

B.Com.: Semester-V

BCR501: MANAGEMENT ACCOUNTING

Teaching Scheme	Examination Scheme
Lectures: 3 hrs/Week	Class Test – 12 Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6 Marks
Credits: 4	Attendance – 12 Marks
	End Semester Exam – 70 Marks

Course Objective

Enable students to acquire knowledge of concepts, methods and techniques of management accounting for the purpose of managerial planning, control and decision-making.

Course Learning Outcomes

After completing the course, the student shall be able to:

- CO1: understand thoroughly the conceptual framework of Management Accounting; identification of differences between different forms of accounting—Financial, Cost and Managerial
- CO2: understand the concept of marginal cost and marginal costing; learning of cost-volume-profit analysis and break-even analysis and the application in businesses.
- CO3: understand the techniques of decision making in various business situations like Make or buy, Addition or Elimination of a product line, operate or shut down.
- CO4: understand budgetary control system as a tool of managerial planning and control; ability to prepare various types of budget.
- CO5: understand standard costing system as a tool of managerial control; calculation of variances in respect of each element of cost and sales; control ratios.
- CO6: understand management accounting issues of Standard Costing, Responsibility accounting, and divisional performance measurement.

Unit I: Introduction
Meaning, objectives, nature and scope of management accounting, Difference between different forms of accounting — Cost, Financial and Management accounting.
Unit II: Marginal Costing
Concept of marginal cost and marginal costing; Cost-volume-profit analysis; Break-even analysis, Profit-volume ratio, margin of safety.
Unit III: Decision Making
Steps in Decision Making Process; Various short-term decision-making situations – profitable product mix, Make or buy, Addition or Elimination of a product line, operate or shut down.
Unit IV: Budgetary Control
Budgeting and Budgetary Control: Concept of budget, budgeting and budgetary control; Objectives, merits and limitations; Budget Administration; Functional Budgets; Fixed and Flexible budgeting.



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Unit V: Performance Measurement

Standard Costing and Variance Analysis: Meaning of standard cost and standard costing; Advantages and application; Variance analysis –Material, Labour.
Responsibility Accounting: Concept, Significance, Different Responsibility Centers; Divisional Performance Measurement.

Suggested Readings

- Goel, Rajiv Kumar & Ishaan Goel. Concept Building Approach to Management Accounting. Cengage.
- Lal, Jawahar and Srivastava, Seema. Cost Accounting. McGraw Hill Publishing Co., New Delhi.
- Singh, Surender. Management Accounting. PHI Learning Pvt. Limited, Delhi.
- Singh, S.K. and Gupta, L. "Management Accounting". A.K. Publications, New Delhi.
- Jhamb, H. V. Management Accounting. Ane Books Pvt. Ltd, New Delhi
- Khan, M. Y. and Jain, P.K. Management Accounting, Tata McGraw Hill Publishing Co., New Delhi

Additional Readings

- Arora, M.N. Management Accounting. Himalaya Publishing House, New Delhi
- Drury, Colin. Management and Cost Accounting. Thomson Learning.
- Horngren, Charles T., George Foster and Srikant M. Dattar. Cost Accounting: A Managerial Emphasis, Prentice Hall of India Ltd., New Delhi.
- Usry, Milton E. and Lawrence H. Hammer. Cost Accounting: Planning and Control, South Western Publishing Co.

Note: Latest edition of readings may be used.

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