

Semester	I	Specialization	NA
Course code	101	Type	Generic core
Course Title	Course Code 101: Accounting For Business Decisions		

Course Objectives:

1. To understand the basic concepts of financial accounting, cost accounting and management accounting.
2. To know various tools from accounting and cost accounting this would facilitate the decision making.
3. To develop analytical abilities to face the business situations.

Syllabus:

Unit Number	Contents	No. of Sessions
Unit – 1	Basic Concepts: Meaning of Business decisions and importance of business decisions. Forms of business organizations, meaning of accounting, basic concepts, terms used in business accounting. Types of accounts, journal, ledger and trial balance. Accounting equations and users of accounting information. Accounting concepts and conventions. Difference between financial, cost accounting and management accounting, Use and applicability of Tally in accounting.	(Hours: 6+2)
Unit – 2	Understanding of Financial Statements: Meaning of Financial statements. Importance and objectives of financial statements. Preparation of final accounts of sole proprietary firm. Making financial decisions on the basis of financial statements.	(Hours: 8+2)
Unit – 3	Cost Accounting: Basic concepts of cost accounting. Objectives of Cost Accounting, Classification and analysis of costs, Relevant and irrelevant costs, differential costs, sunk costs, Preparation of Simple Cost sheet.	(Hours: 6+2)
Unit – 4	Cost Control: Material cost control, Procurement, Pricing of issues, Inventory control techniques, Fixation of various levels, Economic order quantity, material losses, Labour cost control, time keeping and time booking, Overheads, Collection, Classifications, allocation and apportionment of overheads.	(Hours: 7+2)
Unit – 5	Decision making tools: Marginal costing, Break-even point, Cost Volume Profit analysis, Optimizing product mix, Pricing decisions. Budgeting - Cash and Flexible budgets only, Standard costing – Material and Labour Variances only.	(Hours: 8+2)
	<p>Note:</p> <ol style="list-style-type: none"> 1. Weightage of Theory Questions will be 30% and numerical problems will carry 70% marks in the final question paper. 2. Numerical Problems will be asked on the following topics: Preparation of financial statements of proprietary concerns. Pricing of issues: - FIFO, LIFO, Simple Average & Weighted average methods. 	

	Allocation and apportionment of Overheads. Computation BEP and related areas. Optimizing product mix. Make or buy decisions. Cash and Flexible budgets Computation of Material and Labour variances.	
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Learning Resources:		
1	Text Books	Management Accounting – Dr. Mahesh Kulkarni Accounting For Business Decisions by Dr. E B Khedkar and Dr. D B Bharati
2	Reference Books	<ul style="list-style-type: none"> • Financial Accounting for Management: Shankarnarayanan/ Ramanath-CENGAGE Learning • Financial Cost and Management Accounting - P Periasamy • Management Accounting - Madhu Vij • Fundamentals of Management Accounting – H. V Jhamb • Cost and Management Accounting – M N Arora • Financial Accounting for Managers – Mr. Sanjay Dhmiya, Pearson Publications • Management Accounting – Mr. Anthony Atkinson, Robert Kaplan, Pearson • Management Accounting – Mr. Khan and Mr. Jain, Tata McGraw Hill • Financial Accounting part I – Mr. S. N. Maheshwari • Accounting For Management-Jawarhar Lal • Accounting – Shukla Grewal
3	Supplementary Reading Material	Management Accounting - Mr. Ravi Kishore Accounting for Managers – Dearden and Bhattacharya
4	Websites	Institute of Cost Accountants, Institute of Chartered Accountants
5	Journals	Indian Journal of Finance