

MANAGEMENT ACCOUNTING



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Book Title: **Management Accounting**

Authored By: **Dr. C. B. Senthil Kumar, Dr. R. R. Chavan,
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Price: ₹699

1st Edition

ISBN: 978-81-19149-72-8



Published: **Sept 2023**

Publisher:



Kripa-Drishti Publications

A/ 503, Poorva Height, SNO 148/1A/1/1A,
Sus Road, Pashan- 411021, Pune, Maharashtra, India.

Mob: +91-8007068686

Email: editor@kdpublishations.in

Web: <https://www.kdpublishations.in>

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PREFACE

I am delighted to introduce *Management Accounting* to the undergraduate students of commerce. This book covers the latest syllabi of B.Com. courses of almost all Indian universities. It presents conceptual and theoretical aspects of Management Accounting in a simple, lucid and comprehensive manner, together with a variety of problems, their solutions, and exercises. I have explained the fundamental aspects of the subject for beginners with mathematical examples.

The book presents the subject matter in a simple and convincing language. In keeping with the aims of the book, we have attempted to present the text in a lucid and simple style; the treatment is comprehensive and by and large non-mathematical. Another notable feature of this volume is that the discussions of the concepts and theories are invariably followed by exhaustive illustrative problems. To test the understanding of the readers as also to enable them to have sufficient practice, a large number of exercises have also been given at the end of the chapters.

The syllabus contains a list of the topics covered in each chapter which will avoid the controversies regarding the exact scope of the syllabus. The text follows the term wise, chapter topic pattern as prescribed in the syllabus. I have preferred to give the text of the section and rules as it is and thereafter added the comments with the intention of explaining the subject to the students in a simplified language. While making an attempt to explain in a simplified language, any mistake of interpretation might have crept in.

Abbreviations

Accounting Rate of Return (ARR)

Accounts Receivable (AR)

Capital Spending (CapEx)

Cash Equivalents (CCE)

Cash Flow Statement (CFS)

Cost of Goods Sold (COGS)

Debt Service Coverage Ratio (DSCR)

Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Earnings Per Share (EPS)

Equivalent Annual Annuity (EAA)

Exchange Commission (SEC)

Generally Accepted Accounting Principles (GAAPs)

Internal Rate of Return (IRR)

International Financial Reporting Standards (IFRS)

Meta (META)

Modified Internal Rate of Return (MIRR)

Net Present Value (NPV)

Net Profit After Tax (NPAT)

Payback Period (PB)

Profitability Index (PI)

Property, Plant, or Equipment (PPE)

Rate of Return (RRR)

Return on Capital Employed (ROCE)

Return on Investment (ROI)

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Kripa-Drishti Publications

A-503 Poorva Heights, Pashan-Sus Road, Near Sai Chowk,

Pune - 411021, Maharashtra, India.

Mob: +91 8007068686

Email: editor@kdpublishations.in

Web: <https://www.kdpublishations.in>

Price: ₹ 699

ISBN: 978-81-19149-72-8

