>Cost of Capital (Only Theory)</u> - Meaning and Significance - Specific, overall(weighted average cost of capital) and marginal cost of capital	5%

Note:

1. Practical problems shall not exceed 70% of total weightage.
2. Marks for Advanced Accounting & Auditing Paper VII & VIII to be considered in a group.

Suggested Readings:

- 1 Arora M. N: Cost Accounting - Principles and Practice; Vikas, New Delhi.
- 2 Jain S. P. and Narang K. L: Cost Accounting; Kalyani, New Delhi.
- 3 Anthony Robert, Reece, Et al: Principles of Management Accounting; Richard D. Irwin Inc. Illinois.
- 4 Horngren, Charles, Foster and Datar: Cost Accounting-A Managerial Emphasis; Prentice Hall of India, New Delhi.
- 5 Khan M. Y. and Jain P. K: Management Accounting; Tata McGraw Hill.
- 6 Kalpan R. S. and Atkinson A. A.: Advanced Management Accounting; Prentice Hall India, New Delhi.
- 7 Dr. S. N. Maheshwari: Problem & Solution in Management Accounting & Financial Management; Sultan Chand.
- 8 Dr. Goyel & Manmohan: Management Accountancy; Taxman Publication.
- 9 Ravi M. Kishore: Management Accountancy, Taxman Publication.
- 10 L. N. Chopde & D. H. Chaudhary: Introduction to Management Accounting; Sheth Publishers Pvt. Ltd., Bombay.