

**B.Com. III**  
**Semester V**  
**Specialisation Group III**  
**Financial Accounting & Auditing Paper I**  
**Management Accountancy**  
**Computer Code 555115**  
**4 credits**

**ABOUT THE COURSE:**

Course content focuses on conceptual aspect, application of accountancy for corporate organizations.

**External Exam: 75 Marks**

Unit	Topic	Weightage	Lectures
1	<p><b>Objectives:</b> To enable the students to understand the theoretical and practical aspect of importance of budget in commercial establishment, deviation and corrective measures to meet its core objective as per estimate.</p> <p><b>Contents:</b>  <b>BUDGET AND BUDGETARY CONTROL:</b>  <b>(A) THEORY:</b> Objectives, Advantages &amp; limitations of budget,  <b>(B) PROBLEMS ON:</b> Cash Budget &amp; Flexible Budget</p>	25	15
2	<p><b>Objectives:</b> To understand the financial reliability and limitations of an organization with comparative analysis of two year's financial statements.</p> <p><b>Contents:</b>  <b>ACCOUNTING RATIO-</b>  <b>(A) THEORY:</b> Expression of Ratio as Pure, Rates &amp; Percentages. Broad Principles of interpretation of ratio, Classification of Ratios.  <b>(B) ELEMENTARY PROBLEMS ON-</b> Computation of following ratios from direct information supplied: Current Ratio, Quick Ratio, Capital Gearing Ratio, Stock Turnover Ratio, Gross Profit Ratio, Net Profit Ratio, Operating Ratio, Debtors Turnover Ratio and Return on Shareholders' Investment Ratio. (Excluding Analysis and Interpretation of ratios)</p>	25	15
3	<p><b>Objectives:</b> To understand the purpose and preparation of statement of cash flow statement; distinguishing between operating activities, investing activities and financing activities.</p>		

	<p><b>Contents:</b>  <b>CASH FLOW STATEMENT</b>  <b>(A)THEORY:</b> Introduction, needs and importance, meaning of cash and cash equivalent, activity-wise classification of cash flow, presentation and limitations of cash flow statement.  <b>(B) PROBLEMS ON:</b> Preparation of Cash Flow Statement.(Excluding AS3)</p>	25	15
4	<p><b>Objectives:</b>  To understand the object of investment, its implication on different stakeholders and accounting treatment due to the time horizon of buying/ selling the investment with cum/ex interest/dividend.</p> <p><b>Contents:</b>  <b>INVESTMENT ACCOUNTING</b>  <b>(A) THEORY:</b> Meaning and definition of Investment, purpose of making investment, classification of investment, accounting treatment  <b>(B) PROBLEMS ON:</b>  Purchase and sale of investments with ex and cum interest prices and finding cost on investment sold.</p>	25	15

Sr. No	Internal Assignment	Marks
1	Preparation of Accounting Ratios from published Annual Report of Joint Stock Companies <b>OR</b> Quiz on one or more unit.	10
2	Class room assignment	15
	<b>Total</b>	<b>25</b>

**References :**

- Kishnadwala, 2008, Financial Accountancy & Management, Vipul Prakashan, Mumbai.
- Minaxi Rachchh, Siddeshwar Gadade, Gunvantrai A. Rachchh & E. A. Patil, 2010, Management Accounting, Pearson education –South Asia
- R.L.Gupta, 2014, Advance Accountancy, Sultan Chand & Sons - Delhi
- S.N.Maheshwari 2009, Corporate Accounting, Vikas Publication –Delhi
- Shukla & Grewal, 2008, Advance Accountancy, S. Chand & Co - Delhi