

BC-403 Accounting for Managerial Decision

Unit – I

Introduction: -

Meaning, Characteristics, limitation, Functions, Objective, Advantages and Disadvantages of financial accounting, Functions of management accounting, management accounting and managerial decisions.

Unit – II

Scope, Tools and Role of Management Accounting, Difference between Financial Accounting and Management Accounting, Cost Accounting and Management Accounting. Importance of Management Accounting Limitation of Management Accounting, Responsibility and Position of Management Accountant.

Unit – III

Management of long term capital – capital structure – assumption and definitions, classifications, theories of capitalization, over and under capitalization and its evils, optimum capital structure.

Unit – IV: Capital Structure:

Theories, capital structure trend in private sector in India, Important Ratio used in capital structure, capital gearing, advantages and disadvantages of debt financing.

Unit – V: Marginal Costing and Break – Even analysis:

Meaning, Advantages, disadvantages of marginal costing: applications of marginal costing for managerial decisions; Break-Even analysis – Meaning, Utility/Uses and Assumptions of BEA; calculation of BEP, MOS, etc. Decision package.

Suggested Reading:

1. Pandey, I. M.: Management Accounting, Vani Publication Delhi
2. Anthony, Robert: Management Accounting, Tarapore-Wala, Mumbai.
3. Lal, B. M. and I.C. Jain: Cost accounting: Principles And Practice, Prentice, Hall Delhi.