



INSTITUTE OF AERONAUTICAL ENGINEERING (Autonomous)

Dundigal, Hyderabad -500 043

MASTER OF BUSINESS ADMINISTRATION

COURSE INFORMATION SHEET

Course Title	STRATEGIC MANAGEMENT ACCOUNTING			
Course Code	CMB405			
Programme	MBA			
Semester	III			
Course Type	PROFESSIONAL ELECTIVE-II			
Regulation	IARE-R16			
Course Structure	Lectures	Tutorials	Practicals	Credits
	3	-	-	3
Course Coordinator	Dr.J.S.V.Gopala Sarma, Professor, MBA.			
Course Faculty	Dr.J.S.V.Gopala Sarma, Professor, MBA.			

I. COURSE OVERVIEW:

The course focuses on the objectives, importance of cost accounting; management accounting, cost concepts, cost control, allocation and apportionment of overheads, unit costing, job costing, in terms of cost control, profit planning, application of breakeven point enable students to understand and solve various business problems. Budgetary control system helps in fixing the goals for the organization as a whole and concerned efforts are made for its achievements. Budgetary control system enables economies in the enterprise. Standard costing ascertains beforehand what should be the cost of a product and controls the cost of such product by facilitating the comparison of actual cost with predetermined cost. Standard costing technique and variance analysis are very useful to the business concerns to eliminate wastage and increase the efficiency of performances. This course includes appreciate and use financial statements as means of business communication. Standard costing system serves as an effective tool for management control. This course uses the analytical techniques and arriving at conclusions from financial information for the purpose of management control and decision making.

II. COURSE PRE-REQUISITES:

Level	Course Code	Semester	Prerequisites	Credits
-	-	-	-	-

III. MARKS DISTRIBUTION:

Subject	SEE Examination	CIA Examination	Total Marks
Strategic Management Accounting	70 Marks	30 Marks	100

SEMESTER END EXAMINATION (SEE):

The SEE is conducted for 70 marks of 3 hours duration. The syllabus for the theory courses is divided into FIVE units and each unit carries equal weight age in terms of marks distribution. The question paper pattern is as follows: Two full questions with 'either' 'or' choice will be drawn from each unit. Each question carries 14 marks.

CONTINUOUS INTERNAL ASSESSMENT (CIA):

CIA is conducted for a total of 30 marks, with 25 marks for Continuous Internal Examination (CIE) and 05

marks for Quiz / Alternative Assessment Tool (AAT).

CONTINUOUS INTERNAL EXAMINATION (CIE):

The CIE exam is conducted for 25 marks of 2 hours duration consisting of two parts. Part–A shall have five compulsory questions of one mark each. In part–B, four out of five questions have to be answered where, each question carries 5 marks. Marks are awarded by taking average of marks scored in two CIE exams.

QUIZ / ALTERNATIVE ASSESSMENT TOOL (AAT):

Two Quiz exams shall be online examination consisting of 20 multiple choice questions and are to be answered by choosing the correct answer from a given set of choices (commonly four). Marks shall be awarded considering the average of two quizzes for every course. The AAT may include seminars, assignments, term paper, open ended experiments, micro projects, five minutes video and MOOCs.

IV. DELIVERY / INSTRUCTIONAL METHODOLOGIES:

√	CHALK & TALK	√	QUIZ	√	ASSIGNMENTS	X	MOOCs
√	LCD / PPT	√	SEMINARS	X	MINI PROJECT	X	VIDEOS
X	OPEN ENDED EXPERIMENTS						

V. ASSESSMENT METHODOLOGIES – DIRECT:

√	CIE EXAMS	√	SEE EXAMS	√	ASSIGNMENTS	√	SEMINARS
X	LABORATORY PRACTICES	X	STUDENT VIVA	X	MINI PROJECT	X	CERTIFICATION
X	TERM PAPER						

VI. ASSESSMENT METHODOLOGIES – INDIRECT:

√	ASSESSMENT OF COURSE OUTCOMES (BY FEEDBACK, ONCE)	√	STUDENT FEEDBACK ON FACULTY (TWICE)
X	ASSESSMENT OF MINI PROJECTS BY EXPERTS		

VII. COURSE OBJECTIVES (COs):

The course should enable the students to:

- I. Develop an insight of principles of cost accounting and management accounting for effective management control, profit planning and decision making.
- II. Understand allocation and apportionment of overheads for cost analysis and cost control.
- III. Demonstrate, interpret and analyze the unit costing, job costing and marginal costing in terms of cost control and profit planning.
- IV. Design and use break even analysis techniques for solving various business problems.
- V. Appreciate and Use budgetary control techniques in fixing the goals for the organization as whole and concerned efforts are made for its achievements.
- VI. Analyze different types of standard costing techniques and variance analysis techniques for eliminate wastage and increase the efficiency in performances.

VIII. COURSE LEARNING OUTCOMES (CLOs):

Students, who complete the course, will have demonstrated the ability to do the following:

S. No	Description
CCMB405.01	Understand the objectives, importance and limitations of cost accounting, financial accounting and management accounting.
CCMB405.02	Distinguish between financial accounting, cost accounting and management accounting.
CCMB405.03	Discuss the role of accounting information in planning and control.
CCMB405.04	Examine the classification, allocation and apportionment of overheads for the purpose of knowing machine hour rate and cost of production.
CCMB405.05	Describe the significance and limitations of unit costing, job costing, process costing, and cost sheet.
CCMB405.06	Enumerate the applications of marginal costing in terms of specific fixed assets, cost control, suitable product mix, profit planning and closing down or suspending activities.
CCMB405.07	Identify the assumptions, advantages and limitations of break even analysis and inter firm comparisons.
CCMB405.08	Evaluate the significance and limitations of budgetary control system
CCMB405.09	Discuss the classification of various types of budgets like flexible budget, cash budget, production budget, sales budget, significance of zero based budgeting..
CCMB405.10	State the significance, objectives and limitations of standard costing and budgetary control.
CCMB405.11	Demonstrate the significance and limitations of standard costing and marginal costing.
CCMB405.12	Recognize the importance, limitations, reasons and types of variance analysis for eliminate wastage and increase the efficiency of performance.

IX. HOW PROGRAM OUTCOMES ARE ASSESSED (PO's):

Program Outcomes(POs)		Level	Proficiency assessed by
PO1	Managerial skills: Apply knowledge of management theories and practices to solve business problems.	H	Lectures and Assignments.
PO2	Decision making skills: An ability to analyze a problem, identify, formulate and use the appropriate managerial skills for obtaining its	H	Lectures and Assignments.
PO3	Ethics: Ability to develop value based leadership ability.	N	---
PO4	Communication skills: Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.	N	Lectures and Assignments.
PO5	Leadership skills: Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to a team environment.	S	---
PO6	Entrepreneurial and Innovation skills: Demonstrate the skills in evaluating business opportunity and identifying sources of potential funding, and develop as successful entrepreneurs.	H	----
PO7	Strategic skills: Analyze and formulate managerial strategies to sustain in dynamic global business environment.	N	Lectures and Assignments.
PO8	Technology skills: Inculcate and develop technical skills to face the competitive world successfully.	N	---

N= None

S= Supportive

H = Highly Related

X. SYLLABUS:

<p>UNIT – I MANAGEMENT ACCOUNTING VS COST ACCOUNTING: Objectives, advantages and limitations of management accounting and cost accounting, Role of accounting information in planning and control, cost concepts and managerial use of classification of costs, the management process and accounting, cost analysis and control: direct and indirect expenses, allocation and apportionment of overheads, calculation of machine hour rate, introduction to activity based costing and life cycle costing.</p>
<p>UNIT – II COSTING FOR SPECIFIC INDUSTRIES: Unit costing, job costing, cost sheet and tender sheet and process costing and their variants, treatment of normal losses and abnormal losses, inter process profits, costing for byproducts and equivalent production, introduction, application of marginal costing in terms of cost control, profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.</p>
<p>UNIT – III MAKE OR BUY DECISIONS: Key or limiting factor, selection of suitable product mix, desired level of profits, diversification of products, closing down or suspending activities, level of activity planning.</p> <p>Break even analysis: application of breakeven point for various business problems, inter firm comparison: need for inter firm comparison, types of comparisons, advantages.</p>
<p>UNIT – IV BUDGETARY CONTROL: Budget, budgetary control, steps in budgetary control, flexible budget, different types of budgets: sales budget, cash budget, production budget, master budget, performance budgets, material vs. purchase budgets, zero based budgeting, introduction to cost audit and management audit.</p>
<p>UNIT – V STANDARD COSTING: Standard cost and standard costing, standard costing vs. budgetary control, standard costing vs. estimated cost, standard costing and marginal costing analysis of variance, material variance, labor variance, Sales and Profit variance. Case studies.</p>

TEXT BOOKS:

1	S.P.Jain and K.L.Narang, "Cost and Management Accounting", Kalyani publishers, 2012.
2	M.N.Arora, "Cost and Management Accounting", Himalaya Publishing House, 2012.
3	Shashi K.Gupta and R.K.Sharma, "Advanced Management Accounting", Kalyani Publishers, 2 nd Revised Edition, 2003.
4	M.E. ThukaramRao, "Management and Cost Accounting" , New Age International Publishers,2012.”.

REFERENCES:

1	Hansen Mowen, "Cost and Management Accounting& Control", Thompson Publications, 2012.
2	MN Arora, "Cost Accounting", Vikas publications, 2012.
3	Collin Drury, "Management and Cost Accounting", Cengage publications, 2012.
4	Ravi.M.Kishore, "Management and Cost Accounting", Taxmann publications, 2012

XI. COURSE PLAN:

The course plan is meant as a guideline. There may probably be changes.

Lecture No.	Learning Objectives (LOs)	Topics to be covered	Reference
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1	Describe the meaning, definitions, importance and limitations of cost accounting, management accounting and	Meaning, definitions, importance and limitations of cost accounting, management	T1-1.2-1.4. T2-1.5-1.10. T3-1.2-1.26.
2-3	Discuss the role of accounting information in planning and control and differences between cost accounting, management accounting and financial accounting.	The role of accounting information in planning and control and differences between cost accounting, management accounting and financial accounting.	T1-1.4-1.12. T2-1.11-1.13. T3-1.20-1.24.
4	Examine cost concepts and managerial use of classification of costs.	Cost concepts and managerial use of classification of costs.	T1-1.34-2.42. T2-1.15-2.11.
5	Briefly explain the management process and accounting.	Management process and accounting.\	T2-1.7-1.11. T3-1.19-1.22.
6	Discuss different types cost analysis and control: direct and indirect expenses, allocation and apportionment of overheads.	Direct and indirect expenses, allocation and apportionment of overheads.	T1-2.158-164. T2-2.5-2.12 T2-5.6-5.30
7-8	Calculate machine hour rate, introduction to activity based costing and life cycle costing. (problems).	Compute Machine hour rate, introduction to activity based costing and life cycle costing. (Problems)	T1-3.148-158, T2-5.32-5.45
9	Demonstrate job costing and unit costing.	Advantages and disadvantages of job costing and unit costing.	T1-3.197-,204 T2-7.1-7.12
10	Examine the meaning, definition, advantages and disadvantages of cost sheet and tender sheet.	Definitions, meaning, definition, advantages and disadvantages of cost sheet and tender sheet. Preparation of cost sheet and tender sheet. (Problems)	T1-3.180-186. T2-6.1-6.2.
11-15	Compute total cost and profit from cost sheet and tender sheet. (Problems)	Computation of total cost and profit from cost sheet and tender sheet. (Problems)	T1-3.179-186. T2-6.3-6.28
16	Discuss the meaning, advantages and disadvantages of process costing.	Introduction, concept and Definitions, meaning, advantages and disadvantages of process costing.	T1-3.231-234. T2-9.1-9.3.
17-20	Examine the treatment of normal losses and abnormal losses, inter process profits, costing for by products and equivalent production (Problems)	Treatment of normal losses and abnormal losses, inter process profits, costing for by products and equivalent production (Problems).	T1-3.235-252. T2-9.4-9.26.
21	Examine introduction, application of marginal costing in terms of cost control, profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.	Introduction, application of marginal costing in terms of cost control, profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.	T1-4.313-315
22	Explain key or limiting factor, selection of suitable product mix, desired level of profits, diversification of products, closing down or suspending activities, level of activity planning.	Key or limiting factor, selection of suitable product mix, desired level of profits, diversification of products, closing down or suspending activities, level of activity planning.	T1-4.315-317
23-27	Explain the meaning, definitions, significance and limitations of break even analysis and application of breakeven point for various business problems. (Problems)	Meaning, definitions, uses and limitations of break even analysis Application of breakeven point for various business problems (Problems).	T1-4.320-355.

28	Discuss the meaning of inter firm comparison, need for inter firm comparison, types of comparisons, and its advantages.	Meaning of inter firm comparison, need for inter firm comparison, types of comparisons and its advantages.	T1-356-357
29	Examine the definition, meaning significance and limitations of Budget, budgetary control and steps in budgetary control. Differences between fixed budget and flexible budget.	Definition, meaning significance and limitations of Budget, budgetary control and steps in budgetary control. Differences between fixed budget and flexible budget.	T3-2.1-2.10.
30-35	Discuss the meaning, merits and demerits of different types of budgets: sales budget, cash budget, production budget, master budget. Preparation of various types of budgets. (Problems).	Meaning, merits and demerits of different types of budgets: sales budget, cash budget, production budget, master budget. Preparation of various types of budgets. (Problems).	T3-2.11-2.35.
36-38	Describe the meaning and importance of performance budgets, material vs. purchase budgets, zero based budgeting, introduction to cost audit and management audit.	Meaning and advantages of performance budgets, material vs. purchase budgets, zero based budgeting, introductions to cost audit and management audit.	T3-2.36-2.38.
39	Explain the meaning, definitions, significance and limitations of Standard cost and standard costing.	Introduction, meaning, concept, definitions, significance and limitations of Standard cost and standard costing.	T1-5.394-395. T3-8.1-8.9.
40	Distinguish between standard costing and budgetary control, standard costing and estimated cost, standard costing and marginal costing analysis.	Differences between standard costing and budgetary control, standard costing and estimated cost, standard costing and marginal costing analysis.	T1-5.361-364. T3-8.3-8.4.
41	State the meaning, advantages and disadvantages of variance analysis.	Meaning, advantages and disadvantages of variance analysis.	T1-5.366-367. T3-8.9-8.10.
42-45	Describe the causes for different types of material variances, labour variances, overhead variances, Sales and Profit variances. Case studies.	Causes for different types of material variances, labor variances, overhead variances, Sales and Profit variances. Case studies	T1-5.368-370. T3-8.11-8.47.
46-50	Compute various types of material variance, labour variance, overhead variance, Sales and Profit variances. (Problems).	Computation of various types of material variance, labor variance, overhead variance, Sales and Profit variances. (Problems).	T1-5.371-390. T3-8.11-8.47

XII. GAPS IN THE SYLLABUS - TO MEET INDUSTRY / PROFESSION REQUIREMENTS:

S. NO	DESCRIPTION	PROPOSED ACTIONS	RELEVANCE WITH POS	RELEVANCE WITH PSOs
1	The role of accounting information in planning and control, objectives, significance and limitations of cost accounting. Definitions, meaning, Significance and limitations of management accounting financial accounting. Differences between cost accounting,	Seminars / Guest Lectures.	PO 3, PO 5, PO11	PSO 3, PSO 4.

	management accounting and financial accounting.			
2	Application of marginal costing in terms of cost control, profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price, Key or limiting factor, selection of suitable product mix, desired level of profits, diversification of products, closing down or suspending activities, level of activity planning. .	Seminars / Guest Lectures.	PO 3, PO 5, PO11, PO 9	PSO 4
3	Significance and limitations of Budgetary control system, usefulness of different types of budgets, major steps in budgetary control and Differences between fixed budget and flexible budget.	Seminars / Guest Lectures.	PO 2, PO 3, PO 5, PO 9	PSO 1, PSO 3, PSO 4
4	Advantages, disadvantages of variance analysis, causes for different types of material variances, labour variances, overhead variances, Sales and Profit variances and Case studies.	Seminars / Guest Lectures.	PO 2, PO 3, PO 5, PO 9	PSO 1, PSO 3, PSO 4

XIII. MAPPING COURSE OBJECTIVES LEADING TO THE ACHIEVEMENT OF PROGRAM OUTCOMES:

Course Objectives	Program Outcomes(POs)							
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
I	S			S			S	
II	S			S				S
III		H		S			S	
IV	S	S						
V		S		S			H	
VI	H	S						S

S = Supportive

H = Highly Related

XIV. MAPPING COURSE LEARNING OUTCOMES LEADING TO THE ACHIEVEMENT OF PROGRAM OUTCOMES:

Course Outcomes	Program Outcomes(POs)							
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
CCMB405.01	H			S				
CCMB405.02	S			S			S	
CCMB405.03		S		S				
CCMB405.04	H						S	
CCMB405.05	S			S			H	
CCMB405.06	S						S	
CCMB4055.07		H		S				

CCMB405.08							S	S
CCMB405.09	S	S					H	
CCMB405.10	S							
CCMB405.11		S					S	
CCMB405.12				S			S	

S = Supportive

H = Highly Related

XV. DESIGN BASED PROBLEMS (DP) / OPEN ENDED PROBLEM:

1. Implement a statement which is showing the reconciliation figure of net profit or net loss between cost accounts and financial accounts.
2. Design contract account for each contract in the books of contractor to ascertain profit or loss in uncompleted contracts and completed contracts.
3. Implement transport costing to determine the cost to be charged to departments which use internal transport facilities.

Prepared by:

Dr. J. S. V. Gopala Sarma,
Professor,
MBA Department.

HOD, MASTER OF BUSINESS ADMINISTRATION