Subject: Cost and Management Accounting - 3

Section: III B.Com ‘C’ and D

Time allotted: 75 hours

OBJECTIVES:

- To enable the students to understand the importance of analysis and interpretation of Financial Statements,

- To equip the students with the skills to prepare various types of analytical statements and to help students to prepare Cost and Management reports for decision making.

TEACHING LESSON PLAN

(Module wise)

<table>
<thead>
<tr>
<th>UNIT/SESSION/HOURS (TIME REQUIRED)</th>
<th>TOPICS FOR STUDENT PREPARATION (INPUT)</th>
<th>PROCEDURE (PROCESS)</th>
<th>LEARNING OUTCOME (OUTPUT)</th>
<th>ASSESSMENT</th>
</tr>
</thead>
</table>
| Module – 1: Introduction 5 hours   | Meaning – Nature and Scope of Management Accounting – Relationship between Financial Accounting – Cost Accounting and | • Lecture with the help of power Point presentation  
• Discussion | To understand the importance of:  
• Management Accounting and its functions.  
• Need for management accounting in the present scenario | Evaluation through MCQs |
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<thead>
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</thead>
<tbody>
<tr>
<td>Module-3: Ratio Analysis</td>
<td>Meaning – Utility and limitations – Classification of Ratios – Calculation and interpretation of Solvency – Turnover – Profitability &amp; Liquidity ratios.</td>
<td>Lecture • Discussion • Illustrations</td>
<td>The student should be able to understand and be able to calculate the various ratios through financial statements. They should also be able to interpret the ratio and its impact on the short and long term position of the firm.</td>
<td>Evaluation through assignments and tests</td>
</tr>
<tr>
<td>Module-4: Funds Flow Analysis</td>
<td>Meaning – Concept of Fund and Funds Flow Statement – Uses and significance of fund flow Statement – Procedure for preparing FFS – Schedule of changes in working capital – Statement of sources and application of funds.</td>
<td>Lecture • Discussion • Illustrations</td>
<td>To understand the concept of fund flow statement and to be able to identify the sources and application of funds. To be able to prepare a fund flow statement and interpret the same.</td>
<td>Evaluation through MCQs, and tests</td>
</tr>
</tbody>
</table>
| Module-5: Cash Flow Analysis | Meaning And Concept – Comparison Between Fund Flow and Cash Flow Statements – Uses and significance of CFS – Preparation of Cash Flow Statement as per Accounting Standards. | • Lecture  
• Case study  
• Illustrations | To understand the major reasons for the change in a company's cash and cash equivalents reported on the balance sheets at the beginning and the end of the accounting period. To be able to identify the operating, investing and financing activities of the firm. | Evaluation through assignments and tests |
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<tbody>
<tr>
<td>12 Hours</td>
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</tbody>
</table>
| Module-6: Contemporary Concepts | Activity Based Costing, Target Costing, Life Cycle Costing, Kaizen Costing, Balance Score Card (including Problems) | • Lecture  
• Discussion  
• Illustrations | To know the meaning of Activity Based Costing, Life Cycle Costing, Target Costing, Kaizen Costing, Balance Score Card. To solve problems based on Activity Based Costing and Life Cycle Costing and Target Costing. | Evaluation through tests And assignments. |
| 20 Hours                    |                                                                                                 |                                                 |                                                                                                 |                                                 |
UNIT WISE BREAK UP

LECTURE HOURS: 75

Objective

- To enable the students to understand the importance of analysis and interpretation of Financial Statements,
- To equip the students with the skills to prepare various types of analytical statements and to help students to prepare management reports for decision making.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>UNIT &amp; OBJECTIVES</th>
<th>No. of Lecture Hours</th>
<th>Methodology/Instructional techniques</th>
<th>Evaluation/learning confirmation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>MODULE 1</strong> INTRODUCTION</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Meaning – Nature and Scope of Management Accounting</td>
<td>2</td>
<td>Lecture and Discussion</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Relationship between Financial Accounting – Cost Accounting and Management Accounting</td>
<td>2</td>
<td>Lecture and Illustrations</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>3.</td>
<td>Role of Management Accountant in the Present Scenario.</td>
<td>1</td>
<td>Lecture</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>MODULE 2</td>
<td>FINANCIAL STATEMENT ANALYSIS</td>
<td>8</td>
<td></td>
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<tr>
<td>2.</td>
<td>Comparative statements – Income statement and Balance sheet</td>
<td>2</td>
<td>Illustrations and Work sheet</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>3.</td>
<td>Common size statements – Income statement and Balance sheet</td>
<td>2</td>
<td>Illustrations and Work sheet</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>4.</td>
<td>Trend analysis – Income statement and Balance sheet</td>
<td>2</td>
<td>Illustrations and Work sheet</td>
<td>Question and Answer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MODULE 3</th>
<th>RATIO ANALYSIS</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Meaning – Utility and limitations — Calculation and interpretation of Solvency – Turnover – Profitability &amp; Liquidity ratios.</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>Classification of Ratios</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Calculation and interpretation of solvency ratios</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Calculation and interpretation of turnover ratios</td>
<td>3</td>
</tr>
<tr>
<td>5.</td>
<td>Calculation and interpretation of profitability ratios</td>
<td>3</td>
</tr>
<tr>
<td>6.</td>
<td>Calculation and interpretation of liquidity ratios</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MODULE 4</th>
<th>FUNDS FLOW ANALYSIS</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Meaning – Concept of Fund and Funds Flow Statement – Uses and significance of fund flow</td>
<td>3</td>
</tr>
</tbody>
</table>
### Module 5: Cash Flow Analysis

<table>
<thead>
<tr>
<th>Number</th>
<th>Topic</th>
<th>Week(s)</th>
<th>Method</th>
<th>Question and Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning and Concept – Comparison Between Fund Flow and Cash Flow Statements – Uses and significance of CFS</td>
<td>3</td>
<td>Lecture</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>2</td>
<td>Calculation of cash from operating investing and financing activities</td>
<td>4</td>
<td>Lecture and problems</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>3</td>
<td>Preparation of Cash Flow Statement as per Accounting Standards.</td>
<td>8</td>
<td>Lecture and Problems/case study</td>
<td>Question and Answer</td>
</tr>
</tbody>
</table>

### Module 6: Contemporary Concepts

<table>
<thead>
<tr>
<th>Number</th>
<th>Topic</th>
<th>Week(s)</th>
<th>Method</th>
<th>Question and Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning of Activity Based Costing, Target Costing, Life Cycle Costing, Kaizen Costing, Balance Score Card.</td>
<td>2</td>
<td>Lecture and Illustrations</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>2</td>
<td>Problems on Activity Based Costing</td>
<td>6</td>
<td>Lecture and problems</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>3</td>
<td>Problems on Target Costing</td>
<td>6</td>
<td>Lecture and problems</td>
<td>Question and Answer</td>
</tr>
<tr>
<td>4</td>
<td>Problems on Life Cycle Costing</td>
<td>6</td>
<td>Lecture and problems</td>
<td>Question and Answer</td>
</tr>
</tbody>
</table>

**Books for Reference:**

*Lesson Plan, 2016-2017 Odd Semester, COST AND MANAGEMENT ACCOUNTING III*
St. Joseph's College of Commerce (Autonomous)

Books for Reference:

- Dr. S. N. Maheswari: Management Accounting.
- I. M. Pandey: Management Accounting.
- J. Made Gowda: Management Accounting.
- Jain & Narang: Cost and Management Accounting.
- M. A. Sahab: Management Accounting.
- Prabhakara Rao: Management Accounting.
- R. S. N. Pillai & Bagavathi: Management Accounting.
- Sharma & Shashi Gupta: Management Accounting.
- Vinayakam: Management Accounting Tools and Techniques

PROBABLE DATES OF CIA:

1st Unit Test: 1st Week of July 2016

Mid-term Test: As per the College Time Table.

2nd Unit Test: 1st Week of September, 2016.