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**Title: Management Accounting**

**Code: MGMT 351**

**Credit Hours: 3**

**Year /Semester: III/V**

**48 Hours**

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**Course Objectives:**

The objective of this course is to provide students basic knowledge of Management accounting and impart the concept of budgetary control and its applications in business organizations and provide the knowledge about use of costing data for planning, controlling and decision making.

**Unit 1 Introduction to Management Accounting**

**4 Hours**

Meaning of Management Accounting; Nature & Scope of Management Accounting; Function of Management Accounting; Management Accounting vs. Cost Accounting; Management Accounting vs. Financial Accounting

**Unit 2 Absorption & Marginal Costing**

**10 Hours**

Concept of Absorption Costing; Behavior & Recovery of Fixed Cost; Concept of Marginal Costing; Behavior Marginal Costing; Income Statement under Absorption Costing; Income Statement under Marginal Costing; Reconciliation of Profit; Cost-Volume Profit Analysis; Contribution Margin Analysis; Break-Even Point Analysis; Margin of Safety

**Unit 3 Budget & Budgetary Control**

**18 Hours**

Meaning of Budget & Budgetary Control; Objective of Preparing Budget; Preparation of Different Types of Budget: Sales Budget, Production Budget, Material Consumption Budget, Material Purchase Budget, Direct Labour Budget, Cash Budget; Preparing Master Budget; Performance Budget; Zero Base Budgeting; Meaning of Fixed Budget; Limitation of Fixed Budget; Meaning of Flexible Budget; Fixed Budget vs. Flexible Budget; Preparation of Flexible Budget

**Unit 4 Standard Costing**

**10 Hours**

Meaning of Standard Costing; Advantage of Standard Costing; Disadvantage of Standard Costing; Types of Standards & Standards Settings; Material Variances; Labour Variances; Overhead Variances

**Unit 5 Activity Based Costing**

**6 Hours**

Concept of Traditional Costing; Limitation of Traditional Costing; Concept of Activity Based Costing; Classification of Activities & Their Drivers; Preparation of Cost Statement; Uses of Activity Based Costing; ABC vs. Traditional Costing; Activity Profitability Analysis

**Reference Books:**

1. R.N. Anthony, G.A. Walsh, *Management Accounting*
2. Jain & Khan, *Management Accounting*
3. I. M., Pandey, *Management Accounting*
4. S. N. ,Maheshwari, *Principle of Management Accounting*
5. Asmita Publication, *Cost & Management Accounting*