Sankalchand Patel University

Faculty of Commerce

Master of Commerce (SEM – 4)

In Effect from Academic Year 2022-23

COURSE CODE: 2CM2010411	**COURSE TITLE:** Accounting For Managerial Decisions
COURSE TYPE : ELECTIVE COURSE: SPECIALIZATION - ACCOUNTING AND FINANCIAL MANAGEMENT	
COURSE OBJECTIVE: To make competent the students of master level program for tactical and routine decisions in business with the help of various accounting and management techniques.	

Teaching Scheme (Hours per week)		**Evaluation Scheme (Marks)**		
Lectures	Credit	University Assessment	Institutional Assessment	Total
4	4	60	40	100

Unit	**Topic and Contents**	**Hours**	**Wt. (%)**
1.	**Standard Costing:** **(A)** Reconciliation of the actual profit with the standard profit/budgeted profit. **(B)** Accounting procedure for standard cost: - Partial Plan and Single Plan, Disposition of Variance. **(C)**Interpretation and Investigation of Variances **(D)** Opportunity Cost Approach to Variance	15	25%
2.	**Short Term Decision Making Techniques:** **(A) Marginal Costing and Absorption Costing:** Meaning, importance and application of the concept of contribution. Effect of absorption and marginal costing on inventory valuation and profit determination. Calculation of profit or loss under absorption and marginal costing. Reconciliation of the profits or losses calculated under absorption and marginal costing. Advantages and disadvantages of absorption and marginal costing. **(B) Cost Volume Profit (CVP) Analysis:** **Break-even Analysis:-** Meaning, assumptions, limitations, formulas, Break-even chart, Margin of Safety, Angle of incidence, Relation of Breakeven point, Margin of safety and Angle of incidence. **Cost Volume Profit Analysis:-** Meaning, Procedure, Advantages, Assumptions, Practical difficulties, Profit volume chart. Practical Examples	15	25%
3.	**Tactical Decision Making:** **(A) Theory:** Decision Making Process**,** Concepts of Relevant Cost and Revenue, Irrelevant Cost and Revenue, Opportunity Cost, Sunk Cost, Cost and Non-cost factors in Decision Making, Special Costs for Managerial Decision Making: Marginal Cost and Differential Cost. **(B) Practical Problems on:** (1) Selling Price Decision, (2) Make OR Buy Decisions, (3) Sales Mix Decisions, (4) Selection of a Suitable Method of Production, (5) Plant/ Business Shutdown Decisions, (6) Determination of Optimum level of production (including key factor), (7) Acceptance of a Special Order (or export order), (8) Adding or Dropping a Product Line, (9) Product Pricing decision	15	25%
4.	**Responsibility Accounting and Reporting to Management:** **(A) Responsibility Accounting:** Meaning, Features of Responsibility Accounting, Advantages and limitations of Responsibility Accounting, Prerequisites for Responsibility Accounting, Responsibility Centre and its types **(Theory Only).** **(B) Reporting to Management:** Meaning, Objectives, Significance of good report, Types of Report:- Special & Routine Report- Report to the different level of management, Modes of reporting, Process of preparing report, Reporting practices of Indian corporate.**(Theory Only)**	15	25%

References Books:

1. Arora M.N., *Cost and Management Accounting*,Vikas Publishing House Pvt. Ltd. New Delhi
2. Charles T. Horngren, G.L. Sundem and W.O. Stratoon, *Introduction to Management Accounting*, Pearson,New Delhi
3. Dr.Tulsian P.C., *Cost Accounting*, S. Chand Publishing, New Delhi
4. Jawaharlal, *Management Accounting*, Himalaya Publishers, Mumbai.
5. Kishor Ravi M., *Cost and Management Accounting*, Taxmann Publications Pvt. Ltd. New Delhi
6. Maheswari S.N., *Advanced problems and solutions in cost accounting*, Sultan Chand & Sons, New Delhi
7. Maheswari, S.N., Principles of Management Accounting, Sultan Chand & Sons, New Delhi.
8. Robert S. Kaplan and Anthony A. Atkinso, *Advanced management Accounting*, Prentice hall, New Delhi.