

STRATEGIC MANAGEMENT ACCOUNTING

III Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBC36	Elective	L	T	P	C	CIA	SEE	Total
		4	-	-	4	30	70	100
Contact Classes: 45		Tutorial Classes: Nil			Practical Classes: Nil		Total Classes: 45	
<p>I. COURSE OVERVIEW: The course enlightens the knowledge in terms of basic concept of cost accounting and management accounting and cost control techniques, allocation and apportionment of overheads, unit costing, job costing, profit planning, application of breakeven point enable students to understand and solve various business problems. This course includes appreciate and use financial statements as means of business communication. This course uses the analytical techniques and arriving at conclusions from financial information for the purpose of management control and decision making.</p> <p>II. COURSE OBJECTIVES: The students will try to learn:</p> <ol style="list-style-type: none"> I. Differences between cost accounting and management accounting. II. Management and cost accounting principles, techniques and their applications to various decision making situations. III. Marginal costing and its application for the purpose of decision making. IV. Types of budgets and budget control techniques useful for the organizations. V. Standard costs and the actual costs and appropriate case studies. <p>III. COURSE OUTCOMES: After successful completion of the course, students will be able to:</p> <p>CO 1: Recall the concepts of management accounting, financial accounting and cost accounting for performing effective role in planning and control.</p> <p>CO 2: Demonstrate the classification of overheads and apportionment of overheads for the purpose of attaining accurate cost.</p> <p>CO 3: Outline the Importance of unit costing, job costing, and process costing for various production systems.</p> <p>CO 4: Construct cost sheet for the purpose of accurate determination and comparison of costs.</p> <p>CO 5: Make use the applications of marginal costing which enable the managerial decision making in various aspects.</p> <p>CO 6: Compare various firms on various bases and solve problems accordingly.</p> <p>CO 7: List the concepts of budget, budgetary control and various types of budgets in financial planning.</p> <p>CO 8: Summarize the cost audit and management audit for the performance of activity control.</p> <p>CO 9: Analyze the difference standard and actual costs and make cost effective decisions accordingly.</p> <p>CO 10: Utilize the standard costing and variance analysis for the effective cost control in industries.</p>								
IV. SYLLABUS								
UNIT-I	MANAGEMENT ACCOUNTING VS. COST ACCOUNTING						Classes: 09	
Definitions, nature, scope, objectives and functions of management accounting, importance and limitations of cost accounting and management accounting; differences between cost accounting, management accounting and financial accounting. Types of costing used in industries. 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 (problems), introduction to activity based costing and life cycle costing.								

UNIT-II	COSTING FOR SPECIFIC INDUSTRIES	Classes: 09
Unit costing, job costing, cost sheet and tender and process costing and their variants, treatment of normal losses and abnormal losses (problems), inter process profits, costing for byproducts and equivalent production, introduction, application of marginal costing in terms of cost control, profit planning, closingdown a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.		
UNIT-III	MAKE OR BUY DECISIONS	Classes: 09
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. Break even analysis: application of breakeven point for various business problems, meaning, significanceand limitations of break-even analysis and problems on break-even point, inters firm comparison: need for inter firm comparison, types of comparisons, advantages.		
UNIT-IV	BUDGETARY CONTROL	Classes: 09
Budget, definitions, advantages and disadvantages of budgetary control, steps in budgetary control, different types of budgets: flexible budget, sales budget, cash budget, production budget (problems), master budget, performance budgets, material vs. purchase budgets, zero based budgeting, introduction to cost audit and management audit.		
UNIT-V	STANDARD COSTING	Classes: 09
Standard cost and standard costing, standard costing vs. budgetary control, standard costing vs. estimatedcost, standard costing and marginal costing analysis of variance, material variance, labor variance, sales and profit variance(problems), case studies.		
Text Books:		
<ol style="list-style-type: none"> 1. Dr.K.M.Bansal, Anjali Agarwal, “Strategic Financial Management”, Taxmann, 4th Edition, 2021. 2. Vassili Joannidès de Lautour, “Strategic Management Accounting”, Springer Nature, 2019. 3. Wing Sun Li, “Strategic Management Accounting”, Springer Verlag, Singapore, 2017 4. Dr.Kamatam Srinivas, “Strategic Management Accounting”, Himalaya Publishing, 1st Edition, 2016. 5. S.P.Jain and K.L.Narang, “Cost and Management Accounting”, Kalyani Publishers, 7th Edition, 2014. 6. Hansen Mowen, “Cost and Management Accounting and Control”, Thompson Publications, 5thEdition, 2012. 7. M.N.Arora, “Cost Accounting”, Himalaya Publishing House, 1st Revised Edition, 2010. 8. M.E. ThukaramRao, “Management and Cost Accounting”, New Age International Publisher, 1st Edition, 2007. 9. M.N.Arora, “Cost & Management Accounting”, Himalaya Publishing House, 1st Edition, 2004. 10. S.K.Gupta and R.K.Shama, “Advanced Management Accounting”, Kalyani Publishers, 2nd Revised Edition, 2003. 		
Reference Books:		
<ol style="list-style-type: none"> 1. Hansen Mowen, “Cost and Management Accounting and Control”, Thompson Publications, 5th Edition, 2012 2. MN Arora, “Cost Accounting”, Vikas Publications, 2ndEdition, 2012. 3. Collin Drury, “Management and Cost Accounting”, Cengage Publications, 8thEdition,2012. 4. Ravi.M.Kishore, “Management and Cost Accounting”, Taxmann publications, 4thEdition,2012. 		
Web References:		
<ol style="list-style-type: none"> 1. http://www.icsi.in/Study%20Material%20Executive/Executive%20Programme-2013/COST%20AND%20MANAGEMENT%20ACCOUNTING%20.pdf 2. https://www.cengagebrain.co.nz/content/9781408049044.pdf 		
E-Text Books:		
<ol style="list-style-type: none"> 1. https://www.free-ebooks.net/ebook/Cost-and-Management-Accounting 2. http://www.freebookcentre.net/Business/Accounting-Books.html 		