



**INSTITUTE OF AERONAUTICAL ENGINEERING**  
(AUTONOMOUS)  
Dundigal -500 043, Hyderabad

**MASTER OF BUSINESS ADMINISTRATION**

**COURSE DESCRIPTOR**

<b>Course Title</b>	<b>ACCOUNTING FOR MANAGEMENT</b>			
<b>Course Code</b>	<b>CMBB02</b>			
<b>Programme</b>	MBA			
<b>Semester</b>	I			
<b>Course Type</b>	<b>CORE</b>			
<b>Regulation</b>	IARE - R18			
<b>Course Structure</b>	<b>Lectures</b>	<b>Tutorials</b>	<b>Practical Work</b>	<b>Credits</b>
	4	-	-	4
<b>Chief Coordinator</b>	Dr. T Vara Lakshmi, Associate Professor, MBA			
<b>Course Faculty</b>	Dr. T Vara Lakshmi, Associate Professor, MBA			

**I. COURSE OVERVIEW:**

The course focuses on the objectives, 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 enable students to understand earning position and financial position of business concern. Financial statements are very useful to the business concerns to interpret and analyze the financial growth of different companies. This course includes appreciate and use financial statements as means of business communication. This course uses the analytical techniques and arriving at conclusions from financial information for the purpose of decision making.

**II. COURSE PRE-REQUISITES:**

<b>Level</b>	<b>Course Code</b>	<b>Semester</b>	<b>Prerequisites</b>
UG	-	-	Fundamentals Financial Accounting.

**III. MARKS DISTRIBUTION:**

<b>Subject</b>	<b>SEE Examination</b>	<b>CIA Examination</b>	<b>Total Marks</b>
Accounting for Management	70 Marks	30 Marks	100

#### IV. DELIVERY / INSTRUCTIONAL METHODOLOGIES:

✓	Chalk & Talk	✗	Quiz	✓	Assignments	✗	MOOCs
✓	LCD / PPT	✓	Seminars	✓	Mini Project	✓	Videos
✗	Open Ended Experiments						

#### V. EVALUATION METHODOLOGY:

The course will be evaluated for a total of 100 marks, with 30 marks for Continuous Internal Assessment (CIA) and 70 marks for Semester End Examination (SEE). Out of 30 marks allotted for CIA during the semester, marks are awarded by taking average of two CIA examinations or the marks scored in the make-up examination.

**Semester End Examination (SEE):** The SEE is conducted for 70 marks of 3 hours duration. The syllabus for the theory courses is divided into five units and each unit carries equal weightage in terms of marks distribution. The question paper pattern is as follows. Two full questions with “either” or “choice” will be drawn from each unit. Each question carries 14 marks. There could be a maximum of two sub divisions in a question.

The emphasis on the questions is broadly based on the following criteria:

50 %	To test the objectiveness of the concept.
50 %	To test the analytical skill of the concept OR to test the application skill of the concept.

#### Continuous Internal Assessment (CIA):

CIA is conducted for a total of 30 marks (Table 1), with 25 marks for Continuous Internal Examination (CIE), 05 marks for Alternative Assessment Tool (AAT).

Table 1: Assessment pattern for CIA

Component	Theory		Total Marks
	CIE Exam	AAT	
CIA Marks	25	05	30

#### Continuous Internal Examination (CIE):

Two CIE exams shall be conducted at the end of the 8<sup>th</sup> and 16<sup>th</sup> week of the semester respectively. The CIE exam is conducted for 25 marks of 2 hours duration consisting of two parts. Part–A shall have five compulsory questions of one mark each. In part–B, four out of five questions have to be answered where, each question carries 5 marks. Marks are awarded by taking average of marks scored in two CIE exams.

#### Alternative Assessment Tool (AAT):

Marks shall be awarded considering the average of two AAT for every course. The AAT may include seminars, assignments, term paper, open ended experiments, five minutes video and MOOCs.

## VI. HOW PROGRAM OUTCOMES ARE ASSESSED:

Program Outcomes (POs)		Strength	Proficiency assessed by
PO1	<b>Managerial Skills:</b> Apply knowledge of management theories and practices to solve business problems.	2	Guest Lectures
PO2	<b>Decision making Skills:</b> Foster analytical and critical thinking abilities for data-based decision making.	2	Seminars.
PO4	<b>Communication Skills:</b> Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.	2	Assignments.
PO7	<b>Strategic Skills:</b> Analyze and formulate managerial strategies to sustain in dynamic global business environment.	2	Seminars

3 = High; 2 = Medium; 1 = Low

## VII. COURSE OBJECTIVES :

The course should enable the students to:	
I.	Develop an insight of principles of accounting and utilization of financial information for decision making and forward planning for future.
II.	Understand financial statements for knowing earning capacity and financial position of the business concern with confidence
III.	Demonstrate the financial growth of different companies and make analysis of financial accounts.
IV.	Describe the significance of financial statements as means of business communication.
V.	Design and Use the analytical techniques and arriving at conclusions from financial information for the purpose of decision making.

## VIII. COURSE OUTCOMES (COs):

CO Code	COs	At the end of the course, the student will have the ability to:	PO's Mapped	Strength of Mapping
CMBB02.01	CO 1	Understand and elucidate the objectives, importance of financial accounting and different types of accounting concepts and conventions.	PO1	2
CMBB02.02	CO 2	Discuss different types and principles of personal, impersonal accounts, importance and preparation of journal and ledger.	PO1, PO2	2
CMBB02.03	CO 3	Describe the significance and preparation of trial balance and final accounts.	PO1, PO7	2
CMBB02.04	CO 4	Recognize the causes of depreciation and methods of charging depreciation on fixed assets.	PO2	2
CMBB02.05	CO 5	Explain the objectives, significance and different methods of inventory valuation and goodwill valuation.	PO1, PO2	2
CMBB02.06	CO 6	Illustrate the features, merits, demerits and classification of shares and debentures.	PO7	2
CMBB02.07	CO 7	Analyze and explain the issue of shares at par, discount, premium, forfeiture of shares and issue of debentures.	PO2, PO4	2
CMBB02.08	CO 8	Evaluate the factors which are influencing on working capital management.	PO2, PO7	2

CMBB02.09	CO 9	Identify the significance, limitations and preparation of statement of sources and application of funds and cash flow statement (AS3).	PO4, PO7	2
CMBB02.10	CO 10	Demonstrate the importance, limitations and types of financial statements as means of business communication to find the financial soundness of the firm.	PO4	2
CMBB02.11	CO 11	Enumerate and elucidate the importance and role of different types of financial statements for the purpose of strategic decisions.	PO2, PO7	2
CMBB02.12	CO 12	Examine and interpret the importance, limitations and various types' of financial ratios in view of decision making.	PO4, PO7	2

3 = High; 2 = Medium; 1 = Low

**IX. MAPPING COURSE OUTCOMES LEADING TO THE ACHIEVEMENT OF PROGRAM OUTCOMES:**

COs	Program Outcomes (POs)			
	PO1	PO2	PO4	PO7
CO 1	2			
CO 2	2	2		
CO 3	2			2
CO 4		2		
CO 5	2	2		
CO 6				2
CO 7		2	2	
CO 8		2		2
CO 9			2	2
CO 10			2	
CO 11		2		2
CO 12			2	2

3 = High; 2 = Medium; 1 = Low

**X. ASSESSMENT METHODOLOGIES – DIRECT**

CIE Exams	PO1,PO2, PO4, PO7.	SEE Exams	PO1,PO2, PO4, PO7.	Assignments	PO4	Seminars	PO2, PO7.
Laboratory Practices	-	Guest Lecture	PO1	Mini Project	-	Certification	-
Term Paper	-						

**XI. ASSESSMENT METHODOLOGIES - INDIRECT**

√	Assessment of course Outcomes (by feedback, once)	√	Student feedback on faculty (twice)
X	Assessment of mini projects by experts		

## XII. SYLLABUS

<b>UNIT – I</b>	<b>INTRODUCTION TO FINANCIAL ACCOUNTING</b>
Importance, objectives and principles, accounting concepts and conventions, and the generally accepted accounting principles (GAAP), their implications on accounting system; double entry system, recording business transactions, classification of accounts, accounting cycle.	
<b>UNIT – II</b>	<b>THE PROCESS OF ACCOUNTING</b>
Books of original record: journal and subsidiary books, ledger, trial balance, classification of capital and revenue expenses, final accounts with adjustments; valuation of fixed assets, tangible vs. intangible assets and methods of depreciation: depreciation concept, depreciation of fixed assets, methods of depreciation, their impact on measurement of business accounting	
<b>UNIT– III</b>	<b>INVENTORY VALUATION</b>
Methods of inventory valuation and valuation of goodwill, methods of valuation of goodwill. Issue of shares and debentures: entries for issue of shares. Forfeiture issue of shares at discount and premium; alteration of share capital and reduction of share capital, issue and redemption of debentures.	
<b>UNIT– IV</b>	<b>FINANCIAL ANALYSIS</b>
Statement of changes in working capital, funds from operations, paid cost and unpaid costs; distinction between cash profits and book profits; preparation and analysis of cash flow statement and funds flow statement.	
<b>UNIT – V</b>	<b>FINANCIAL STATEMENTS AND RATIO ANALYSIS</b>
Analysis and interpretation of financial statements from investor and company point of view, horizontal analysis and vertical analysis of company financial statements; liquidity, leverage, solvency and profitability ratios, du Pont chart, accounting standards issued by the institute of chartered accounts of India (ICAI).	
<b>TEXT BOOKS</b>	
<ol style="list-style-type: none"> <li>1. Harony, J. and I. Swary, Quarterly Dividends and Earnings Announcements, Second edition, 1981</li> <li>2. Altman, E.I. and Kishore, “the Default Experience of U.S. Bonds”, Working Paper, Salomon Center. 1999.</li> <li>3. Jayaprakash Sugavanam, Barratry Jayaprakash, Palanisamy Saravanan, “Strategic Financial Management” Oxford, 1<sup>st</sup>, 2014.</li> </ol>	
<b>REFERENCES</b>	
<ol style="list-style-type: none"> <li>1. Prasanna Chandra, Projects : planning, Analysis, Financing implementation and review, TMH, New Delhi, 2008</li> <li>2. M Y Khan, “Financial Services”, Tata McGraw-Hill, 12<sup>th</sup> Edition, 2012.</li> </ol>	

## XIII. COURSE PLAN:

The course plan is meant as a guideline. Probably there may be changes.

Lecture No	Topics to be covered	Course Outcomes	Reference
1	Meaning, definitions, functions, importance and limitations of financial accounting.	CO1	T1: 1.1- 1.6.
2	Objectives, significance of financial accounting and different stages in the accounting cycle.	CO1	T1:1.3 - 1.4.
3	Limitations of financial accounting and different meanings of the single entry and double entry systems.	CO1	T1:1.16 -1.19.
4	Business entity concept, dual aspect concept, realization concept, going concern concept, money measurement concept, cost concept, accounting period concept, accrual concept, matching concept, objective evidence concept with suitable examples.	CO1	T1:2.28 -2.36.

5	Different types of convention of full disclosure, convention of materiality, convention of conservatism and convention of consistency with suitable examples.	CO1	T1:2.38 -2.40.
6	Definition, meaning, merits, demerits of double entry system and differences between double entry system and single entry systems.	CO1	T1:1.18 -1.21. T4:2.67-2.84
7	Classification of accounts and principles of personal and impersonal accounts with suitable examples.	CO2	T1:1.17 -1.19. T4: 2.62-2.64
8	Definitions, meaning, definition, advantages and disadvantages of journal. Write different types of subsidiary journals.	CO2	T1:3.43 -3.61. T4: 2.84-2.87.
9-10	Definitions, meaning, advantages of ledger and uses of purchases, sales, purchase returns and sales returns journals. Journal entries, ledger accounts and subsidiary books.	CO2	T1:5.100-140.
11	Definitions, meaning, objectives, limitations, methods of preparing trial balance and significance of trial balance. Show trial balance.	CO2	T1: 3.71-3.77. T4: 2.87-2.91
12	Definitions of depreciation, the causes of deprecation and factors influencing on depreciation.	CO3	T1:11.345-47. T4:8.293-295.
13	Accounting procedure of charging depreciation under fixed instalment method, diminishing balance method, annuity method, sinking fund method.	CO3	T1:11.347-64. T4:8.293-295
14	Differences between fixed instalment method and diminishing balance method.	CO4	T1:11.353-54.
15	Meaning of capital and revenue expenditure and differences between capital and revenue expenses.	CO4	T1:7.177-180.
16	Impact, objectives of deprecation and need for providing depreciation.	CO5	T1:11.346-47.
17	Discuss the meaning, merits and demerits of fixed instalment method, diminishing balance method, annuity method and sinking fund method. Problems on methods of depreciation.	CO5	T1:11.347-64. T4:8.293-295.
18	Meaning and advantages of trading account. Valuation of fixed assets. Problems on trading account.	CO5	T1: 7.181-187
19	Definitions of profit and loss account and the significance of profit and loss account. Problems on profit and loss account.	CO6	T1:7.188-196
20	Definition, meaning and the significance of Balance sheet. Problems on final accounts with adjustments.	CO6	T1:7.197-238.
21	Meaning, advantages and disadvantages of first in first out method. Problems on stores ledger under FIFO method.	CO6	T2: 1.74-1.75.
22	Meaning, advantages and disadvantages of last in first out method. Problems on stores ledger under LIFO method.	CO7	T2: 1.76-1.77.
23	Meaning, advantages and disadvantages of simple average method. Prepare stores ledger under simple average method.	CO7	T2: 1.77-1.79.
24	Meaning, advantages and disadvantages of weighted average method. Prepare stores ledger under weighted average method.	CO7	T2:1.80-1.84.
25	Definitions and different methods of inventory valuation. Problems on stores ledger under different methods.	CO7	T2: 1.85-101.
26	Objectives of inventory valuation. Problems on stores ledger under different methods.	CO8	T2: 1.85-101. T4:7.251-263.
27	Meaning of goodwill and different methods of valuation of goodwill. Problems on different methods of valuation of goodwill.	CO8	T1: 8.1-8.13.

28	Meaning and different types of preference shares and issue of shares. Entries on issue of shares at par, discount, premium forfeiture of shares and reissue of forfeiture of shares.	CO8	T1: 8.15-8.26.
29	Meaning, different types and issue of debentures and redemption of debentures Problems on issue of shares.	CO9	T1: 1.295-317
30	Definitions, meaning, significance and limitations of funds flow statement. Problems on funds flow and cash flow statements.	CO9	T3: 5.9-5.78.
31	Definitions, meaning, significance and limitations of cash flow statement. Problems on funds flow and cash flow statements.	CO10	T3:6.2-6.17.
32-33	Factors which are influenced on working capital requirement.	CO10	T3:4.7-4.10.
34	Differences between cash flow and funds flow statements. Problems on funds flow and cash flow statements.	CO10	T3:6.8-6.9
35	Differences between funds flow and Balance sheet. Problems on funds flow and cash flow statements.	CO11	T3: 5.9-5.78. T4:12.586-29
36	Differences between funds flow and income statement. Problems on funds flow and cash flow statements.	CO11	T3: 5.9-5.78. T4:12.586-59
37	Meaning, different types and importance of working capital. Problems on funds flow and cash flow statements.	CO11	T3: 5.9-5.78. T4:12.586-60
38	Definitions, meaning and significance of Financial statement analysis. Problems on different types of financial statements.	CO12	T2:1. 285-303 T4:11.524-527
39	Definitions and limitations of financial statements and types of financial statements.	CO12	T2:1.285-303. T4:11.524-525
40	Definitions, meaning, significance and limitations of ratio analysis	CO12	T2:1.311-313.
41	Meaning, uses and different types of liquidity ratios. Problems on different types of liquidity Ratios.	CO12	T2:1.313-342.
42	Meaning, uses and different types of activity ratios.	CO12	T2:1.313-342.
43	Determination of different types of activity ratios.	CO12	T2:1.313-342.
44	Meaning, uses and different types of capital structure ratios.	CO12	T2:1.313-342. T4:11.523-55
45	Determination of different types of capital structure Ratios.	CO12	T2:1.313-342.
46-47	Meaning, uses and different types of Profitability ratios.	CO12	T2:1.313-342.
48	Determination of different types of Profitability ratios.	CO12	T1: 1.1- 1.6.
49	Determination of liquidity Ratios and profitability ratios.	CO12	T1:1.3 - 1.4.
50	Determination of activity ratios and capital structure ratios.	CO12	T1:1.16 - 1.19

**XIII. GAPS IN THE SYLLABUS - TO MEET INDUSTRY / PROFESSION REQUIREMENTS:**

<b>S NO</b>	<b>DESCRIPTION</b>	<b>PROPOSED ACTIONS</b>	<b>RELEVANCE WITH POs</b>
1	Different types of accounting concepts, conventions, and principles of personal and impersonal accounts.	Seminars / Guest Lectures.	PO1, PO2, PO7
2	Advantages and limitations of funds flow statement and cash flow statement.	Seminars / Guest Lectures.	PO1, PO2, PO4, PO7
3	Significance, limitations and types of financial statements as means of business communication.	Seminars / Guest Lectures.	PO1, PO2, PO4, PO7
4	Importance and limitations and classification of financial ratios.	Seminars / Guest Lectures.	PO1, PO2, PO4, PO7

**Prepared by:**

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