

**UNIVERSITY OF MADRAS**  
**B.B.A. DEGREE COURSE IN BUSINESS ADMINISTRATION**  
**SYLLABUS WITH EFFECT FROM 2020-2021**

**BBA-DSC04**

**CORE-IV: MANAGEMENT ACCOUNTING**

**CREDITS:4**

**II SEM/I YEAR**

**Learning Objective :**

1. To appreciate Management accounting and differentiate with others.
2. To familiarize management accounting tools used.

**UNIT I**

Management accounting – Meaning, nature, scope and functions, need, importance and limitations – Management Accounting vs. Cost Accounting. Management Accounting vs. Financial Accounting.

**UNIT II**

Analysis and Interpretation of financial statements – Nature, objectives, essentials and tools, methods – Comparative Statements, Common Size statement and Trend analysis.

**UNIT III**

Ratio Analysis – Interpretation, benefits and limitations. Classification of ratios - Liquidity, Profitability, turnover, capital structure and Leverage.

**UNIT IV**

Funds flow and Cash flow analysis. Budgets and budgetary control – Meaning, objectives, merits and demerits.

**UNIT V**

Investment decisions; brief introduction of cost of capital; methods of capital budgeting; Average Rate of Returns (ARR), Pay Back Period (PBP), Net present Value (NPV) and Internal Rate of returns (IRR), capital rationing (simple problems on capital budgeting methods).

**Recommended Texts**

1. SN Maheswari, Management Accounting - Sultan Chand & Sons.
2. Jhamb, Fundamentals of Management Accounting – An eBooks India - New Delhi.
3. Horngren Sunderu Stratton, Introduction to Management Accounting - Pearson Education.
4. T. S. Reddy and Hari Prasad Reddy-Management Accounting, Maegham Publication.