

**DEPARTMENT OF ACCOUNTING  
COLLEGE OF BUSINESS ADMINISTRATION- AL KHARJ,  
KING SAUD UNIVERSITY**

**Course Code & Title:** Acct -104, Principles of Managerial Accounting

**Year** : 2      **Semester** : IV

**Contact Hours** : 3/0/1 L/ T/P

**Credits** : 3

**Faculty Contact Details**

**DR. V. K. SHARMA**

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**Web link:** <http://faculty.ksu.edu.sa/2277862336/default.aspx>

**Pre-requisites for this course:** Principles of Financial Accounting, ACCT-103

**Rationale:**

This course aims at helping students understand managerial accounting concepts, principles, techniques, and tools. In addition, it helps the student to learn how to use these techniques and tools efficiently. The course focuses on the most recent environmental issues through identifying trends in managerial accounting. It represents an introduction to managerial accounting fundamentals, to understand the concepts and models of using accounting information to help management in planning, control, performance evaluation, and decision making.

**Learning Outcomes:**

- Understands the Concepts of Managerial Accounting and its Principles
- Identify & Discuss the techniques and tools of Managerial Accounting
- Understands about the various tools
- Demonstrates the calculation of various ratios for planning and control purpose
- Understands the concepts of Cost Volume Profit Analysis

## Pre-requisites for this course: Principles of Financial Accounting, ACCT-103

### Course Outline:

1. **Fundamental of Managerial Accounting – Meaning, Definition and objectives of Managerial Accounting. Distinction between Financial and Managerial Accounting. Distinction between Managerial and Cost Accounting.**
2. **Analysis and Interpretation of Financial Statements-I – Analysis of Financial Statements, Form of Income Statement & Balance Sheet and persons interested in Financial Statements; Comparative Financial Statements, Common Size Statement.**
3. **Ratio Analysis- Meaning of ratio, importance of ratio analysis, classification of ratios and calculation of various ratios, Du Pont Analysis.**
4. **Cost Volume Profit Analysis-I Cost Drivers, Variable & Fixed Cost Behaviour, Difficulties in classifying Costs.**
5. **Cost Volume Profit Analysis-II Cost Volume Profit Analysis, Break Even Point, Margin of Safety.**

### Assessment Plan

Assessment	Assessment Task	No. of Times	Proportion of Final Grade
1.	Assignment	5 Assignments	10%
2.	Mid Term - I Examination		15%
3.	Mid Term - II Examination		15%
4.	Quizzes	5 Quizzes	10%
5.	Mini Project		5%
6.	Presentation	One	5%
7.	Final Examination		40%
			100 %

### Weekly Schedule

WEEK	CHAPTER COVERED	TOPIC	READINGS & ASSIGNMENT
1.	UNIT-1	<b>Introduction to Managerial Accounting:</b> Meaning, Definition Objectives of Managerial Accounting	Pg. 5 PPT
2	UNITI – 1	Introduction of Financial Accounting and Cost Accounting	Pg. 5,682,687
3	UNIT – 1	Difference between Financial /Managerial Accounting and Cost Accounting	Pg. 6 PPT
4.	UNIT – 2	<b>Analysis and Interpretation of Financial Statements-I:</b> Meaning	Pg. 682

		essentials and importance of financial statements	
5	UNIT – 2	Meaning, procedure and analysis of financial statements and Form of Income Statement	Pg. 728 – 763
6.	UNIT – 2	Form of Balance Sheets and Tools of Financial Statement Analysis	Pg. 728 – 763
7.	UNIT – 3	<b>Analysis and Interpretation of Financial Statements-II:</b> Preparation of Comparative Financial Statements	PPT
8.	UNIT –3	Preparation of Common Size Financial Statements and Trend Analysis	Pg. 797 – 800
9.	UNIT – 4	<b>Ratio Analysis:</b> Meaning of Ratio and Importance of Ratio Analysis	PPT
10.	UNIT – 4	Classification of Ratios: on the basis of Profitability	Pg. 800 – 805
11.	UNIT – 4	Liquidity, Solvency Ratio	Pg. 800 – 805
12.	UNIT – 4	Calculation of Various Ratios, Du Pont Analysis	Pg. 800 – 805
13.	UNIT – 5	<b>Cost Volume Profit Analysis-I</b> Cost Drivers, Variable & Fixed Cost Behaviour, Difficulties in classifying Costs	Pg. 44 –103
14.	UNIT – 5	<b>Cost Volume Profit Analysis-II</b> Cost Volume Profit Analysis, Break Even Point, Margin of Safety.	Pg. 44 –103

**Required Text:**

**Introduction to Management Accounting, Fourteenth Edition, (2008), Prentice Hall, by Horngren, Sundem, Stratton, Burgstahler, Schatzberg**

**Suggested Readings:**

1. Management Accounting(2000) - R.S.N. Pillai and Bagavathi, S. Chand & Company Ltd.
2. Management Accounting- Garrison, Noreen, Brewer and Chesely, Willy Canadian Edition
3. Management Accounting – Khan and Jain, Tata McGraw-Hill.