

Course Outline

Management Accounting

For

PGCBM 30 (HGEIL), 2016-17

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Introduction:

Managers (irrespective of their specializations) need to understand Finance and Accounting. By the end of the course, perhaps, you will have developed basic understanding about Managerial Financial Accounting. This course provides the necessary exposure to the students on the basics of accounting & its analysis.

Course Objectives:

- ◆ *To create an awareness of the importance and usefulness of the accounting function*
- ◆ *To develop an understanding of the three types of financial statements and the principles-cum-concepts underlying them*
- ◆ *To lay foundation for developing skills to interpret Financial Statements*
- ◆ *To create an awareness about cost accounting for cost management*

Pedagogical Methods:

Management Accounting course is based on mini lectures, case analysis & continuous individual assignments. Active participation by students is an important feature of the course. A variety of cases & an individual comprehensive project are the key pedagogical instruments.

Study Material

Students will be given text book as part of the course material. It may be noted that this book should not be considered as exhaustive under any circumstances. List of suggested readings are given in the next few sections.

Primary Teaching Book & Reading Material:

Ramachandran, Neelakantan & Ram Kumar Kakani. *Financial Accounting for Management*. 4rd Edition, McGraw-Hill Education, 2016. [Henceforth, referred as **FAM 4e**]

Other Suggested Readings:

- ⌘ ‘How to ‘Read a ‘Balance Sheet’/‘Profit & Loss Statement’/‘Cash Flow Statement’/ ‘Analyze Financial Statements’ by Ramachandran & Kakani, Finance Made Easy Series
- ⌘ ‘Introduction to Financial Accounting’ by Horngren, Sundem & Elliott
- ⌘ ‘Financial Accounting: A Managerial Perspective’ by Narayanswamy
- ⌘ ‘Financial Accounting for Business Managers’ by Bhattacharya

Other Sources of Financial Accounting Information:

The following web based resources have extensive information & data related to Accounting.

- ◆ **Accounting Bodies:** [ICAI](#) and [International Accounting Standards Board](#).
- ◆ **Government & Related Institutional Websites:** [Securities and Exchange Board of India \(SEBI\)](#), [National Stock Exchange \(NSE\)](#), and [Bombay Stock Exchange \(BSE\)](#).
- ◆ **Financial Magazines / Financial Newspaper Websites:** [Business Standard](#), [Hindu Business Line](#), [Financial Express](#), [Economic Times](#), etc.
- ◆ **‘Investors Section’ / ‘Shareholders Section’ of Company Websites:** For instance: [Infosys Ltd](#), [Reliance Industries](#) & [Tata Steel](#).

Other Course Policies:

Students are expected to have their own calculators during the class/examinations.

Exams → End-term exam will typically have cases/problems followed by questions. The end-term exam will be comprehensive meaning you will be responsible for all the material covered in the course.

Class Participation → I will sometimes randomly call on people to present their case/assignment solutions and at other times I will allow people to volunteer to present their homework solutions. Class participation marks will also be based on participation in class discussion, attendance, and being on time.

Plagiarism/Cheating → Students are requested to go through the students manual regarding the rules and regulations related to cases of copying & similar act. Cheating in examinations or assignments will be dealt with severely. Please note that aiding and abetting your batch mates in such activities will also be given the same penalties. NO subsequent justifications/ arguments will be entertained.

System of Evaluation:

| Method of Evaluation | Course Marks |
|---------------------------------------|--------------|
| A) Class Participation | 15 |
| B) Take Home Assignment [^] | 45 |
| C) End-term Examination* [^] | 40 |
| Total | 100 |

Note:

[^] Please note that non-submission of take home assignment or not attending the end-term examination will lead to 'incomplete' grade being awarded

* indicates that some questions might carry negative marks

Grading Pattern*

| Range of Marks | 0-30 | 31-35 | 35-40 | 41-45 | 46-50 | 51-60 | 61-70 | 71-80 | 81-100 |
|----------------|------|-------|-------|-------|-------|-------|-------|-------|--------|
| Grades | F | D | D+ | C | C+ | B | B+ | A | A+ |

Note: *However, the above grading pattern is subject to the compliance with Institute's norms (and thus, can be modified).

We are no Gods (i.e., perfect) and therefore there are bound to be 'errors' in estimating the true worth of your answers (and hence, evaluation). However, we promise, evaluation will be unbiased. Also, the 'errors' (if any) should cancel out over the length of the evaluation cycle.

Session Plan:

| Session Nos. | No. of Sessions | Session-wise Plan | Suggested Reading |
|--------------|-----------------|---|---|
| 1 | 1 | Introduction to Accounting + Case Discussion | Chapter 1 of FAM 4e |
| 2 | 1 | Balance Sheet | Chapter 2 in FAM 4e |
| 3 | 1 | Balance Sheet (Case Discussion) | Chapter 2 in FAM 4e |
| 4 | 1 | Profit & Loss Account | Chapter 3 in FAM 4e |
| 5 | 1 | Profit & Loss Account (Case Discussion) | Chapter 3 in FAM 4e |
| 6 | 1 | Cash Flow Statement | Chapter 4 in FAM 4e |
| 7 | 1 | Cash Flow Statement (Case Discussion) | Chapter 4 in FAM 4e |
| 8-10 | 3 | Cost Aspects, CVP Analysis and Financial Statement Analysis | Chapter 7 in FAM 4e + Separate Material to be emailed |

Note:

- ◆ Prior reading of the suggested reading material would help in the class discussion and assimilation process.
- ◆ The above sequence is tentative (and would be altered based on initial class experience).
- ◆ PowerPoint presentations & Excel Sheets: Session-wise Pdf files would be e-mailed after the session.