

VEER NARMAD SOUTH GUJARAT UNIVERSITY
M.Com. Part – II
(Modern Finance)

Accounting for Financial Decision Making Paper - VI
(To come in force from 2010-11)

Objectives :

1. To acquaint the student with recent trends in accountancy
2. To develop in them the skill to analyze the financial accounting data for managerial decisions.

1. Management Accounting :

Meaning, nature, scope and functions of management accounting; Role of management accounting in decision making; Management accounting vs. financial accounting; Tools and techniques of management accounting.

2. Budgeting for Profit Planning and Control :

Meaning of budget and budgetary control ; Types of budgets ; Cash budget ; Fixed and flexible budgeting; Control ratios; Zero base control; Objectives; Merits and limitations of budgeting; Responsibility accounting; Performance budgeting. (Practical problem only relating to cash budget and flexible budget .)

3. Cost-Volume - Profit Analysis and break - even Analysis

Objectives, assumptions and limitations of CVP analysis - Types of break - even analysis - Assumptions and limitations of break - even charts - Profit volume charts - Break - even analysis with one key factor.

4. Cost of Capital

Concept - Computations of cost of equity capital (including new equity issue) - Cost of preference capital - Cost of debt - Cost of retained earnings - Weighted average cost of capital.

5. Capital budgeting

Concept - Objectives - Importance of capital budgeting - Kinds of capital investment proposals - Factors affecting capital investment decisions - Appraisal methods - Capital budgeting under risk and uncertainty - Sensitivity analysis.

6. Inflation Accounting

Meaning - Importance - Limitations of Historical Accounting - Methods of accounting for changing prices - Current purchasing power method (CPP) - Current Cost Accounting Method (CCA) - Preparation of adjusted financial statements.

7. International Financial Management (Only Theory)

Reasons for investing abroad - Basic problem in International Financial Management - Foreign Currency Management - Financing Multinational Organization - Mode of Payment in International Trade.

Note :

1. Problems carrying not less than 80% of the total marks shall be asked.

References :

- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Advanced Accounting - S. N. Maheshwari.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Contemporary Accounting, Issues By Jawarlal, Published by Vision Books, New Delhi.
- Principles of Management Accounting by Manmohan and S. N. Goyal, Sahitya Bhavan, Agra.
- Human Resource Accounting - Gupta; Sultan Chand & Sons.
- Inflation Accounting - Gupta; Sultan Chand & Sons.
- Practical Financial Analysis - Foulke R. A.
- Techniques of Financial Analysis - Erich A. Illefert.
- Accounting Standards - Indian & International - N. Das Gupta; Sultan Chand & Sons.

- Advanced Accounting - Tulsian; Tata. McGraw Hill.
- Management Accounting - Dr. S. P. Gupta; Sahitya Bhavan, Agra.
- Accounting Theory - L. S. Porwal; Tata McGraw.
- Wheldon's Acost Accounting - L. W. J. Owler & J. L. Brown; Pitman Publishing Ltd., London.
- Cost Accounting - N. K. Agrawal; Global Business Press.
- Financial Accounting - S. KR. Paul; New Central Book Agency (P) Ltd., Kolkata.
- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Advance Management Accounting - Ravi M. Kishore; Taxmann Allide Services (P) Ltd., New Delhi.
- Management Accounting Tools & Techniques - N. Vinaykam & I. B. Sinha; Himalaya Publishication House, Mumbai.
- Advance Accounting - M. C. Shukla & T. S. Grewal; S. Chand & Company, Mumbai.
- Advance Accounting - R. L. Gupta & M. Radhaswamy; Sultan Chand & Co., New Delhi.
- Multinational Financial Management - Alan C. Shapiro, Prentice - Hall of India, New Delhi.
- International Financial Management - P. G. Apte; Tata MC Graw, Hill Publishing Company Ltd., New Delhi.