

## 1/3 MCA First Semester

CA1T5

### MANAGEMENT & ACCOUNTING

Credits : 4

Lecture Hours : 4 periods / week

Internal assessment : 30 Marks  
Semester and Examination: 70 Marks

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#### Course Description:

Management Accounting innovates to earn profits for the management by utilizing the resources (Money, Manpower, Machinery), to fulfill the goal of the organization by providing applications of mechanizations of accounts (including computer accounting) documents used for data collection, coding logic and codes and maintain the system manually. The management accounting systems determine the profit and loss of the firm by maintaining the budget and budgetary control. Financial management deals with the decision making and the profit maximization and profit minimization. Ratio analysis organizes with the fund flow environment those has the changes of the working capital statement. Cost Accounting Differentiate the various differences about costing vs. marginal costing - Financial accounting vs. cost accounting vs. management accounting. The existence of the Break-Even-Analysis discussing the current position of the firm for each year. Marginal costing offers the cost - volume, profit analysis. Standard costing deals with the - materials variance, labor variance and sales variance.

#### Course Objectives:

The management accounting is to assist the management in carrying out its duties efficiently.

- Applying Computerized accounting System
- Use costing systems that are commonly utilized for different purposes
- Identify and use different activity based management tools
- Apply cost relationships for analysis
- Prepare a master budget
- Use standard costs and performance measures
- Perform cost variance analysis
- Correctly utilize costs in pricing and decisions making.

#### UNIT I:

**Accounting** - Generally Accepted Accounting Principles (GAAP) & Accounting standards, Accounting Concepts, Conventions & Policies. Drafting of financial Statements :- Journal and Ledgers.

#### UNIT II:

**Financial Management** - meaning and scope, role, objectives of time value of money - over vitalization – under capitalization - profit maximization - wealth maximization - EPS maximization.

#### UNIT III:

**Financial Statement Analysis** – Ratios- advantages - limitations - Fund flow analysis - meaning, importance, preparation and interpretation of Funds flow and cash flow statements-statement of changes in working capital.

#### UNIT IV:

**Costing** - nature and importance and basic principles. Elements of cost, Absorption costing vs. marginal costing - Financial accounting vs. cost accounting vs. management accounting.

#### UNIT V:

**Marginal costing and Break-even Analysis** - nature, scope and importance - practical applications of marginal costing, limitations and importance of cost - volume, profit analysis.

**UNIT VI:**

**Standard Costing** - nature, scope and computation and analysis - materials variance, labor variance and sales variance

**UNIT VII:**

**Budget** – Budgetary Control: cash budget, sales budget - flexible Budgets, master budgets. Methods in Capital Budgeting –Capital Rationing.

**UNIT VIII:**

**Introduction to computerized accounting system** - coding logic and codes, master files, transaction files, introduction documents used for data collection.

**Learning Resources**

**Text Books:**

1. Engineering Economics & Financial Accounting, Dr.R.Kesavan, C.Elanchehian & T.Selwyn, USP, 1/e, 2012.
2. Accounting & Finance by K.Rajeswara Rao& G.Prasad. JBP, 1/e, 2010.

**Reference Books:**

1. Financial Policy & Management accounting-BenerJee, 8/e, 2012.
  2. Fundamentals of Financial Management, Chandra Bose, PHI, 2/e, 2006.
  3. Advanced Corporate Finance-Krishna Murthy & Viswanath, PHI, 5/e, 2008.
- Financial Accounting, Bhattacharya, PHI,3/e,2006