



MANAGEMENT ACCOUNTING

PROF. ANIL K. SHARMA

Department of Management

IIT Roorkee

INTENDED AUDIENCE : M.Com,MBA,MFC,CA,ICWA,CS,Working professionals in the area of finance

INDUSTRIES APPLICABLE TO : All companies would value this course

COURSE OUTLINE :

Management accounting is a subject of recent origin which has facilitated the managerial decision making more effectively and efficiently. The tools & techniques of management accounting are very useful for strategic managerial decisions facilitating cost control, profit maximization, organizational planning and control. Innovative costing techniques like ABC and responsibility accounting help the business organizations to sustain in a competitive global scenario and expand their product lines and markets. Management control systems help the businesses to use their scarce resources efficiently and effectively and contribute in the maximization of the firm value.

ABOUT INSTRUCTOR :

Prof. Anil K. Sharma an Associate Professor in the Department of Management Studies, IIT Roorkee. He had completed M.Com, M. Phil and PhD in Financial Management from Punjab University Chandigarh. He has been working at IIT Roorkee for the past 17 years and has 24 years teaching experience in total. His area of interest is research in finance and accounting. He has published more than 125 research papers in International and National refereed journals and refereed conferences. He has been awarded best paper award for his paper presented in an international conference in Thailand. He is the chief editor of two International Journals and editorial board member for three International Journals and reviewer to more than twenty International and national Journals.

COURSE PLAN :

Week 1: Management accounting-relevance and rationale, Major differences between Management Accounting, Financial Accounting & Cost Accounting, Historical development of Management Accounting as subject of academic interest, Uses & Applications of Management Accounting in managerial decision making, Cost sheet or statement of cost - Concept & rationale

Week 2: Preparation of cost sheet, Treatment of stock in cost sheet, Budgeting as tool of Management Accounting -Uses & applications, Different types of Budget - Master budget, Flexible budget & cash budget.

Week 3: Master Budget - Methods of preparing master budget, Case studies

Week 4: Master Budget - Case studies (contd), Flexible Budget - Concept & rationale, uses and applications of flexible budgets. Major differences between Master & Flexible budgets, methods of preparing flexible budget

Week 5: Methods of preparing flexible budget, Standard costing - Concept & rationale, Major differences between budgets & standard costing, Tool & techniques of standard costing.

Week 6: Variance analysis - Analysis of Material, labor & overhead variances.

Week 7: Variance analysis - a case study, Marginal Costing - Meaning and rationale, Tools & techniques of Marginal Costing

Week 8: Applications of marginal costing in management decision making

Week 9: Marginal costing - a case study, Activity based costing (ABC) -Concept, Methods/Techniques of ABC, ABC in Manufacturing industry.

Week 10: ABC in Manufacturing industry and service industry

Week 11: Management Control system - Tools & Techniques

Week 12: Responsibility accounting. Concept & Rationale, responsibility centres, goal congruence, managerial efforts and motivation; Controllability and measurement of financial performance, responsibility accounting in service, government and non-profit organizations.