

ACCOUNTING FOR DECISION MAKING

CREDITS	3
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OBJECTIVE :

- Acquire a reasonable knowledge in accounts analysis and evaluate financial statements

UNIT I FINANCIAL ACCOUNTING 9

Introduction to Financial, Cost and Management Accounting – Generally accepted accounting principles– Double Entry System – Preparation of Journal, Ledger and Trial Balance Preparation of Final Accounts: Trading, Profit and Loss Account and BalanceSheet - Reading the financial statements .

UNIT II ANALYSIS OF FINANCIAL STATEMENTS 9

Financial ratio analysis, Interpretation of ratio for financial decisions- Dupont Ratios – Comparative statements - common size statements. Cash flow (as per Accounting Standard 3) and Funds flow statement analysis – Trend Analysis.

UNIT III COST ACCOUNTING 9

Cost Accounts – Classification of costs – Job cost sheet – Job order costing – Process costing – (excluding Interdepartmental Transfers and equivalent production) – Joint and By Product Costing – Activity Based Costing, Target Costing.

UNIT IV MARGINAL COSTING 9

Marginal Costing and profit planning – Cost, Volume, Profit Analysis – Break Even Analysis – Decision making problems -Make or Buy decisions -Determination of sales mix - Exploring new markets - Add or drop products -Expand or contract.

UNIT V BUDGETING AND VARIANCE ANALYSIS 9

Budgetary Control – Sales, Production, Cash flow, fixed and flexible budget – Standard costing and Variance Analysis – (excluding overhead costing) - Accounting standards and accounting disclosure practices in India.

TOTAL : 45 PERIODS

OUTCOMES :

- A thorough grounding of financial accounting concepts
- Preparation of financial statement analysis
- Understand the management and cost accounting techniques
- Apply the management and cost accounting techniques for decision making
- Assess the accountancy standards of practices in India

REFERENCES :

1. R. Narayanaswamy, Financial Accounting, PHI, sixth edition, 2017.
2. M.Y. Khan & P.K. Jain, Management Accounting, Tata McGraw Hill, 8 th edtion, 2018.
3. T.S. Reddy & A. Murthy, Financial Accounting, Margham Publications, 2014
4. Jan Williams, Susan Haka, Mark S bettner, Joseph V Carcello, Financial and Managerial Accounting - The basis for business Decisions, 18th edition, Tata McGraw Hill Publishers, 2017
5. Charles T. Horngren, Gary L.Sundem, David Burgstahler, Jeff Schatzberg, Introductionto Management Accounting, PHI Learning, 2014 , 16th edition.
6. Earl K. Stice& James D.Stice, Financial Accounting, Reporting and Analysis, 8th edition, Cengage Learning, 2015.
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