

(Applicable to the batch of students admitted in the academic year 2016-17 and onwards)

M.Com. (CBCS)

FACULTY OF COMMERCE, OU

**SEMESTER II: SPECIALISATION :
FINANCE/ACCOUNTING/TAXATION/INTERNATIONAL
BUSINESS/INSURANCE/BANKING**

ADVANCED MANAGERIAL ACCOUNTING

PAPER CODE: COM 10; F/A/T//IB/I/B
THPW: 5 ; Credits : 5

Total Marks: 80+15+05=100
ESED: 3 HRS

OBJECTIVE: *to familiarize and acquaint the student with application of advanced managerial accounting techniques.*

UNIT-I: FINANCIAL STATEMENT ANALYSIS:

Financial Statements: Meaning – Objectives – Types – Uses – Limitations.

Financial Statements Analysis: Meaning – Objectives – Techniques – Uses – Limitations.

Ratio Analysis: Meaning – Types – Du Pont Analysis (Including Problems).

Funds Flow Analysis: Meaning – Preparation of Funds Flow Statement – Cash Flow Analysis: Meaning – Preparation of Cash Flow Statement as per Accounting Standard No.3 (Including Problems).

UNIT-II: HUMAN RESOURCE ACCOUNTING AND RESPONSIBILITY ACCOUNTING: Human

Resources Accounting: Concept – Objectives – Approaches – Limitations (Theory only). **Responsibility**

Accounting: Concept – Steps – Responsibility Centre – Types of Responsibility Centres

– Preparation of Responsibility accounting reports (Including Problems).

UNIT-III: INFLATION ACCOUNTING AND INCOME MEASUREMENT:

Inflation Accounting: Concept – Limitations of historical cost based financial statements – Methods of Inflation Accounting: Current Purchasing Power Method – Current Cost Accounting Method (Including Problems).

Income Measurement: Income Concepts - Measurement and Reporting of Revenues, Expenses, Gains and Losses (Theory only) – Analysis of Changes in Gross Profit (Including Problems).

UNIT-IV: FINANCIAL MEASURES OF PERFORMANCE:

Financial Measures of Performance: Introduction – Return On Investment (ROI): Concept – Uses and Limitations – Economic Value Added (EVA): Concept – Significance of EVA – Measurement of EVA (Theory only).

Balanced Score Card (BSC): Concept – Objectives – Perspectives of BSC - Multiple Scorecard Measures to a Single Strategy (Theory Only).

UNIT V: MANAGERIAL DECISION MAKING:

Introduction: Cost concepts for decision making – Marginal Costing and Decision Making.

Pricing decisions: Normal price - Minimum price – Depression price - Special price.

Product decisions: Profit planning - Level of Activity - Dropping a product line - Introducing a new product line - Product/Sales mix decisions - Make or Buy decisions - Key/Limiting Factors (Including Problems).

SUGGESTED READINGS:

1)Sharma RK & Shashi K. Gupta: Management Accounting- Principles & Practice, Kalyani Publishers;
2)Jawaharlal: Accounting Theory & Practice, Himalya; 3)Gupta S.P. : Management Accounting, Sahitya Bhavan; 4)Jain S.P & Narang K.L: Accounting Theory & Management Accounting, Kalyani; 5)Robert S. Kaplan & Anthony A. Atkinson: Advanced Management Accounting, Prentice-Hall; 6)Rawat D.S: Accounting Standards, Taxmann; 7)Rustagi R.P: Management Accounting, Galgotia; 8)Ghosh T.P: Accounting Standards and Corporate Accounting Practices, Taxmann; 9)Ronald W. Hilton: Managerial Accounting, TMH; 10)Belverd E.Needles, Jr: Financial Accounting, Houghton Mifflin Company, USA.

JOURNALS & NEWS PAPERS: 1) **Journals:** Chartered Accountant, ICAI; Management Accountant, ICAI. 2) **Newspapers:** Business Line; Economic Times.