

VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT

Undergraduate Program (Bachelor of Commerce)

[3 years (Degree) & 4 years (Honours/Honours with Research)]

External

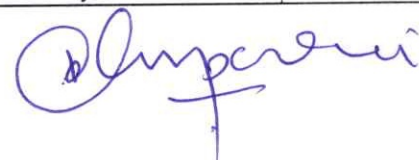
Course Code: AC-MJ-504

Course Name: Advanced Accounting & Auditing-Paper-IV (Major)

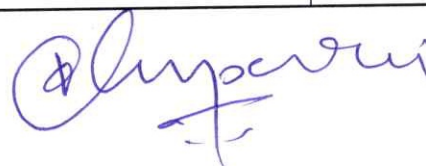
Course Code	AC-MJ-504
Course Title	Advanced Accounting & Auditing Paper –IV
Credit	4
Course Level	300-399
Total engagement	NA
Teaching per week	NA
Minimum weeks per semester	NA
Effective from	2025-2026
Purpose of Course	This course provides students with an understanding of management accounting concepts, financial statement analysis, and their applications in business decision-making. It enhances their ability to interpret financial data and implement financial planning techniques.
Course Objectives	<ol style="list-style-type: none">1. To explain the role and significance of management accounting in financial decision-making.2. To develop an understanding of financial statements and their analytical techniques.3. To differentiate between financial accounting and management accounting.4. To apply financial statement analysis tools for evaluating business performance.5. To understand cash flow and funds flow statements for financial planning.6. To explain the importance of budgeting and budgetary control in financial planning.7. To analyze different types of budgets and their role in managerial decision-making.8. To apply cost-volume-profit analysis and break-even analysis for financial strategies.9. To understand the significance of cost of capital in financial decision-making.10. To develop financial planning strategies for optimizing corporate resources.



Course Outcomes	<p>CO1: Describe the role of management accounting in decision-making.</p> <p>CO2: Differentiate between financial accounting and management accounting.</p> <p>CO3: Analyze financial statements using common-size analysis, comparative analysis, and trend analysis.</p> <p>CO4: Interpret financial ratios related to profitability, liquidity, leverage, and turnover.</p> <p>CO5: Prepare and analyze Funds Flow and Cash Flow Statements (AS-3).</p> <p>CO6: Describe the Deshi Nama system, including its characteristics, books of accounts, and the rules of debit-credit in this traditional system.</p> <p>CO7: Understand the concept of budgeting and budgetary control for business planning.</p> <p>CO8: Prepare different types of budgets, including cash budgets and flexible budgets.</p> <p>CO9: Apply cost-volume-profit analysis and break-even analysis for decision-making.</p> <p>CO10: Explain cost of capital, weighted average cost of capital, and marginal cost of capital.</p> <p>CO11: Analyze financial decisions using responsibility accounting principles.</p> <p>CO12: Explain the Deshi Nama system, including terms like Peta nondh, Havala, and methods of profit and loss determination.</p>				
Mapping between COs with PSOs		PSO 1	PSO 2	PSO 3	PSO 4
	CO1	✓		✓	
	CO2	✓	✓		
	CO3		✓		
	CO4		✓	✓	✓
	CO5		✓	✓	✓
	CO6			✓	✓
	CO7	✓			
	CO8	✓		✓	
	CO9		✓	✓	
	CO10			✓	✓
	CO11			✓	✓
	CO12			✓	✓
Pre-requisite	Fundamentals of Book keepings and Accounting				
Course Content	Unit	Contents			Weightage
	1	<u>Deshi Nama System (Only Theory)</u> Introduction, Characteristics of Deshi Nama System, Books of Accounts under Deshi Nama System, Terms of Deshi Nama System, Rojmel, Bethomel, Petanondh or Peta Vahis, Khatavahi, Utaro, Havala and Havalamel, Methods of determining Profit and Loss, Sarvaiyun			10%



	<p>2 <u>Management Accounting & Analysis of Financial Statements:</u> 2.1 Meaning, nature, scope and functions of management accounting 2.2 Role of management accounting in decision making 2.3 Management accounting vs. financial accounting 2.4 Tools and techniques of management accounting 2.5 Meaning, objectives, types and limitations of financial statements 2.6 Types and Techniques of Financial Statement Analysis: - Common Size Statement - Trend Percentage - Comparative Statements Analysis</p>	7.5%
	<p>3 <u>Methods of Financial Statements Analysis:</u> 3.1 Ratio Analysis (Following Ratios are to be taught) (a) Profitability Ratios : Gross Profit Ratio, Net profit Ratio, Operating Ratio, Expenses Ratio, Return on Capital Employed, Return on Shareholder's fund, Return on Equity share capital Ratio. (b) Leverage Ratios : Debt-Equity Ratio, Proprietary Ratio, Capital Gearing Ratio, Long term Funds/ Fixed Assets Ratio, Interest coverage Ratio. (c) Liquidity Ratios : Current Ratio, Liquid Ratio, Acid test Ratio (d) Turnover Ratios : Stock-Turnover Ratio, Debtors Ratio, Creditors Ratio, Total Assets Turnover Ratio.</p>	12.5%
	<p>3.2 Funds Flow Statement</p>	12.5%
	<p>3.3 Cash Flow Statement (AS-3)</p>	12.5%
	<p>4 <u>Budgeting for profit planning and control:</u> Meaning of Budget and budgetary control Types of Budgets Cash Budget Fixed and flexible budgeting Objectives Merits and Limitations of Budgeting Responsibility accounting</p>	25%
	<p>5 <u>Accounting for Decision Making</u> The concept of differential cost Cost- Volume-Profit Analysis</p>	15%



	Break-Even-point analysis and its application (Exceptkey factor)	
	6 <u>Cost of Capital (OnlyTheory)</u> Meaning and Significance of Cost of Cost of Capital Specific, overall (weighted average cost of capital) Marginal cost of capital	5%
Note: Practical problems shall not exceed 70% of total weightage.		
Reference Books	<ol style="list-style-type: none"> 1. Arora M. N: Cost Accounting - Principles and Practice; Vikas, New Delhi. 2. Jain S. P. and Narang K. L: Cost Accounting; Kalyani, New Delhi. 3. Anthony Robert, Reece, Et al: Principles of Management Accounting; Richard D. Irwin Inc. Illinois. 4. Khan M. Y. and Jain P. K: Management Accounting; Tata McGraw Hill. 5. Dr. S. N. Maheshwari: Problem & Solution in Management Accounting & Financial Management; Sultan Chand. 6. Ravi M. Kishore: Management Accountancy, Taxman Publication 7. L. N. Chopde & D. H. Chaudhary: Introduction to Management Accounting; Sheth Publishers Pvt. Ltd., Bombay. 	
Teaching Methodology	Classwork, Discussion, Self-Study, Projects, Seminars and/or Assignment	
Evaluation Method	100% YEE: External assessment based on University examination	