

FUNDAMENTALS OF MANAGEMENT ACCOUNTING

+2 SECOND YEAR 4th Elective (Paper - II)

Objectives :

To provide students an understanding of the Concept, objectives, importance, limitations of Management Accounting

To help the students in learning concept, types, objectives and importance of financial statements along with its analysis

To enable students to learn the process of ratio analysis with its significance make the students able to know the concept and applications of Working Capital, and

To help the students the concept, objectives and process of preparation of Cash Flow To help Statement;

Course Inputs

Unit-I Introduction

Meaning, Objectives, Nature & Scope-Functions, Importance & Limitations of Management Accounting, Cost Accounting Vs Management Accounting, Difference between Management Accounting and Financial Accounting, Role of Management Accountant.

Unit-II Analysis of Financial Statement

Financial Statement: Meaning, nature, objectives and types of financial statements - Importance and limitations of financial statement (Statement of Profit & Loss, Balance Sheet and Cash Flow Statement) Financial Statement Analysis : Meaning, Objective, Importance, Limitations and its types- Techniques or Device of Financial Analysis - Comparative Statement, Common-size Statement, Trend Analysis

Unit-III Ratio Analysis

Ratio Analysis : Meaning and Utility of Ratio - Significance & Limitations of Ratio Analysis, Classification of Ratios - Calculation of Different Ratios : Liquidity Ratios (Current ratios, Acid Test Ratio, Absolute Liquid ratio), Activity Ratios : (Stock Turnover, Debtor Turnover, Creditor Turnover, Working Capital Turnover), Profitability Ratios (Gross Profit Ratios, Net Profit Ratio, Return on Investment, Return on Capital Employed).

Unit-IV Working Capital Management & Cash Flow Statements

Working Capital Management : Meaning, Need, Concept, Classification of Working Capital- Sources of Working Capital- Determinants of Working Capital, Computation of Working Capital for Trading Concern. Cash Flow Statement : Meaning, Objectives, Transactions affecting Cash Flow Statement, Transactions not affecting cash flow statement, Difference between Cash Flow Statement & Funds Flow Statement, Process of Preparing Cash Flow Statement as per AS- 3.

Unit -IV Project work and Viva

Suggested outlines of Project Work

Prepare a financial Statement of any undertaking (Statement of profit & loss, balance Sheet and Cash flow statement) 1 Make a project report on Financial Statement Analysis of any undertaking.

Calculation of different Ratios and making Ratio Analysis of any Enterprise and prepare a report.

Prepare a report by determining the requirement of working capital for any Trading Concern.

Prepare a Cash Flow Statement along with its analysis for any organization as per AS - 3.