

UNDERGRADUATE PROGRAMME IN COMMERCE

SEMESTER V

PAPER NO - 14: MANAGEMENT ACCOUNTING

Marks: 100 (Theory = 75, Internal Assessment = 25)

Objective: To provide the students knowledge about use of costing data for planning, control and decision making.

Lectures: 48

Unit I: **5 Lectures**

Introduction: Nature and Scope, Difference between cost accounting and management accounting, cost control, cost reduction, cost management.

Unit II: **8 Lectures**

Budgeting and budgetary control: Concept of budget and budgetary control, objectives, merits and limitations, Functional budgets, Fixed and flexible budgets, Zero base budget.

Unit III: **10 Lectures**

Standard costing and variance analysis: Meaning of standard cost and standard costing - advantages, limitations and applications. Variance analysis – material, labour, overhead, Control ratios.

Unit IV: **12 Lectures**

Absorption versus variable costing: Distinctive features and income determination.

Cost-Volume-Profit Analysis: Break-even analysis-algebraic and graphic methods. Contribution / sales ratio, key factor. Margin of safety. Angle of incidence.

Unit V: **10 Lectures**

Decision making: Costs for decision making, variable costing and differential analysis as aids in making decisions – fixation of selling price, exploring new market, make or buy, product mix, operate or shut down.

Unit VI: **3 Lectures**

Responsibility Accounting: Concept, Significance, Different Responsibility Centers.

READINGS:

Suggested Readings:

1. Khan, M.Y. and P.K. Jain, *Management Accounting*, Tata McGraw Hill, Publishing Co., New Delhi.
2. Horngren, Charles T. and, Gary L. Sundem, *Introduction to Management Accounting*, Prentice Hall.
3. Murthy, A; and S Gurusamy *Management Accounting*, Tata McGraw Hill.
4. Nigam, B.M. Lall and I.C. Jain, *Cost Accounting, Principles and Practice*, Prentice Hall of India, New Delhi.
5. Lal, Jawahar and Seema Srivastava, *Cost Accounting*, Tata McGraw Hill Publishing Co., New Delhi.
6. Arora, M.N., *Management Accounting*, Himalaya Publishing House.
7. Jhamb, H.V., *Management Accounting*, Ane Books Pvt. Ltd. New Delhi
8. Usry, Milton E. and Lawrence H. Hammer, *Cost Accounting, Planning and Control*, South Western Publishing Co.
9. Garrison H., Ray and Eric W. Noreen, *Managerial Accounting*, McGraw Hill.
10. Drury, Colin, *Management and Cost Accounting*, Thomson Learning.

Note: Latest edition of text book may be used.