

SYLLABUS
S.Y.B. COM
SEMESTER III
MANAGEMENT ACCOUNTING

TOPICS

NO.OF LECTURES

1. Introduction to Management Accounting	10
2. Ratio analysis and interpretation	15
3. Working capital management	10
4. Capital Budgeting	10
Total	45

1. Introduction to Management Accounting

- **A. Introduction to Management Accounting – Meaning, Nature, Scope, Functions, Decision Making Process, Financial Accounting V/s Management Accounting**
- **B. Analysis and Interpretation of Financial Statements**
 - i) Study of Balance sheet and Income statement / Revenue statements in vertical form suitable for analysis
 - ii) Relationship between items in Balance Sheet and Revenue statement
 - iii) Tools of analysis of Financial Statements (i) Trend analysis (ii) Comparative Statement (iii) Common Size Statement
- **Note : (i) Problems based on trend analysis (ii) Short Problems on Comparative and Common sized statements**

2. Ratio analysis and interpretation

(Based on Vertical Form of Financial statements) – Meaning, classification, Du Point Chart, advantages and Limitations)

A. Balance Sheet Ratios :

- i) Current Ratio
- ii) Liquid Ratio
- iii) Stock Working Capital Ratio
- iv) Proprietary Ratio
- v) Debt Equity Ratio
- vi) Capital Gearing Ratio

B. Revenue Statement Ratio:

- i) Gross Profit Ratio
- ii) Expenses Ratio
- iii) Operating Ratio
- iv) Net Profit Ratio
- v) Net Operating Profit Ratio
- vi) Stock Turnover Ratio

A. Combined Ratio :

- i) Return on capital employed (Including Long Term Borrowings)
- ii) Return on proprietor's Fund (Shareholders Fund and Preference Capital)
- iii) Return on Equity Capital
- iv) Dividend Payout Ratio
- v) Debt Service Ratio
- vi) Debtors Turnover
- vii) Creditors Turnover
- (Practical Question on Ratio Analysis)

3 Working Capital Management

- **Working Capital Management : (Practical Questions)**
- A. Concept, Nature of Working Capital , Planning of Working Capital
- B. Estimation / Projection of Working Capital Requirement in case of Trading and Manufacturing Organization
- C. Operating Cycle

4 Capital Budgeting

- A. Introduction:
- B. The classification of capital budgeting projects
- C. Capital budgeting process
- D. Capital budgeting techniques - **Payback Period, Accounting Rate of Return, Net Present Value, The Profitability Index, Discounted Payback. (Excluding calculation of cash flow)**

Reference Text :

- 1. Cost and Management Accounting - Colinn Dury 7th Edition
- 2. Cost and Management Accounting- Dbarshi Bhattacharyya pearson Publications 2013 edition
- 3. Management Accounting - M.Y.Khan
- 4. Management Accounting - I.M.pandey