

# ACC 517: Management Accountancy

*Credits: 3*  
*Lecture Hours: 48*

## Course objectives

The objectives of this course are to provide extensive knowledge of managerial accounting tools and techniques required for strategic planning and controlling processes.

## Course description

This course aims to provide exposure on managerial planning and control. It helps to analyze managerial accounting information for control. It covers cost management, income under marginal and absorption costing, cost volume profit analysis, profit planning and performance control. It also deals with technical and behavioral aspects of management accounting and control system.

## Teaching Methodology and Pedagogy

- Lecture
- Assignments
- Discussion & Presentation
- Project & case work
- Library & Internet

## Marking Scheme

- **Internal**
  - Assignment
  - Presentation
  - Project work
  - Mid Term Exam
  - Pre Board Exam

### External

- Board Exam

## Course Details

### Unit 1: Concept of Management Accounting

**LH 3**

- Concept, objectives, characteristics, functions and limitations of management accounting
- Changing role of management accounting in an organization
- Controllership functions and responsibility

### Unit 2: Cost Management and Reporting

**LH 8**

- Concept, classification and allocation of costs
- Segregation of mixed cost: graphical presentation, two point method, regression method, Co-efficient of determination, standard error of estimates, standard error of regression coefficient, confidence interval and student "t" test
- Reporting and interpretation of net income under different situations for internal and external use
- Reconciliation of net income

### **Unit 3: Cost-Volume-Profit-Analysis**

**LH 8**

- Concept, objectives, assumptions, limitations of cost-volume-profit-analysis
- Application of cost-volume-profit for breakeven analysis and profit planning including multiple products with interpretation
- CVP analysis under the condition of uncertainty
- Cost-volume-profit analysis under resource constraints
  - Allocation of single resource constraint
  - Allocation of multiple resource constraints using linear programming model

### **Unit 4: Activity Based Costing**

**LH 5**

- Concepts, need, objectives and limitations of ABC
- Limitations of traditional costing system
- Procedures of absorption of overhead under ABC
- Ascertainment of costs and profit under Traditional and ABC method
- Activity based profitability analysis
- Activity Based Management

### **Unit 5: Profit Planning**

**LH 11**

- Concepts, need, importance and objectives of budgeting
- Budgeting for profit planning: preparation of master budgets for manufacturing and non-manufacturing firms
- Zero-base budgeting

### **Unit 6: Controlling of Performance**

**LH8**

- Concept of standard cost and standard costing
- Difference between standard cost and estimated cost
- Preliminaries to establishment of standard costing
- Objectives, importance and limitations of standard costing
- Standard costing and budgetary control
- Computation and interpretation: Material, Labour and Revenue (based on turnover) variances
- Flexible budgets: concept, features and significance. Difference between flexible and static budget
- Overhead cost control: variable and fixed overhead variances and interpretation

### **Unit 7: Management Accounting and Control System**

**LH 5**

- Concept of technical considerations of management accounting and control system: The value chain; Total life cycle costing; Target costing; Kaizen Costing; and Benchmarking
- Concept of behavioral considerations of management accounting and control system
- Concept, needs and objectives of Social Accounting, Balanced Scorecard, Forensic Accounting, Environment Accounting and Green Accounting

#### ***Basic Books:***

Atkinson, A. A., Kaplan, R. S., Matsumura, E.M., Young, S.M & Kumar, G. A. (2012). *Management Accounting/6e*. New Delhi: Pearson Education Pvt. Ltd.

Garrison, R. H., Noreen, E. H., & Brewer, P. C. (2012). *Managerial Accounting*. New Delhi: Tata Mc Graw Hill Education Pvt. Ltd.

Hilton, R. W., Ramesh, G., & Madugula, J. (2011). *Managerial Accounting*. New Delhi: Tata Mc Graw Hill Education Pvt. Ltd.