

ACCOUNTING FOR MANAGEMENT

I Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBC02	Core	L	T	P	C	CIA	SEE	Total
		3	1	-	4	30	70	100
Contact Classes: 45		Tutorial Classes: 15		Practical Classes: Nil			Total Classes: 60	
<p>I. COURSE OVERVIEW: Financial statements are very useful to the business concerns to interpret and analyse the financial growth of different companies. The course focuses on the objectives and importance of financial accounting, accounting concepts, accounting conventions, method of recording transactions under double entry system, accounting process like journal, ledger, trial balance and final accounts that enable students to understand earning position and financial position of business concern. This course includes appreciate and use financial statements as means of business communication. This course uses the analytical techniques of inventory valuation, funds flow and cash flow statements.</p> <p>II. COURSE OBJECTIVES: The students will try to learn:</p> <ol style="list-style-type: none"> I. The principles of accounting and utilization of financial information for decision making and forward planning for future. II. Financial statements for knowing earning capacity and financial position of the business concern with confidence III. The inventory valuation of different companies and make analysis of financial accounts. IV. The significance of financial statements as means of business communication. V. Analytical techniques and conclusions from financial information for the purpose of decision making. <p>III. COURSE OUTCOMES: After successful completion of the course, students will be able to:</p> <p>CO 1: Demonstrate and elucidate the objectives, types and principles of accounting to prepare proper books of records as per GAAP.</p> <p>CO 2: Discuss different accounting concepts and conventions, and its importance for better recording of accounting cycle</p> <p>CO 3: Describe the significance and preparation of pre and final accounts with adjustments to communicate the accounting information</p> <p>CO 4: Recognize the causes of depreciation and methods of charging depreciation on fixed assets to measure its impact on business accounting</p> <p>CO 5: Summarize the objectives, significance and valuation methods of inventory and goodwill for progressive allocation of resources</p> <p>CO 6: Illustrate the features, significance and classification of shares and debentures to maintain records for issue of shares at par and discount</p> <p>CO 7: Evaluate the influencing factors of working capital management to show the difference between cash profits and book profits</p> <p>CO 8: Summarize the cash flow and funds flow statements for excel analysis of funds from operations</p> <p>CO 9: Demonstrate the importance, limitations and types of financial statements to find the financial soundness of the firm</p> <p>CO 10: Examine various ratios on financial statements for standardizing the accounting information</p> <p>IV. SYLLABUS:</p>								
UNIT-I	INTRODUCTION TO ACCOUNTING						Classes: 08	
Definitions, meaning, Importance, limitations, objectives, functions of financial accounting and classification of accounts, principles of accounts, accounting concepts and conventions, the								

generally accepted accounting principles (GAAP), their implications on accounting system; advantages and limitations of double entry system, accounting cycle.		
UNIT-II	THE ACCOUNTING PROCESS	Classes:10
Books of original record: journal and subsidiary books, ledger, trial balance, final accounts with adjustments: Methods of depreciation: Meaning, definitions, causes of depreciation, methods of depreciation like fixed installment method, diminishing balance method, annuity method and depreciation fund method (simple problems).		
UNIT-III	INVENTORY VALUATION	Classes: 09
Meaning, objectives of inventory valuation, methods, merits and demerits of inventory valuation methods like FIFO method, LIFO method, weighted average method, simple average method (problems). Issue of shares: entries for issue of shares at par, issue of shares at discount and premium, calls in arrears, forfeiture of shares, reissue of forfeiture of shares (problems).		
UNIT-IV	FINANCIAL ANALYSIS	Classes:09
Meaning, definitions, significance, limitations of funds flow and cash flow statements, Statement showing changes in working capital, funds from operations, distinction between funds flow and cash flow statements, funds flow and income statement, funds flow and balance sheet, cash profits and book profits; preparation and analysis of funds flow statement and cash flow statement (problems).		
UNIT-V	FINANCIAL STATEMENTS AND RATIO ANALYSIS	Classes: 09
Analysis and interpretation of financial statements from investor and company point of view, horizontal analysis and vertical analysis of company financial statements; meaning, definitions, significance and limitations of ratio analysis; types of ratios like liquidity, leverage, solvency and profitability ratios (problems).		
Text Books:		
<ol style="list-style-type: none"> 1. Paresh Shah, "Financial Accounting for Management", Oxford University Press, 3rd Edition, 2019. 2. Prter & Norton, "Financial Accounting", Cengage publications, 9th Edition, 2017. 3. N.Ramachandran, "Financial Accounting and Analysis" Tata McGraw-Hill Publishing Limited, 3rd Edition, 2015. 4. S.N.Maheswari, "Financial Accounting", IBH Publications, 7th Edition, 2015. 5. Maheshwari S. N., and Maheshwari S. K., "Accounting for Management", Vikas Publishing House, 3rd Edition, 2014. 6. S Ramanathan, "Accounting for Management", Oxford University Press, 1st Edition, 2014. 7. Narayana Swamy, "Financial Accounting and Analysis" PHI Publications, 2nd Edition, 2012. 8. Narayana Swamy R, "Financial Accounting: A Management Perspective", Prentice Hall of India, Delhi, 4th Edition, 2011. 9. Jelsy Josheph Kuppapally, "Accounting for Managers", Prentice Hall of India, Delhi, 1st Edition, 2010. 10. S.P.Jain and K.L.Narang, "Financial Accounting" Kalyani Publishers, 10th revised Edition, 2010. 11. S.P.Jain and K.L.Narang, "Cost & Management Accounting", Kalyani Publishers, 10th revised Edition, 2010. 12. Shashi.K.Gupta and R.K.Sharma, "Advanced Management Accounting" Kalayani publishers, 2nd revised Edition, 2003. 		
Reference Books:		
<ol style="list-style-type: none"> 1. V.Rajasekharam "Financial Accounting and Analysis" Pearson Education, 13th Edition, 2012. 2. Ranjan Kumar Bai: "Financial Accounting and Analysis", S.Chand, 1st revised Edition, 2012. 3. S.N.Maheswari and S.K.Maheswari, "Financial Accounting", Vikas publications, 4th Edition, 2009. 4. Hanif and Mukarjee, "Financial Accounting", Tata McGraw Hill Ltd., 2nd Edition, 2011. 5. Tulsian P.C., "Financial Accounting", Pearson Education, Revised 1st Edition, 2013. 		
Web References:		

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| 1. http://www.koledza.lv/best/download/biblioteka/Financial_Accounting.pdf . |
| 2. http://www.tutorialspoint.com/accounting_basics/accounting_basics_tutorial.pdf . |

E-Text Books:

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| 1. http://www.free-management-ebooks.com/skills-finance.html . |
| 2. http://www.amazon.com/Financial-Reporting-Analysis-Lawrence-Revsine-book/dp/B005KLBKDS . |