

ACCORDING TO NEW SYLLABUS

Prepared as per the New Syllabus of University of Mumbai Under Choice Based Credit, Grading and Semester System with Effect from the Academic Year 2017-18

PRAGATI

FINANCIAL ACCOUNTING AND AUDITING

INTRODUCTION TO MANAGEMENT ACCOUNTING

S.Y.B.COM. – Semester III

[Discipline Specific Elective (DSE) Courses]

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SYLLABUS

(New Syllabus w.e.f. June 2017)

S.Y.B.Com. : Semester – III : Financial Accounting and Auditing : Introduction to Management Accounting
[Discipline Specific Elective (DSE) Courses]

1. Introduction to Management Accounting and Analysis and Interpretation of Financial Statements

- (A) **Introduction to Management Accounting** : Meaning, Nature, Scope, Functions, Decision-making Process, Financial Accounting Vs. Management Accounting
- (B) **Analysis and Interpretation of Financial Statements**
 - (i) Study of Balance Sheet and Income Statement/ Revenue Statements in Vertical Form Suitable for Analysis
 - (ii) Relationship between Items in Balance Sheet and Revenue Statement
 - (iii) Tools of Analysis of Financial Statements (i) Trend Analysis (ii) Comparative Statement (iii) Common Size Statements

2. Ratio Analysis and Interpretation

- **Ratio Analysis and Interpretation** (based on Vertical Form of Financial Statements) Meaning, Classification, Du Pont Chart, Advantages and Limitations
- (A) **Balance Sheet Ratios** : Current Ratio, Liquid Ratio, Stock Working Capital Ratio, Proprietary Ratio, Debt Equity Ratio, Capital Gearing Ratio
- (B) **Revenue Statement Ratios** : Gross Profit Ratio, Expenses Ratio, Operating Ratio, Net Profit Ratio, Net Operating Profit Ratio, Stock Turnover Ratio
- (C) **Combined Ratios** : Return on Capital Employed (including Long Term Borrowings), Return on Proprietor's Fund (Shareholders Fund and Preferences Capital), Return on Equity Capital, Dividend Pay-out Ratio, Debt Service Ratio, Debtors Turnover, Creditors Turnover

3. Working Capital Management

- (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

4. Capital Budgeting

- (A) Introduction
- (B) The Classification of Capital Budgeting Projects
- (C) Capital Budgeting Process
- (D) **Capital Budgeting Techniques** : Payback Period, Accounting Rate of Return, Net Present Value, The Profitability Index, Discounted Payback (Excluding Calculation of Cash Flow)

Modules At a Glance

Sr. No.	Modules	No. of Lectures
1.	Introduction to Management Accounting	10
2.	Ratio Analysis and Interpretation	15
3.	Working Capital Management	10
4.	Capital Budgeting	10
	Total	45

➤ For Paper Pattern, please refer to the University Question Paper added.
