



Kot Bhalwal, Jammu



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

COURSE HANDOUT

MANAGEMENT ACCOUNTING (BCMMJ-501)

B.COM HONS-5TH SEMESTER

ACADEMIC YEAR (2024-25)

Dr Priyanka Sharma

Associate Professor

UG-School of Management



UG- School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

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Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



Please Do Not Print Unless Necessary



Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCMMJ-501	Management Accounting	Core	4	4	0	0	40	60	100

COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Describe conceptual framework of management accounting and applications of ratio analysis
CO2	Comprehend and apply the concept of Cash flow statement.
CO3	Apply the principles of fund flow analysis for analyzing financial statements.
CO4	Analyze the concept and objectives of budgeting and budgetary control for planning and controlling.
CO5	Evaluate the contemporary issues in the field of management accounting.

Section A

Unit-I

Introduction: Meaning, Objectives, Nature and Scope of Management Accounting, Functions and Limitation, Relationship between Financial, Cost Accounting and Management Accounting. Tools for Managerial decision making, Ratio analysis: Meaning, nature, uses and Limitations, types of ratios; accounting ratios including short term and long-term solvency ratios, activity ratios, profitability ratios, liquidity and Turnover Ratio.

(12 Hrs)

Unit -II

Cash Flow Statements: Concept and importance of cash flow statement, limitations, accounting standard (AS) 3, Procedure to prepare cash flow statement, Cash Flow from operating activities, Financing Activities and Investing Activities; Preparation of Cash Flow Statement according to AS-3 (Indirect Method only).

(09 Hrs)

Unit-III

Fund Flow Statements: Meaning and Concept of Fund, Concept of fund flow statement, Uses and its Limitations, Format of fund flow statement, Steps involve in preparation of fund flow statement, Schedule of changes in Working Capital statement, Statement of Fund from operations, Statement of sources and applications of Funds- Problems.

(09 Hrs)

Section B

Unit -IV

Budget and Budgetary Control: Definitions and objectives of budgeting and budgetary control; Role of budget in profit planning, Essentials of Budgetary control; Merits and demerits of budgetary control; Constituents of an effective budgetary control system, Classifications of Budgets, Functional budgets, Fixed and flexible budget, Zero based budgeting, Performance budgeting, difference between fixed and flexible budget.

(09 Hrs)

Unit-V

Contemporary Issues and Trends: Responsibility Accounting: Meaning and Objectives, Types of Responsibility Centers; Transfer Pricing; Types of transfer pricing, DuPont analysis: Concept, merits and limitations; Balance scorecard; Introduction, elements, merits and pitfalls.

(09 Hrs)

Textbooks

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Accounting for Managers	M.E Thukaram Rao	New Age international Publishers	8 th (2016)
2.	Management Accounting	H.V. Shankaranarayana and H.R. Ramanath	Cengage Learning	2 nd (2018)



Reference Books

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Management Accounting	Khan, M.Y. and Jain, P.K.	Tata McGraw Hill Education	8 th (2021)

COURSE PLAN

Unit-I Introduction

S.No	Topics	Recommended Books
1	Meaning, Objectives, Nature and Scope of Management Accounting,	Book 1, Ch.29 Book 2, Ch. 1
2	Functions and Limitation,	Book 1, Ch.29 Book 2, Ch. 1
3	Relationship between Financial, Cost Accounting and Management Accounting.	Book 1, Ch.29 Book 2, Ch. 1
4	Tools for Managerial decision making	Book 1, Ch.29 Book 2, Ch. 6
5	Ratio analysis: Meaning, nature, uses and Limitations	Book 1, Ch.32 Book 2, Ch. 6
6	types of ratios; accounting ratios including short term and long-term solvency ratios,	Book 1, Ch.32 Book 2, Ch. 6
7	activity ratios,	Book 1, Ch.32 Book 2, Ch. 6
8	profitability ratios	Book 1, Ch.32 Book 2, Ch. 6
9	liquidity and Turnover Ratio.	Book 1, Ch.32 Book 2, Ch. 6
Unit-II Cash Flow Statements		
10	Concept and importance of cash flow statement, limitations, and;	Book 1, Ch.34 Book 2, Ch. 5
11	Accounting standard (AS) 3,	Book 1, Ch.34 Book 2, Ch. 5
12	Procedure to prepare cash flow statement,	Book 1, Ch.34 Book 2, Ch. 5
13	Cash Flow from operating activities	Book 1, Ch.34 Book 2, Ch. 5
14	Financing Activities	Book 1, Ch.34 Book 2, Ch. 5
15	Investing Activities	Book 1, Ch.34 Book 2, Ch. 5
16	Preparation of Cash Flow Statement according to AS-3 (Indirect Method only).	Book 1, Ch.34 Book 2, Ch. 5
Unit-III Fund Flow Statements		
17	Meaning and Concept of Fund, Uses and its Limitations,	Book 1, Ch.33 Book 2, Ch. 5



18	Format of fund flow statement,	Book 1, Ch.33 Book 2, Ch. 5
19	Steps involve in preparation of fund flow statement,	Book 1, Ch.33 Book 2, Ch. 5
20	Schedule of changes in Working Capital statement,	Book 1, Ch.33 Book 2, Ch. 5
21	Statement of Fund from operations	Book 1, Ch.33 Book 2, Ch. 5
22	Statement of sources and applications of Funds- Problems.	Book 1, Ch.33 Book 2, Ch. 5
Unit-IV Budget and Budgetary Control		
23	Definitions and objectives of budgeting and budgetary control, ,	Book 1, Ch.38 Book 2, Ch. 12
24	Role of budget in profit planning	Book 1, Ch.38 Book 2, Ch. 12
25	Essentials of Budgetary control;	Book 1, Ch.38 Book 2, Ch. 12
26	Merits and demerits of budgetary control	Book 1, Ch.38 Book 2, Ch. 12
27	Constituents of an effective budgetary control system,	Book 1, Ch.38 Book 2, Ch. 12
28	Classifications of Budgets,	Book 1, Ch.38 Book 2, Ch. 12
29	Functional budgets,	Book 1, Ch.38 Book 2, Ch. 12
30	Fixed and flexible budget, difference between fixed and flexible budget.	Book 1, Ch.38 Book 2, Ch. 12
31	Zero based budgeting,	Book 1, Ch.38 Book 2, Ch. 12
32	Performance budgeting,	Book 1, Ch.38 Book 2, Ch. 12
Unit-V Contemporary Issues and Trends		
33	Responsibility Accounting: Meaning and Objectives	Book 2, Ch.14 Book 3, Ch.21
34	Types of Responsibility Centers	Book 2, Ch.14 Book 3, Ch.21
35	Transfer Pricing	Book 2, Ch.15
36	Types of transfer pricing,	Book 2, Ch.15
37	DuPont analysis: Concept, merits and limitations;	Book 2, Ch,2
38	Balance scorecard; Introduction, elements	Book 3, Ch.22
39	merits and pitfalls.	Book 3, Ch.22

ADDITIONAL WEB RESOURCES

1.	MOOC: Managerial Accounting: Cost Behaviors, Systems, and Analysis https://www.coursera.org/learn/accounting-for-managers
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GRADING AND ASSESSMENT

- **Sessional Test:** 20 marks, 2 Sessional of 10 marks each.
- **Assignment:** 10 marks
- **Attendance:** 10 marks
- **Final Examination:** 60 marks

COURSE POLICIES

- **Attendance:** Minimum 75% attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submissions:** Assignments and projects must be submitted by the specified timelines.

FACULTY INFORMATION

- **Office Hours**
Monday (12:05 PM - 12:55 PM)
Friday (12:05 PM - 12:55 PM)
- **Contact Information**
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