

## MFC 1.5 Financial and Cost Accounting

### Objective

The objective of this course is to enable students understand accounting concepts, tools, and techniques used for taking managerial decisions.

### Course Inputs

#### A. Financial Accounting (Weightage 45 Marks)

1. **Introduction:** Nature, scope and importance of financial accounting; Basic accounting concepts and conventions; Recognition of revenues and expenses; Accounting cycle and accounting equation; GAAP and accounting standards - Indian and international.
2. **Accounting Books and Final Accounts:** Journal, cash book, sales book, purchase book etc.; Preparation of trial balance; Profit and loss account and balance sheet; Bank reconciliation statement.
3. Accounting for issue and redemption of shares and debentures.
4. Final accounts of Companies –an overview.
5. Valuation of Goodwill and shares.

#### B. Cost Accounting (Weightage 30 marks)

1. **Cost Accounting:** Meaning, importance and scope of cost accounting; Elements of cost: material, labour and overhead costs; Method and types of costing; Cost classification; cost sheet
2. **Cost Ascertainment:** Unit costing; Job costing; Process costing; Contract Costing.
3. Differential costing; Incremental costing; Product line costing.
4. Reconciliation of cost and financial accounts.

### Suggested Readings

- Beams, F.A.: Advanced Accounting, Prentice Hall, New Jersey.
  - Dearden, J. and S.K. Bhattacharya: Accounting for Management, Vikas Publishing House, New Delhi
  - Engler, C., L.A. Bernstein and K.R. Lambert: Advanced Accounting, Irwin, Chicago.
  - Fischer, P.M., W.J Taylor and J.A Leer: Advanced Accounting, South-Western, Ohio.
  - Gupta, R.L.: Advanced Financial Accounting, S. Chand & Co. New Delhi
  - Horngren, Charles, T., George Foster and Srikant M. Datar: Cost Accounting: A managerial emphasis, Prentice Hall India, Delhi.
  - Kieso, D.E. and J. J. Weygandt: Intermediate Accounting, John Wiley and Sons, New York.
  - Meigs, R. et al: Financial Accounting, Tata McGraw Hill, New Delhi.
  - Monga, J.R.: Advanced Financial Accounting, Mayoor Paperbacks, Noida.
  - Narayanaswamy, R: Financial Accounting: A Managerial Perspective, Prentice Hall, Delhi.
  - Needles Jr. B.E., H.R. Anderson and J.C. Caldwell: Financial and Managerial Accounting, Houghton Mifflin Co., Boston.
  - Shukla, M.C. and T.S. Grewal: Advanced Accountancy, S. Chand & Co., New Delhi
- Warren, C.S. and P.E. Fess: Principles of Financial and Managerial Accounting, South-Western, Ohio.