

Approved by the BoS in Accountancy on 22-11-2024 Item No. - 03

## **As Per NEP 2020**

### **Tolani College of Commerce (Autonomous)**



**Title of the Course: Financial Accounting and Auditing – Paper V  
(Introduction to Management Accounting)**

**(Semester – V)**

**Programme: Bachelor of Commerce (B.Com.)**

**Syllabus for 4 Credit Course  
From the Academic Year 2025 – 2026**

**Name of the Course: Financial Accounting and Auditing – Paper V  
(Introduction to Management Accounting)**

Sr. No.	Heading	Particulars
1	<b>Description of the course:</b>	This course helps in understanding the different methods of analysis and how to control the inflow and outflow of cash in the organisation.
2	<b>Vertical:</b>	Major
3	<b>Type:</b>	Theory
4	<b>Credit:</b>	4 Credits
5	<b>Hours Allotted:</b>	60 Hours
6	<b>Marks Allotted:</b>	100 Marks Continuous Evaluation 40 Marks Semester End Examination 60 Marks
7	<b>Course Objectives:</b> <ol style="list-style-type: none"> <li>1. To gain a foundational understanding of the components of the balance sheet and income statement (revenue section), including their purpose and how they reflect an organization's financial position</li> <li>2. To understand the fundamental financial formulas used in business analysis, helping to assess overall financial performance.</li> <li>3. To introduce learners the concept of working capital and its importance in managing a company's short-term financial position and operational efficiency.</li> <li>4. To equip learners with a thorough understanding of the preparation and analysis of cash flow statements.</li> </ol>	
8	<b>Course Outcomes:</b> <ol style="list-style-type: none"> <li>1 The learner will be able to prepare the balance sheet and income statement in the appropriate format, adhering to relevant accounting guidelines</li> <li>2 The learner will be able to compute and interpret various financial ratios to evaluate business performance.</li> <li>3 The learner will be able to prepare a working capital statement, applying fundamental accounting principles</li> <li>4 The learner will be able to prepare a cash flow statement, accurately reflecting the inflows and outflows of cash within a business.</li> </ol>	
9	<b>Modules</b>	
	<b>Module 1: Introduction to M.A., Vertical Revenue Statement and Vertical Balance Sheet (15 Hours)</b>	
	<ol style="list-style-type: none"> <li>A. Introduction to Management Accounting – Meaning, Nature, Scope, Functions, Decision Making Process, Financial Accounting V/s Management Accounting</li> <li>B. Analysis and Interpretation of Financial Statements               <ol style="list-style-type: none"> <li>i) Study of Balance sheet and Income statement / Revenue statements in vertical form suitable for analysis</li> <li>ii) Relationship between items in Balance Sheet and Revenue statement</li> <li>iii) Tools of analysis of Financial Statements                   <ol style="list-style-type: none"> <li>(i) Trend analysis</li> <li>(ii) Comparative Statement</li> <li>(iii) Common Size Statement</li> </ol> </li> </ol> </li> </ol> <p>Note : (i) Problems based on trend analysis (ii) Problems on Comparative and Common</p>	

	sized statements
	<b>Module 2: Ratio Analysis &amp; Interpretation (15 Hours)</b>
	(Based on Vertical Form of Financial statements) – Meaning, classification, Du Point Chart, advantages and Limitations)
	A. Balance Sheet Ratios:
	i) Current Ratio ii) Liquid Ratio iii) Stock Working Capital Ratio iv) Proprietary Ratio v) Debt Equity Ratio vi) Capital Gearing Ratio
	B. Revenue Statement Ratio:
	i) Gross Profit Ratio ii) Expenses Ratio iii) Operating Ratio iv) Net Profit Ratio v) Net Operating Profit Ratio vi) Stock Turnover Ratio
	C. Combined Ratio:
	i) Return on capital employed (Including Long Term Borrowings) ii) Return on proprietor's Fund (Shareholders Fund and Preference Capital) iii) Return on Equity Capital iv) Dividend Payout Ratio v) Debt Service Ratio vi) Debtors Turnover vii) Creditors Turnover (Practical Question on Ratio Analysis)
	<b>Module 3: Working Capital (15 Hours)</b>
	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
	<b>Module 4: Cash Flow Statement (15 Hours)</b>
	Preparation of Cash Flow Statement with reference to Accounting Standard No .3. (Indirect method only)
	<ul style="list-style-type: none"> <li>• Cash from Operating Activities</li> <li>• Cash from Investment Activities</li> <li>• Cash from Financial Activities</li> </ul>
10	<b>Reference Books:</b> <ol style="list-style-type: none"> <li>1. Asthana, D. K., and Asthana, Meera, Environmental Problems and Solutions, S. Chand, New Delhi, 2012.</li> <li>2. Bajpai, Asha, Child Rights in India, Oxford University Press, New Delhi, 2010.</li> <li>3. Bhatnagar Mamta and Bhatnagar Nitin, Effective Communication and Soft Skills, Pearson India, New Delhi, 2011.</li> <li>4. G Subba Rao, Writing Skills for Civil Services Examination, Access Publishing, New Delhi, 2014</li> <li>5. Kaushal, Rachana, Women and Human Rights in India, Kaveri Books, New Delhi, 2000.</li> <li>6. Mohapatra, Gaur Krishna Das, Environmental Ecology, Vikas, Noida, 2008.</li> <li>7. Motilal, Shashi, and Nanda, Bijoy Lakshmi, Human Rights: Gender and Environment, Allied Publishers, New Delhi, 2007.</li> <li>8. Murthy, D. B. N., Disaster Management: Text and Case Studies, Deep and Deep Publications, New Delhi, 2013.</li> <li>9. Parsuraman, S., and Unnikrishnan, ed., India Disasters Report II, Oxford, New Delhi, 2013</li> <li>10. Reza, B. K., Disaster Management, Global Publications, New Delhi, 2010.</li> </ol>

## Evaluation Pattern

Continuous Evaluation: 40%

Semester End Examination: 60%

The Continuous evaluation will consist of

	Total Marks
Assignment/Project Work/Presentation/Case Study	30
Online MCQ Objective Test	10

Attendance is Compulsory for MCQ Objective Test

### Semester End Examination Question Paper Pattern

Maximum Marks: 60

Duration: 2 Hours

All Questions are Compulsory Carrying 15 Marks each.

Q. No.	Particular	Marks
Q-1	A. Practical Question (Module – I)	15 Marks
	OR	
	B. Practical/ Theory Question (Module – I) C. Practical/ Theory Question (Module – I)	08 Marks 07 Marks
Q-2	A. Practical Question (Module – II)	15 Marks
	OR	
	B. Practical/ Theory Question (Module – II) C. Practical/ Theory Question (Module – II)	08 Marks 07 Marks
Q-3	A. Practical Question (Module – III)	15 Marks
	OR	
	B. Practical/ Theory Question (Module – III) C. Practical/ Theory Question (Module – III)	08 Marks 07 Marks
Q-4	A. Practical Question (Module – IV)	15 Marks
	OR	
	B. Practical/ Theory Question (Module – IV) C. Practical/ Theory Question (Module – IV)	08 Marks 07 Marks

**Note: Questions of 7/8 marks (Practical/theory) may also be divided as 2 questions of 10/5 marks (Practical/theory) or 1 full length question (Practical/theory) of 15 marks.**

### Signature of Team Members

Sr. No.	Name	Signature
1	Dr. Ishtiyaz Chiplunkar	
2	Mr. Murugan Nadar	