

## **MC5002 ACCOUNTING AND FINANCIAL MANAGEMENT**

### DETAILED SYLLABUS

#### **OBJECTIVES**

- To understand the basic principles of Double entry system and preparation of balance sheet.
- To understand the process of estimating the cost of a particular product.
- To Prepare the estimate for various business activities such as purchase, sale, production and cash budgets
- To ensure decision making process of an organization.

#### **UNIT I FINANCIAL ACCOUNTING**

Meaning and Scope of Accounting-Principles-Concepts-Conventions-Accounting Standards  
Final Accounts-Trail Balance- Trading Account- Profit and Loss Account- Balance Sheet  
Accounting Ratio Analysis-Funds Flow Analysis-Cash Flow Analysis

#### **UNIT II ACCOUNTING**

Meaning-Objectives-Elements of Cost-Cost Sheet-Marginal Costing and Cost Volume Profit  
Analysis- Break Even Analysis-Applications-Limitations-Standard Costing and Variance  
Analysis-Material- Labor-Overhead-Sales-Profit Variances

#### **UNIT III BUDGETS AND BUDGETING CONTROL**

Budgets and Budgetary Control-Meaning-Types-Sales Budget-Production Budget-Cost of  
Production Budget-Flexible Budgeting-Cash Budget-Master Budget-Zero Base  
BudgetingComputerized Accounting

#### **UNIT IV INVESTMENT DECISION AND COST OF CAPITAL**

Objectives and Functions of Financial Management-Risk-Return Relationship-Time Value of  
Money Concepts-Capital Budgeting-Methods of Appraisal-Cost of Capital Factors Affecting  
Cost of Capital- Computation for Each Source of Finance and Weighted Average Cost of  
Capital.

#### **UNIT V FINANCING DECISION AND WORKING CAPITAL MANAGEMENT**

Capital Structure-Factors Affecting Capital Structure-Dividend Policy-Types of Dividend  
Policy- Concepts of Working Capital-Working Capital Policies-Factors affecting Working  
Capital-Estimation of Working Capital Requirements.

## REFERENCES

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2. Brigham, Ehrhardt, "Financial Management Theory and Practice" 11th Edition, Cengage Learning, 2008
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5. M.Y.Khan and P.K.Jain, "Financial Management, Text, Problems and Cases", Tata McGraw Hill, 5th Edition, 2008
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