

Devi Ahilya University, Indore, India Institute of Engineering & Technology				MSc – I Year (<u>Applied Mathematics</u>) with Specialization in Computing & Informatics			
				Semester- I			
Subject Code & Name	Instructions Hours per Week			Credits			
AM1GE3: Financial Accounts	L	T	P	L	T	P	Total
	3	1	-	3	1	-	4
Duration of Theory Paper: 3 Hours							

Objectives: To give an in-depth knowledge of all business mathematics and how they should be recorded, classified & interpreted to get a meaningful judgment of viability & profitability of the business. The course is designed to make students be able to prepare a set of financial statements for various forms of businesses and nonprofit entities, develop an ability to apply accounting concepts, principles and practices and be familiar with the basic tools for analyses of financial statements.

Prerequisite(s): NIL.

COURSE OF CONTENTS

UNIT I

Introduction and purpose of accounting, uses of accounting information & basic accounting concepts. Accounting Structure: Process of accounting, Journal, Ledger & Trial balance, based on double entry book keeping.

UNIT II

Practical system of accounting: Cash book, sales & purchase of goods, Bill of exchange bank reconciliation statements.

UNIT III

Preparation of Financial Statements: Income statements, (Profit and Loss A/C), Statement of financial Position (Balance Sheet) and Adjustments, valuation of Assets and Depreciation methods (SLR & WDV). Cash and fund flow, Analysis of financial statements- Financial Ratio.

UNIT IV

Introduction to cost accounting: Elements of cost, Cost determination, Direct and Indirect cost, Cost centers & cost units, the behavior of cost.

UNIT V

Break Even Analysis: Leverages: operating, financial and combined. Inventory Management and Responsibility Accounting: Methods of Inventory Management and Material Issues. Responsibility Accounting Meaning, Preparation of Cost Sheet, Preparation of Tender, Production Accounts.

BOOKS RECOMMENDED:

1. T S Grewal & S C Gupta, Introduction to Accountancy, S. Chand & Co. Ltd., 2014.
2. Robert Anthony & James S. Reece, Accounting Principles, Richard d Irwin, 1988.
3. M.Y. Khan & P. K Jain, Financial Management, McGraw Hill Education; Seventh edition, 2017.
4. S.N. Maheshwari & S.N. Mittal, Cost Accounting, Mahavir Publications; 26th Edition, 2015.