

1. Nature and Scope of Management Accounting

- **Meaning**
- **Definition**
- **Scope of Management Accounting**
- **Functions of Management Accounting**
- **Management Accounting Vs Financial Accounting**
- **Management Accounting Vs Cost Accounting**
- **Limitation of Financial Accounting**
- **Advantages of Management Accounting**
- **Limitation of Management Accounting**

2. Introduction to Accountancy

- **Definition**
- **Concepts and Conventions**
- **Types of Accounts and the rules**
- **Preparation of Journal, Ledger, Trial Balance**
- **Subsidiary books**

3. Final Accounts

- **Preparation of Trading Account**
- **Preparation of Profit and Loss Account**
- **Preparation of Trading, Profit and Loss account and Balance Sheet with adjustments**

4. Depreciation

- **Definition**
- **Causes of depreciation**
- **Factors influencing depreciation**
- **Methods of providing depreciation**
- **1. Straight line method**
- **2. Output method**
- **3. Machine hour rate method**
- **4. Diminishing balance method**
- **5. Sum of the years digits method**
- **6. Double declining balance method**
- **7. Group depreciation method**
- **8. Sinking fund method**

- 9. Insurance policy method
- 10. Annuity method
- 11. Revaluation method

5. Inventory control

- Definition
- Objectives of Inventory control
- Method of inventory control
- Economic order quantity
- Determination of stock level, minimum level, maximum level, re-order level, danger level, average level, lead time
- Bin card system
- Two bin and three bin system
- Stores ledger
- Methods of material issues
- 1. FIFO method
- 2. LIFO method
- 3. Simple average method
- 4. Weighted average method
- 5. Base stock method
- 6. Standard price method
- 7. HIFO method
- 8. NIFO method

Special inventory control techniques

ABC analysis

VED analysis

SOS, FSN, GOLF.

6. Cost Elements and Cost sheet

- Meaning
- Elements of cost, cost centre, cost unit
- Uses of cost sheet
- Various models of cost sheet
- Without opening and closing stock
- With opening and closing stock
- Calculation of profit on cost , profit on sales.

7.Overheads

- **Meaning**
- **Classification of overhead costs**
- **Allocation and apportionment of overheads.**
- **Primary distribution of overheads.**
- **Bases of appointment**
- **Secondary distribution of overheads(Re-appointment)**
- **Bases of secondary distribution**
- **Only to production departments**
- **To Production departments as well as service departments**
- **Step ladder method**
- **Repeated distribution method**
- **Simultaneous equation method**
- **Absorption of overheads.**

8.Marginal Costing

- **Cost-volume-Profit analysis-Break-Even Analysis**
- **Definition**
- **Assumptions**
- **Variable cost, Fixed cost, Semi-variable cost**
- **Marginal cost statement and marginal cost equation**
- **Break Event Point**
- **P/V ratio and its uses**
- **Change in selling price and variables cost and its effect on P/V ratio**
- **Determination of Margin of safety**
- **Break-even chart-Accountant's view Vs Economist's view**
- **Managerial uses of Break Even Analysis**
- **A. Fixing selling price**
- **B. Profit planning**
- **C. Add or Drop, Continue or Discontinue decisions**
- **D.Utilising idle capacity**
- **E. Make or Buy Decision**
- **F. Capital investment decisions**
- **G. Key factor or Optimum mix**
- **H. Sales mix**
- **Difference Marginal Costing and Absorption costing**
- **Incremental costing and its applications**

9. Budgetary Control

- **Meaning**
- **Objectives**
- **Advantages and Disadvantages**
- **Types of budgets**
- **Sales Budget**
- **Production Budget**
- **Materials Budget**
- **Labour Budget**
- **Manufacturing overheads Budget**
- **Selling and distribution Budget**
- **Cash Budget**
- **Flexible Budget**
- **Zero Base budgeting**
- **Responsibility Accounting**

10. Standard Costing

- **Meaning**
- **Definition**
- **Types of Standards**
- **Standard Costing Vs Budgetary Control**
- **Advantages and Limitations of Standard Costing**
- **Types of Variances and their causes**
- **Material Cost, Price, Usage, Mix, Sub-usage and Yield variances.**
- **Labour cost, Rate, Efficiency , Idle time , Mix and Yield variances**
- **Overhead Variances**
- **Variable overhead cost, Expenditure and Efficiency Variances**
- **Fixed overhead cost, Expenditure , Volume , Calendar , Capacity and Efficiency Variances.**
- **Sales variances**
- **Sales Value , Price, Volume , Mix , Sub-usage variances**
- **Profit variances**

11. Financial Statement Analysis

- **Meaning of financial statements**
- **Nature of financial statements**
- **Uses of financial statements**
- **Classifications of financial statements**
- **Methods or Tools of financial statement analysis**
- **Comparative statements**
- **Common-size statements**

- Trend analysis
- Fund flow analysis
- Ratio analysis

12. Ratio Analysis

- Meaning of ratio
- Interpretation of ratios
- Classification of ratios
- Analysis of Short-term solvency position or Test of liquidity
- Current ratio, liquid ratio, absolute liquid ratio Efficiency or Activity ratios.
- Analysis of Long-term solvency or Leverage ratios
- Debt-equity, proprietary , interest coverage , capital gearing, debt-service ratios
- Profitability ratios
- Gross profit , operating , operating profit, expenses, net profit ratios. Return on shareholders investment(Net worth) , Return on capital employed (ROI) , Return on equity capital.
- Earnings ratio
- Earnings per share, dividend per share, dividend pay out ratio, dividend / earnings yield ratio , price- earnings ratio , market value to book value ratio.
- Miscellaneous illustrations
- Uses of ratio analysis
- Limitations of ratio analysis.

13. Working Capital Management

- Meaning of working capital management
- Concept of working capital
- Classification of working capital
- Advantages of adequate working capital
- Dangers of Excess or Inadequate working capital
- Factors determining the working capital requirement
- Sources of working capital
- Estimation of working capital – Illustrations
- Operating and cash cycle

14. Cost of Capital

- Meaning of cost of capital
- Different of costs relating to cost capital
- Cost of debt capital
- Cost of equity capital
- Cost of retained earnings

- Weighted average cost or overall cost

15. Capital Budgeting

- Meaning of capital budgeting
- Features of capital budgeting
- Classifications of capital budgeting decisions
- Importance of capital budgeting
- Factors to be considered while making capital budgeting decisions
- Capital rationing
- Methods of evaluating investment proposals
- Traditional method
- Pay-back method
 - -Meaning
 - -illustrations
 - -advantages and disadvantages of Pay-back method
- Accounting rate of return (ARR) Method
 - -Meaning
 - Advantages and disadvantages of ARR method
- Modern approach
- Discounted cash flow (DCF) or Net present value (NPV) method
 - Meaning
 - Illustrations
 - Advantages and disadvantages of NPV method
- Internal rate of return method
 - Meaning
 - Illustrations
 - Advantages and disadvantages or IRR method
- NPV & IRR Comparison
- Profitability index(PI) method

16. Fund Flow Analysis

- Meaning of fund flow analysis
- Concept of fund
- Concept of fund flow
- Difference between fund flow statement and Balance Sheet
- Preparation of fund flow statement
- Preparation of schedule of changes in working capital
- Preparation funds from operation
- Fund flow problems without adjustments

- Fund flow problems with adjustment
- Uses of fund flow analysis
- Limitations of fund flow analysis.

17. Cash Flow Statement

- Meaning of cash flow statement
- Concept of cash flow and cash flow statement
- Difference between fund flow and cash flow statements
- Calculations of cash from operation
- Preparation of cash flow statement
- Miscellaneous illustrations
- Uses of cash flow statement
- Limitations of cash flow statement.