

MANGALORE UNIVERSITY
DEPARTMENT OF BUSINESS ADMINISTRATION
MASTER OF BUSINESS ADMINISTRATION (MBA)

MBAH 502: MANAGEMENT ACCOUNTING

Workload : 4 hours per week. - Total credits: 4
Examination : 3 hours 70 marks
Objectives : The objective of the course is to familiarize the students with the concept of management accounting and its uniqueness, its applications in various managerial applications and various tools used in the managerial decision making process.
Pedagogy : Lectures, assignments, practical exercises, discussions, seminars.

Chapter 1: Introduction to Management Accounting: Management Accounting Vs Cost Accounting - Management Accounting budget Vs. Financial Accounting – Role and scope of Management Accounting – Role of Management Accountant.

Chapter 2: Budgetary Control: Elements of management planning and control system – Budgeting as a tool – uses and organisation of Budgets – Organisation for Budgeting Control – The Budgeting process – steps in preparation of budgets – classification of budgets – Functional budgets – cash budgets – master budget – Fixed Vs. Flexible budgets – budget reports – Budget variances and reporting. Zero based budgets. Responsibility Accounting – Cost centre – Revenue centre – investment centre – profit centre.

Chapter 3: Cost of Capital: Cost of equity, debt, retained earnings, rights and bonus issues – weighted average cost of capital.

Chapter 4: Capital Budgeting: Appraisal of long-term projects – techniques of appraisal – Payback, Accounting rate of return, NPV, IRR and profitability index.

Chapter 5: Marginal Costing and Break-even Analysis: Absorption vs. Marginal costing – contribution analysis – Relevance of Marginal Costing – P/V ratio – Break-even analysis. P/V and Break-even graphs – C-V-P analysis.

Chapter 6: Cost analysis for decision making: The role of costs, relevant costs, differential costs – cost behaviour – make or buy, product mix decisions, accepting special orders, decision to shut down or continue operations – marginal pricing and its relevance limiting factors – formulation of linear programming model using product mix and limiting factors.

Chapter 7: Analysis and Interpretation of financial statements: Uses and limitations of financial statements, Trend analysis and ratio analysis. Practical problems using company annual reports.

Chapter 8: Statements of changes in Financial position: Funds flow and cash flow analysis – Net working capital schedule – International and Indian accounting standards on statement of changes in financial positions – practical problems using company annual reports.

Chapter 9: Working Capital estimates for companies: Estimating the requirements – Gross working capital and net working capital – operating cycle.

References:

1. Charles T. Horngren -Introduction to Management Accounting - Pearson Education.
2. Robert N. Anthony & Glenn A. Welsch -Fundamentals of Management Accounting -Richard D Irwin.
3. W.M. Harper -Management Accounting-Trans-Atlantic Publications.
4. Manmohan & Goyal -Principles and Practice of Management Accounting- SahityaBhawan,Agra .
5. Anthony A. Atkinson-Management accounting-Pearson Education.
6. Issac Wayne Keller &William L. Farrara -Management Accounting for Profit Control-McGraw- Hill, Inc., U.S.
7. Robert S. Kaplan -Advanced Management Accounting- Prentice Hall.
8. Robert S Kaplan &Anthony A Atkinson - Advanced Management Accounting - Pearson Education Asia.
9. Hrishikesh Bhattacharya - Working Capital Management(Strategies and Techniques)-PHI.
10. Satish B Mathur- Working Capital Management and Control(Principles & Practice)-New Age International Publication.
11. I M Pandey- Financial Management- Vikas Publishing House Pvt Ltd.
12. S.P. Jain & K.L. Narang-Cost and Management Accounting, - Kalyani Publishers.
13. M.Y. Khan & P.K. Jain- Management Accounting - Mc Graw hill, New delhi.
14. Coombs-Management Accounting-SAGE South Asia Publication.
15. J. Madegowda- Management Accounting-Himalaya Publishing House.
16. Horngreen ,Sundem, Stratton- Introduction to Management Accounting -Prentice Hall India, New Delhi.
17. Pandey IM – Management Accounting- Vikas Publishing House, New Delhi, 3rdEdn.
18. Sahaf MA- Management Accounting : principles and practice - Vikas Publishing House, New Delhi, 3rd Edn.