

SUBJECT: ACCOUNTING FOR MANAGERS

UNIT 1 INTRODUCTION TO ACCOUNTING

- Introduction
- Users of accounting information
- Functions of accounting
- Is accounting a Science OR an Art?
- Branches of accounting
- Qualitative characteristics of accounting information
- Accounting principles:
- Accounting Process-Journal-Ledger and trial balance

UNIT 2 ACCOUNTING CONCEPTS AND STANDARDS

- 2.1 Introduction
- 2.2 Accounting Principles
- 2.3 Accounting concepts
- 2.4 Accounting conventions
- 2.5 Accounting Assumptions
- 2.6 Accounting Standards
- 2.6.1 Accounting Standards
- 2.6.2 Indian Accounting Standards
- 2.7 Exercise

UNIT 3 ACCOUNTING INFORMATION AND ITS APPLICATIONS

- 3.1 Introduction
- 3.2 Definition and meaning of Accounting
- 3.3 Characteristics of Accounting
- 3.4 Qualitative characteristics of Financial Statements
- 3.5 Objectives of Accounting
- 3.6 Functions of Accounting
- 3.7 Process of Accounting
- 3.8 Book keeping v/s Accounting
- 3.9 Branches of Accounting
- 3.10 Stakeholders of Accounting information

- 3.11 Accounting – supplement and complementary with other fields
- 3.12 Advantages of Accounting
- 3.13 Limitations of Accounting
- 3.14 Emerging areas of Accounting
- 3.15 Exercise

UNIT 4 CONSTRUCTION AND ANALYSIS OF PROFIT AND LOSS ACCOUNTING

- 4.1 Meaning of profit and loss account
- 4.2. Features of Profit and loss account
- 4.4. Benefits of Profit and loss account
- 4.5. Limitation of Profit and loss account
- 4.6. Meaning of balance sheet
- 4.7. Feature of Balance sheet
- 4.8. Limitation of Balance sheet

UNIT 5 CONSTRUCTION AND ANALYSIS OF BALACE SHEET ACCOUNTING

- 5.1 Introduction to financial statements
- 5.2 Construction of balance sheet
- 5.3 Analysis of balance sheet accounting
- 5.4 Illustrations
- 5.5 Exercise

UNIT 6 CONSTRUCTION AND ANALYSIS OF FUNDS FLOW AND CASH FLOW STATEMENT

1. Introduction
2. Meaning of Funds Flow Statement
3. Objectives of Funds Flow Statement
4. Uses of Funds Flow Statement

5. Limitation of Funds Flow Statement
6. Preparation of Funds Flow Statement
7. Meaning of Funds from Operation
8. Form of the Funds Flow Statement
9. Cash Flow Statement
10. Sources and Uses of Cash
11. Objectives of Cash Flow Statement
12. Uses of Cash Flow Statement
13. Limitation of Cash Flow Statement
14. Distinction between Funds Flow Statement and Cash Flow Statement
15. Specimen of Cash Flow Statement
16. Illustration
17. Exercises

UNIT 7 FINANCIAL MANAGEMENT

- 7.1 Importance of finance
- 7.2 Meaning of business Finance
- 7.3 Meaning of Financial Management
- 7.4 Objectives of financial Management
- 7.5 Scope of Financial Management-Traditional approach- Modern Approach
- 7.6 Liquidity and Profitability
- 7.7 Role of Finance Manager in the Changing Scenario
- 7.8 Methods of Financial Management
- 7.9 Relationship Between Financial Management And Other Inter-Discipline
- 7.10 Financial Management and Strategic Management
- 7.11 Organization of the financial function
- 7.12 Financial management: Science or art

UNIT 8 RATIO ANALYSIS

- 8.1. Introduction.
- 8.2. Meaning, Objectives, Importance Scopes and its Limitations.
- 8.3. Steps of Ratio Analysis

8.4. Presentation of Ratio Analysis

- In terms of Proportion
- In terms of Percentage
- In terms of Times
- In terms of Fraction
- In terms of days/ weeks/ months.

8.5. Classification of Ratio Analysis

8.5.1. Profitability Ratio

- Gross Profit Ratio.
- Operating Profit Ratio
- Net Profit ratio
- Return on Assets
- Return of Capital Employed
- Return on Share Holder Funds

8.5.2. Efficiency Ratios

- Stock Turnover Ratio
- Debtors Ratio
- Creditor Ratio
- Working Capital Turnover Ratios
- Operating Ratio

8.5.3. Liquidity and Solvency Ratios

- Current Ratio
- Liquid Ratio
- Acid test Ratio
- Proprietary Ratio
- Debt-Equity Ratio
- Capital Gearing Ratio
- Fixed Assets to Proprietary Ratio.
- Long Term Fund to Fixed Assets.
- Interest Coverage Ratio
- Total Assets to Debt Ratio

8.5.4. Profit cover Ratio

- Interest Coverage
- Dividend coverage
- Equity Shareholders coverage

UNIT 9 LEVERAGE ANALYSIS

- Introduction
- Definition
- Types of Leverage

- Earnings per share
- Illustrations
- Exercise

UNIT 10 BUDGETING AND BUDGETARY CONTROL

1. Introduction
2. Definitions and characteristics of Budget
3. Objectives of Budget
4. Uses of the Budget
5. Advantages of Budget
6. Limitations of Budget
7. Essential factors in preparation of Budget
8. Establishment of Budgets
9. Meaning and definition of budgetary control
10. Requisites of effective budgetary control
11. Objective of budgetary control
12. Advantages of Budgetary control
13. Limitations of Budgetary control
14. Preparation of the Budget
15. Classification of Budgets
16. Activity Based Budgeting (ABB) and Zero Base Budgeting (ZBB)
17. Characteristics of Budgetary control
18. Distinction between Fixed Budget and Flexible Budget
19. Master Budget
20. Other types of Budgets
21. Budget Report