

***Revised Syllabus of Courses of B.Com. Programme at Semester III with  
Effect from the Academic Year 2017-2018  
Elective Courses (EC)  
Discipline Specific Elective (DSE) Courses***

**Financial Accounting and Auditing – Introduction to  
Management Accounting  
*Modules at a Glance***

<b>Sr. No.</b>	<b>Modules</b>
1	Introduction to Management Accounting
2	Ratio Analysis and Interpretation
3	Working Capital Management
4	Capital Budgeting

## DETAILS

Sr. No.	Modules / Units
<b>1</b>	<b>Introduction to Management Accounting</b>
	<p><b>A. Introduction to Management Accounting</b> – Meaning, Nature, Scope, Functions, Decision Making Process, Financial Accounting V/s Management Accounting</p> <p style="padding-left: 40px;"><b>B. Analysis and Interpretation of Financial Statements</b></p> <p>Study of Balance sheet and Income statement / Revenue statements in vertical form suitable for analysis</p> <p style="padding-left: 40px;">ii) Relationship between items in Balance Sheet and Revenue statement</p> <p style="padding-left: 40px;">iii) Tools of analysis of Financial Statements (i) Trend analysis (ii) Comparative Statement (iii) Common Size Statement</p> <p><b>Note :</b> (i) Problems based on trend analysis (ii) Short Problems on Comparative and Common sized statements</p>
<b>2</b>	<b>Ratio Analysis and Interpretation</b>
	<p>(Based on Vertical Form of Financial statements) – Meaning, classification, Du Point Chart, advantages and Limitations)</p> <p style="text-align: center;"><b>A. Balance Sheet Ratios :</b></p> <p style="padding-left: 40px;">i) Current Ratio</p> <p style="padding-left: 40px;">ii) Liquid Ratio</p> <p style="padding-left: 20px;">iii) Stock Working Capital Ratio</p> <p style="padding-left: 40px;">iv) Proprietary Ratio</p> <p style="padding-left: 40px;">v) Debt Equity Ratio</p> <p style="padding-left: 40px;">vi) Capital Gearing Ratio</p> <p style="text-align: center;"><b>B. Revenue Statement Ratio:</b></p> <p style="padding-left: 40px;">i) Gross Profit Ratio</p> <p style="padding-left: 40px;">ii) Expenses Ratio</p> <p style="padding-left: 40px;">iii) Operating Ratio</p>

	<p>iv) Net Profit Ratio  v) Net Operating Profit Ratio  vi) Stock Turnover Ratio  <b>A. Combined Ratio :</b>  i) Return on capital employed (Including Long Term Borrowings)  ii) Return on proprietor's Fund (Shareholders Fund and Preference Capital)  iii) Return on Equity Capital  iv) Dividend Payout Ratio  v) Debt Service Ratio  vi) Debtors Turnover  vii) Creditors Turnover  (Practical Question on Ratio Analysis)</p>
<b>3</b>	<b>Working Capital Management : (Practical Questions)</b>
	<p>A. Concept, Nature of Working Capital , Planning of Working Capital  B. Estimation / Projection of Working Capital Requirement in case of Trading and Manufacturing Organization  C. Operating Cycle</p>
<b>4</b>	<b>Capital Budgeting</b>
	<p>A. Introduction:  B. The classification of capital budgeting projects  C. Capital budgeting process  D. Capital budgeting techniques - <b>Payback Period, Accounting Rate of Return, Net Present Value, The Profitability Index, Discounted Payback. (Excluding calculation of cash flow)</b></p>