

(Question paper: 40% theory and 60% problems)

**Practical Components:**

- Study the working capital financing provided by a Bank and submit the report on the same
- Study the annual report of any two companies and prepare a cash budget for next year.
- Study dividend policy of companies and its impact on shareholders' wealth
- Study implications of bonus issues/stock splits of companies

**RECOMMENDED BOOKS:**

- Financial Management - M.Y. Khan & P.K. Jain, 6/e, TMH, 2011
- Financial Management - Prasanna Chandra, 8/e, TMH, 2011.
- Financial Management - I.M. Pandey, 10/e, Vikas, 2011.
- Financial Management: Comprehensive Text Book with Case Studies – Ravi M. Kishore, 7/e, Taxmann.
- Principle of Corporate Finance– Brearly and Myers, 10/e, TMH, 2012

**REFERENCE BOOKS:**

- Financial Management: Theory & Practice - Brigham & Ehrhardt, 10/e, Cenage Learning, 2004.
- Corporate Finance: Ross, Westerfield & Jaffe, – TMH – 8/e, 2010
- Financial Management & Policy - Vanhome, 12/e, Pearson
- Corporate Finance: Theory & Practice – Ashwath Damodaran, 2/e, Wiley India Pvt. Ltd., 2009.
- Cases in Financial Management - Pandey & Bhatt, 2/e, TMH, 2012.

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**COST MANAGEMENT**

Subject Code	: 16MBA FM305	IA Marks	: 20
No. of Lecture Hours / Week	: 03	Exam Hours	: 03
Total Number of Lecture Hours	: 56	Exam Marks	: 80
Practical Component	: 02 Hours / Week		

**Objectives:**

- To describe the cost concepts, cost behaviors, and cost accounting techniques that are applied to manufacturing and service businesses
- To provide an understanding of the use of cost information in support of different strategies
- To demonstrate costing methods and techniques appropriate to a variety of businesses
- To prepare and interpret budgets and operating results through variance analysis
- To describe the use of balanced scorecard and explain how the balanced scorecard supports strategic cost management

**Course Outcome:**

At the end of the course, the students are able to :

- Understand the cost concepts, cost behaviors, and cost accounting techniques
- Get an insight into the use of cost information in support of different strategies

- Comprehend costing methods and techniques appropriate to a variety of businesses
- prepare and interpret budgets and operating results through variance analysis

#### **Unit 1:(10 Hours)**

Introduction to Cost Management- Cost Accounting to Cost Management- Elements of costs- Classification of costs-Methods of costing-Cost Management Tools- A Strategic View to Cost Management- Preparation of a cost sheet

#### **Unit 2:(10 Hours)**

Overheads, Classification and Collection, Difference between Cost Allocation and Cost Apportionment, (Full fledged Problems on Primary and secondary distribution, Simultaneous equations, Absorption of Overhead, Theory on Under and Over absorption of Overhead)

#### **Unit 3:(10 Hours)**

Marginal Costing – Nature and Scope- Applications-Break even charts and Point, Decision Making (all types with full problems) Differential Cost Analysis, Advantages and Disadvantages of Marginal Costing.

#### **Unit 4:(10 Hours)**

**Budgetary Control:-** Objectives of Budgetary control, Functional Budgets, Master Budgets, Key Factor Problems on Production Budgets and Flexible Budgets.

**Standard Costing:-** Comparison with Budgetary control, analysis of Variances, Simple Problems on Material and Labour variances only .

#### **Unit 5:(8 Hours)**

Demerits of Traditional Costing, Activity Based Costing, Cost Drivers, Cost Analysis Under ABC ( Unit level, Batch Level and Product Sustaining Activities), Benefits and weaknesses of ABC

#### **Unit 6: (8 Hours)**

**Cost Audit& Reporting to Management:-**objectives and advantages of Cost Audit , Cost Audit report .**Management Audit-** Objectives and Scope.

**Reporting to Management –** Purpose of reporting-Requisites of a good report,, Classifications of Report, Segment reporting, Cost Reduction and Cost Control, Target Costing – its Principles, Balanced Scorecard: Features and Purpose

**(Question Paper:50% Theory and 50% Problems)**

#### **Practical components:**

- Students can take up a product and get details about the actual cost of raw material, wages and other cost and prepare a cost statement. Standard cost of each component has to be obtained and the variance can be calculated to find the efficiency of Purchase, Operations and Production in charge.



### RECOMMENDED BOOKS:

- Cost Accounting – Khan M. Y and Jain P. K, TMH.
- Management Accounting – Khan M. Y and Jain P. K, 6<sup>th</sup> Edition, McGraw Hill, 2012.
- A Text book of Cost and Management Accounting – Arora M. N, 11<sup>th</sup> Edition, Vikas.
- Cost Management: A strategic Approach – Vaidya S. C, Suveera Gill, Macmillan, 2010.
- Cost Accounting- Jawaharlal, & Seema Srivastava, 4<sup>th</sup> Edition, TMH.
- Accounting & Costing for Management – Sinha P. K, Excel Books, 2010.
- A Textbook of Cost Management- G.V Kesava Rao, D Gopinath, M.G. Krishnamurthy and Anita S. Yadav, Paramount Publishing House, 2013

### REFERENCE BOOKS:

- Principles and Practice of Cost Accounting – Bhattacharyya, 3<sup>rd</sup> Edition, PHI.
- Managerial Accounting- James Jiambalvo, 4<sup>th</sup> Edition, Wiley India Pvt. Ltd.
- Advanced Cost Accounting – Madegowda J, HPH.
- Cost and Management Accounting – Arora M. N, 3<sup>rd</sup> Edition, HPH.
- Cost Accounting: Theory and Practice – Bhabatosh Banerjee, 13<sup>th</sup> Edition, PHI.

  
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### STRATEGIC CREDIT MANAGEMENT

Subject Code	: 16MBA FM306	IA Marks	:20
No. of Lecture Hours / Week	: 03	Exam Hours	: 03
Total Number of Lecture Hours	: 56	Exam Marks	: 80
Practical Component	: 02 Hours / Week		

### Objectives:

- To provide an overview of the sound lending decisions by a bank
- To explain the process of evaluation of the loan proposal
- To provide an insight into the different types of loans
- To describe the aspects of NPA management

### Course Outcome:

At the end of the course, the students are able to:

- Understand and evaluate the lending decisions by a bank
- Realize the process of evaluation of the loan proposal by banks
- Get an insight into the different types of loans
- Understand management of NPA

### Unit 1:

(10 Hours)

**Credit management in banks**-Screening of applications-Appraisal of credit-Sanction limit-Post sanction compliance – Monitoring supervision –Review- Government policies for credit extension- Credit institutions- Principles of good lending- Borrower study and bankers opinion-Credit policy by banks- Government regulation of credit -Prudential norms.