

## **CP- 108 : ACCOUNTING FOR MANAGERS**

### **Objectives**

The basic purpose of this course is to develop an insight of postulates, principles and techniques of accounting and utilization of financial and accounting information for planning, decision-making and control.

### **Course Contents:**

#### **Unit -I**

Meaning and Definition of Accounting, Parties or Users interested in Accounting, Branches of Accounting, Meaning and Definition of Management Accounting, Distinction between Management Accounting and Financial Accounting. Accounting Concepts and Conventions.

#### **Unit -II**

Basic Accounting terminologies, Classification of Accounts, Meaning of Journal, Writing of Journal Entries. Secondary Books of Accounting, Preparation of Trial Balance Financial Statement Analysis, Ratio analysis, Funds Flow Analysis, Cash Flows analysis.

#### **Unit -III**

Elements of Costs; (a) Materials Costs: - Materials purchasing, receiving, storing and issuing including pricing of issues. Labour Costs and Labour Turnover.

#### **Unit -IV**

Overheads- Identifying the overheads with cost centre. Allocation, Apportionment and Absorption – Accounting treatment of under and Over Absorption. (Preparation of Cost Sheet, items to be excluded while preparing cost sheet.

#### **Unit -V**

Managerial Decision Making Techniques: Marginal costing – Cost volume profit analysis, BEP Budgetary control, Operating and Financial Budgets, Performance Budgeting, Zero-Base Budgeting; Flexible Budgets. Standard Costing – Materials Cost and Labour cost variances only. Accounting Standards.

### **Suggested Readings**

- 1 . Anthony R N and Reece J S. *Accounting Principles*, 6th ed., Homewood, Illinois, Richard D. Irwin, 1995.
2. Bhattacharya S K and Dearden J. *Accounting for Management Text and Cases*. New Delhi, Vikas, 1996.

3. Heitger, L E and Matulich, Serge. *Financial Accounting*. New York, Mc-Graw Hill, 1990.
4. Hingorani, N L. and Ramanathan, A R. *Management Accounting*. 5th ed., New Delhi, Sultan Chand, 1992.
5. Horngren, Charles etc. *Principles of Financial and Management Accounting*. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1994.
6. Needles, Belverd, etc. *Financial and Managerial Accounting*. Boston, Houghton Mifflin Company, 1994.
7. Vij, Madhu. *Financial and Management Accounting*. New Delhi, Anmol Publications, 1997
8. Theory & Problems in Management & Cost Accounting - Khan & Jain

The list of cases and specific references including recent articles will be announced in the class at the time of launching of the course.