

Managerial Accounting

Objective

Managerial Accounting is an essential tool that enhances a manager's ability to make effective economic decisions. The objective of this course is to give students a good understanding about the concepts and techniques of management accounting. This course introduces the participants to the business concepts and methods used to report managerial performance information to internal users and managers to assist in making sound business decisions in managing the firm. This course will help the participants to understand the fundamental concepts of managerial accounting.

Contents

A. Managerial Accounting & the Business Environment

Financial accounting and management accounting. Planning controlling and decision-making usefulness. Cost accounting information for decision making. Types of data. Sources of data. Sampling. Sampling methods.

B. Cost Terms, Concepts, Classification and Linear programming.

Total product and service cost. Direct cost and indirect cost. Functional cost. Fixed and variable cost. Production and non-production cost. Cost codes. Cost units. Cost objectives. Cost responsibility centers. Cost behavior and cost pattern. Determining fixed and variables element from semi variable cost. Linear equation. Linear programming.

C. System Design: Job order costing excluding the journal entry preparation

Costing methods. Job costing. Job costing entries. Batch costing. Service costing. Composite unit of cost.

D. Process Costing

The basic of process costing. Losses in process costing. Loss with scrape value. Losses with a disposal cost. Valuing closing work in progress. Valuing opening work in progress by FIFO method. Valuing opening work in progress by weighted average cost method.

E. Cost-Volume profit relationship

Marginal costing system. Marginal and absorption costing. Contribution margin analysis. Cost volume profit analysis. Variable costing.

F. Budgeting

The planning and control cycle. Budgetary planning and control systems. Responsibility centers. Controllable costs. Fixed and flexible budgets. Preparing flexible budgets. Flexible

budgets and budgetary control. Features and functions of spreadsheets. The budget preparation timetable. Functional budgets. Cash budgets. Budgeted statement of profit or loss and statement of financial position. The master budget.

G. Standard costs & Overhead Analysis

What is standard costing. Standard costing basics. Standards setting process. Variances. Direct material cost variances. Direct labor cost variances. Variable production overhead variances. Fixed production overhead variances. Flexed budget and variances. The reasons of cost variances. The significance of cost variances.

Recommended Books

1. Drury, C. (2018). *Management and Cost Accounting*. 10th edition. Cengage Learning EMEA.
2. Matz, A. & Usry, M. (1989). *Cost Accounting Planning and Control*. 7th edition. Wadsworth Publishing Company.

- Note:**
1. Duration of course will be 10 weeks.
 2. Total 10 lectures of two hours duration will be delivered.
 3. Class time will be from 7:00 pm to 9:00 pm, once a week.
 4. Atleast 75% attendance is required to get a certificate.