



**FINANCIAL MANAGEMENT  
MANAGEMENT ACCOUNTING  
[DISCIPLINE SPECIFIC ELECTIVE]**

Semester: III	Credits: 3+1	Subject Code: BB32105B	Lectures: 48
---------------	--------------	------------------------	--------------

**Course Outcomes:**

At the end of this course, the learner will be able to,

- Discuss the role and importance of Management Accounting in business.
- Analyze the format of Statement of Profit & Loss and Balance Sheet of a Company.
- Identify & examine the different techniques of financial statements analysis.
- Practice the technique of Ratio Analysis for selected Ratios.
- Describe the importance of Contribution and Breakeven point in business for estimating the profitability.
- Illustrate the concept of Budget and Budgetary Control and the types of Budgets.
- Construct the Cash Budget for an enterprise.

**Unit 1: Introduction to Management Accounting (Theory)**

8

- Management Accounting: Introduction, Meaning, Definition and Scope of Management Accounting
- Origin and Development of Management Accounting
- Tools and Techniques of Management Accounting
- Distinction - Financial Accounting and Management Accounting, Cost Accounting and Management Accounting
- Advantages and Limitations of Management Accounting
- Role of Management Accounting in modern enterprises.

**Unit 2: Analysis and Interpretation of Financial Statements (Theory and Practical Problems on Ratio Analysis for selected Ratios only)**

14

- Concept of Financial Statements, Nature, Objectives, Advantages and Limitations of Financial Statements
- Financial Statement Analysis – Meaning, Advantages and Limitations
- Introduction to Revised Schedule III as per Companies Act 2013.
- Techniques of Financial Analysis: Meaning of Comparative Financial Statements, Common size Financial Statements, Trend Analysis, Ratio Analysis, Fund Flow Analysis, Cash Flow Analysis
- Ratio Analysis: Introduction, Need of Ratio Analysis, Steps in Ratio Analysis, Advantages and Limitations of Ratio Analysis
- Functional Classification of Ratios: Liquidity Ratios, Turnover Ratios, Solvency Ratios and Profitability Ratios
- Problems on computation of following ratios: Current Ratio, Quick Ratio, Stock Turnover Ratio, Debtors Turnover Ratio, Debt Equity Ratio, Gross

Board Of Studies	Name	Signature
Chairperson (HoD)	Ms. Elizabeth Kanade	Elizabeth Kanade

576121



Profit Ratio, Net Profit Ratio, Operating Ratio.

**Unit 3: Marginal Costing (Theory & Practical Problems)**

**14**

- Marginal Costing: Introduction, Meaning, Definition of Marginal Cost, Marginal Costing
- Concepts: Fixed Cost, Variable Cost, Contribution, Profit Volume Ratio (P/V Ratio), Breakeven Point (BEP), Margin of Safety, CVP Analysis
- Problems on Contribution, P/V Ratio, Breakeven Point and Margin of Safety
- Advantages and Limitations of Marginal Costing.

**Unit 4: Technique of Budget and Budgetary Control (Theory and Practical Problems on Cash Budget)**

**12**

- Introduction, Meaning, Concept of Budget and Budgetary Control
- Nature and Objectives of Budget and Budgetary Control
- Procedure of Budgetary Control
- Types of Budgets: According to Time, Function and Flexibility
- Zero Based Budgeting: Concept, Definition, Features, Advantages and Limitations
  - Cash Budget: Meaning and Preparation, Practical Problems
  - Advantages and Limitations of Budget and Budgetary Control.

**\*Contact hours – 12 hours**

**Activity /Skill building**

- Study of Annual Report of Companies with specific reference to Management Discussion and Analysis.
- Financial Analysis of any company using different techniques of Financial Statement Analysis.
- Inter-firm Comparison of Companies using different techniques of Financial Statement Analysis.
- Preparation of Budget for any activity or event to be organized.

**Areas of Practical Problems:**

Ratio Analysis  
Marginal Costing  
Cash Budget

**Allocation of Marks:**

Theory - 50%  
Practical Problems - 50%

Board Of Studies	Name	Signature
Chairperson (HoD)	Ms. Elizabeth Kanade	Elizabeth Kanade 516121



#### Recommended Text Books:

- Dr. Suhas Mahajan and Dr. Mahesh Kulkarni *Management Accounting* Nirali Prakashan 2015.
- Dr. N.M. Vechalekar *Financial Management* Nirali Prakashan 2012.
- M.G. Patkar *Management Accounting*, Phadke Prakashan, Kolhapur 2009.

#### Reference Books:

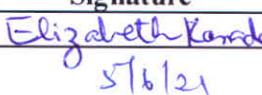
- Dr. S.N. Maheshwari, *Principles of Management Accounting* Sultanchand & Sons 2015.
- Murthy & Guruswamy, *Management Accounting* Tata McGraw Hill Publishing Co. Ltd. 2012.
- Horngren Charles T; Sundem Gary L; Stratton William O & Burgstahler David *Introduction To Management Accounting* Dorling Kindersley (India), 2009.
- Ashish K Bhattacharya, *Financial Accounting for Business Managers* Prentice-Hall India 2012.
- B.K. Chatterjee, *Cost and Management Accounting for Managers* Jaico Publishing House 1989.
- S.K. Bhattacharya & John Dearden, *Accounting for Management* Vikas Publishing House 2009.
- N Ramachandran & Ram Kumar Kakani, *Financial Accounting for Management* Tata McGraw Hill 2007.
- R. Narayanaswamy, *Financial Accounting – A Managerial Perspective* Prentice Hall of India 2015.
- Noreen, Brewer and Garrison, *Managerial Accounting for managers* Tata McGraw Hill, 2011.
- S.Kr. Paul, *Management Accounting* New Central Book Agency 2008.
- P.V. Khatri & Sudhanshu Verma, *Management Accounting* Global Vision Publishing House 2010.
- I.M. Pandey, *Management Accounting* Vikas Publishing House Pvt. Ltd. 2012.
- Khan & Jain, *Management Accounting* Tata McGraw Hill Publishing Co. Ltd. 2006.
- B.K. Chatterjee, *Cost and Management Accounting for Managers* Jaico Publishing House 1989.

#### E-resources:

- Dr. Shipla Bhide, Ratio Analysis SPPU e-content Learning module  
<https://www.youtube.com/watch?v=h6Z7M1lkWjl>
- Financial Statements as per Revised Schedule III of The Companies Act, 2013  
<http://ebook.mca.gov.in/default.aspx>

#### Journals:

- The Management Accountant  
Archives available: <https://icmai.in/icmai/news/209.php>

Board Of Studies	Name	Signature
Chairperson (HoD)	Ms. Elizabeth Kanade	 576121



St. Mira's College for Girls, Pune  
(SYBBA 2021-2024)

Board Of Studies	Name	Signature
Chairperson (HoD)	Ms. Elizabeth Kanade	Elizabeth Kanade 5/6/21
Faculty (Internal)	Mrs. Rekha Kankariya	Rekha Kankariya 5/6/21
Faculty (Internal)	Mrs. Deepanjali Mazumder	Deepanjali Mazumder 5/6/21
Subject Expert (outside SPPU)	Ms. Soma Kulshrestha	Soma Kulshrestha 5/6/21
Subject Expert (outside SPPU)	Mr. Ashok Kokate	Ashok Kokate 5/6/21
VC Nominee (SPPU)	Dr. Shweta Jain	Shweta Jain 5/6/21
Industry Expert	CA Ms. Timsi Rajpal	Timsi Rajpal 5/6/21
Alumni	Ms. Devi Krishna	Devi Krishna 5/6/21

Board Of Studies	Name	Signature
Chairperson (HoD)	Ms. Elizabeth Kanade	Elizabeth Kanade 5/6/21