SHRI GOVIND GURU UNIVERSITY

SYLLABUS

(IN EFFECT FROM JUNE 2018 TILL FURTHER NOTIFICATION)

B.Com Syllabus

Semester-5

Subject : Advance Accounting & Auditing

Management Accounting- I

Unit 1: Introduction to Management Accounting and Analysis of Financial Statements. 25%

1. Definition, scope, objective, functions, tools and techniques, limitations of Management Accounting, Installation of Management Accounting system, difference between Management Accounting and Cost Accounting;
2. Nature and limitations of Financial Statements, Essential of good financial statements, Analysis and interpretation, Tools of financial analysis (methods, Comparative financial statements, procedure for interpretation, objective of analysis and interpretation, Common size statements, Trend analysis.)

Unit 2: Interpretation and Analysis through Financial Ratios 25%

Meaning, Importance and limitation of ratio analysis, Calculation and interpretation of the following ratio only: Gross Profit Ratio, Net profit Ratio, Stock Turnover Ratio, Operating Ratio, Expense Ratios, Return of Investment (ROI), Earning per share (EPS: including concept of EPS as per AS 20), Current Ratio, Liquid Ratio, Acid Test Ratio, Proprietary Ratio, Debt-equity Ratio, Long-term Funds to fixed Assets Ratio, Capital Gearing Ratio, Coverage Ratio (interest and total), Debtors Ratio (velocity), Creditors Ratio (velocity), Fixed Assets to Turnover Ratio, Total Assets to Turnover Ratio, Debt-service coverage Ratio, Cash earning per share, Dividend pay-out Ration, Dividend Yield Ratio, Price Earning Ratio, Market Price to book value Ratio.

Note : Preparation of financial Statements from given ratios is not expected.
Emphasis is to be given on interpretation rather than calculation.

Unit 3: Cash Flow Statement 25%

Concept and significance of Funds Flow Statement; Sources and Application of Cash; Cash from Operation; Income and Expenditure Approach and Net Profit Approach; Difference between Fund Flow Statement and Cash Flow Statement; Preparation of Cash Flow Statement as per **AS 3.**

Unit 4: Budgeting : 25%

(A) Budget and Budgetary Control :

Definition, Objective, Merit and de-merits of Budgetary Control, Fixed and Flexible Budget (Theory only), Control Ratios, Zero base Budgeting; Preparation of following Functional Budget only; Sales Budget, Selling and Distribution Cost Budget, production Budget, cost of Production Budget (Material, Labour and Overheads.)

(B) Cash Budget :
Introduction, Advantage and limitations of Cash Budget, Methods of preparing Cash Budget; Cash Receipt and Disbursement Method, Adjusted Earning Method, Balance Sheet Projection Method and Working Capital Differential Method.

Notes :

(1)
Practical problems carrying not less than 80% marks shall be asked. This percentage is inclusive of 20% weightage to be given to a multiple choice question divided into 7 sub-questions (at least one sub-question from each Unit shall be drawn). The students are required to provide justification for selecting the correct option out of four options given for each MCQ.

(2)
Question from any sub-unit shall not be asked option of any other sub-unit.

(3)
Similarly, questions from any main unit shall not be set in option of questions from any other main Unit.

Reference Books :

1. Management and cost Accounting
   Author : Colin Drury, Publisher : Pat Bond (U.K.)
2. Cost Accounting
   Author : Charles T. Horngren (Hardback | ISBN10: 0132329018
   ISBN13: 9780132329019)
3. Ravi M. Kishore; " Cost and Management Accounting", Taxmann's Publications.
4. Jawahar Lal "Advanced Management Accounting", S.Chand Publications.
5. Paresh shah; "Management Accounting", Oxford Publication
6. Horngren, C.T., Cost Accounting - A Managerial Emphasis,. Prentice - Hall

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SYLLABUS

(IN EFFECT FROM JUNE 2018 TILL FURTHER NOTIFICATION)

B.Com Syllabus

Semester-6

Subject : Advance Accounting & Auditing

Management Accounting- II

Unit 1: Standard Costing I : 25%

Definition, Standard Cost vs. Budgetary Cost, Setting the standards: Variance analysis: Total Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mix Variance, Total Labour Cost Variance, Labour Rate Variance, Labour Efficiency Variance, Idle time Variance, Labour Mix Variance, Labour Yield Variance.

Unit 2: Standard Costing II : 25%

a. Overhead Variances : Fixed and Variable, Expenditure Variance, Efficiency Variance, Capacity Variance, Calendar Variance;

Note :

I. *Rate of recovery of overheads to be based on labour time only*

II. *Problems relating to finding out missing data are not expected*

b. Sales Value Variance : Sales Price, Sales Volume, Sales Quantity and Sales Mix Variances.

Sales Margin Variances : Total sales Margin Variance, Sales Margin Price Variance, Sales Margin Volume Variance, Sales Margin Mix Variance, Sales Margin Quantity (sub-volume) Variance.

Note :

I. *Problems relating to Reconciliation and Interpretation of Variance are not expected.*

II. *Problems relating to finding out missing data are not expected.*

Unit 3: Capital Budgeting - 1: 25%

a. Meaning, Importance and Process of Capital Budgeting.

Methods based on profit and recovery of cash outlays:

(1) Accounting Rate of Return (ARR) Method;

(2) Pay-Back Method.

b. Time Value of Money :

Reasons for Time Value, Simple and Compound Interest, Present Value and Discount Factors, Future Value and Present value of an ordinary annuity, Present value of a differed annuity and perpetuity, Meaning of Amortization of and creation of Sinking Fund, Nominal and Real Interest Rates.

Unit 4: Capital Budgeting - II 25%

Methods based on present value of cash flows :

(1) Net Present Value (NPV) Method;

(2) Profitability Index (PI) Method;

(3) Internal Rate of Return (IRR) Method.

Notes :

I. Relevant portion of PV Factors and Annuity Factors must be provided in the question paper;

II. Advance level problems (like calculation of expected cost and profit of proposed product to be manufactured, deferment of tax liability, capital rationing, sensitivity analysis, decisions relating to early retirement of existing etc) are not expected.

Notes : (1)

Practical problems carrying not less than 80% marks shall be asked. this percentage is inclusive of 20% weightage to be given to a multiple choice question divided into 7 sub-questions (at least one sub-question from each Unit shall be drawn.) The students are required to provide justification for selecting the correct option out of four options given for each MCQ.

(2)

Question from any sub-unit shall not be asked in option of any other sub-unit.

(3)

Similarly, questions from any main Unit shall not be set in option of questions from any other main Unit.

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4. Jawahar Lal "Advanced Management Accounting", S.Chand Publications.
5. Paresh shah; "Management Accounting", Oxford Publication
6. Horngren, C.T., Cost Accounting - A Managerial Emphasis,. Prentice - Hall