

B. Com III
Paper-III
Management Accounting and Financial Management

Max. Marks: 100
Time : 3 Hours

Note: Ten question shall be set in the question paper covering the whole syllabus. The candidate will be required to attempt any five question.

Course Inputs:

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

Financial Statement: Meaning and types of financial statement; Limitations of financial statements; Objectives and methods of financial statements analysis; Ratio analysis Classification of ratios-Profitability ratios, turnover ratios, liquidity ratios, turnover ratios advantages of ratio analysis; Limitations of accounting ratios.

Fund Flow Statement, cash flow statement as per Indian Accounting standard,

Financial management: Financial goal; Profit vs. Wealth maximization: financial function investment, financing and dividend decision; financial planning, over-capitalization and under investment, financing, and dividend decision; financial planning, over-capitalization and under capitalization.

Capital Budgeting: Nature of investment decision; investment evaluation criteria, net present value; internal rate of return profitability index payback period accounting rate of return NPV and IRR comparison , excluding risk analysis.

Cost of Capital: significance of cost of capital; calculating cost of debt; Preference, Equity and retained earnings; Combined (weighted) Cost of capital.

Capital structure theories and determinants.

Hypothesis; forms of dividends and stability in dividends; determinants.

Management of Working Capital: Nature of working capital significance of working capital operating cycle and factors determining of working capital requirements. Estimation of working capital