



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal, Hyderabad -500 043

MASTER OF BUSINESS ADMINISTRATION

COURSE DESCRIPTOR

Course Title	STRATEGIC MANAGEMENT ACCOUNTING				
Course Code	CMBB35				
Programme	MBA				
Semester	III				
Course Type	PROFESSIONAL ELECTIVE – II				
Regulation	IARE-R18				
Course Structure	Theory			Practical	
	Lectures	Tutorials	Credits	Laboratory	Credits
	4		4	-	-
Chief Coordinator	Mrs. G Joseph Mary Assistant Professor, MBA				
Course Faculty	Mrs. G Joseph Mary Assistant 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. 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.

II. COURSE PRE-REQUISITES:

Level	Course Code	Semester	Prerequisites	Credits
PG	CMBB02	I	Accounting Financial Management	4

III. MARKS DISTRIBUTION:

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

IV. DELIVERY / INSTRUCTIONAL METHODOLOGIES:

✗	Chalk & Talk	✗	Quiz	✓	Assignments	✗	MOOCs
✓	LCD / PPT	✓	Seminars	✗	Mini Project	✗	Videos
✗	Open Ended Experiments						

V. EVALUATION METHODOLOGY:

The course will be evaluated for a total of 100 marks, with 30 marks for Continuous Internal Assessment (CIA) and 70 marks for Semester End Examination (SEE). Out of 30 marks allotted for CIA during the semester, marks are awarded by taking average of two CIA examinations or the marks scored in the make-up examination.

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. There could be a maximum of two sub divisions in a question.

The emphasis on the questions is broadly based on the following criteria:

50 %	To test the objectiveness of the concept.
50 %	To test the analytical skill of the concept or to test the application skill of the concept.

Continuous Internal Assessment (CIA):

CIA is conducted for a total of 30 marks (Table 1), with 25 marks for Continuous Internal Examination (CIE), 05 marks for Quiz/ Alternative Assessment Tool (AAT).

Table 1: Assessment pattern for CIA

Component	Theory		Total Marks
	CIE Exam	AAT	
CIA Marks	25	05	30

Continuous Internal Examination (CIE):

Two CIE exams shall be conducted at the end of the 8th and 16th week of the semester respectively. 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.

Alternative Assessment Tool (AAT):

Marks shall be awarded considering the average of two quizzes for every course. The AAT may include seminars and assignments.

VI. HOW PROGRAM OUTCOMES ARE ASSESSED:

Program Outcomes (POs)		Strength	Proficiency assessed by
PO 1	Managerial Skills: Apply knowledge of management theories and practices to solve business problems.	2	Assignments
PO 2	Decision making Skills: Foster analytical and critical thinking abilities for data-based decision making.	3	Seminars
PO 4	Communication Skills: Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.	3	Seminars
PO 7	Strategic Skills: Analyze and formulate managerial strategies to sustain in dynamic global business environment.	2	Lecture

3 = High; 2 = Medium; 1 = Low

VII. COURSE OBJECTIVES :

The course should enable the students to:	
I	Emphasis on developing analytical and critical abilities related to management accounting and cost accounting.
II	Understand management and cost accounting principles, techniques and their applications to various decision making situations.
III	Analyze the detailed cost concepts, cost structure and elements of costs of manufacturing and service organizations which have been facing dramatic changes in their business environment.
IV	Identify and describe the elements which are involved in decision making, planning and control for the purpose of maximizing profitability and minimizing cost.
V	Be aware of different types of costing methodologies for cost reduction and cost control and elimination of wastage in the production process.

VIII. COURSE OUTCOMES (COs):

CO Code	CO's	At the end of the course, the student will have the ability to:	PO's Mapped	Strength of Mapping
CMBB35.01	CO 1	Describe the objectives, importance and limitations of cost accounting,	PO1,PO4	2
CMBB35.02	CO 2	Examine the classification, allocation and apportionment of overheads for the purpose of knowing machine hour rate and cost of production.	PO2	3
CMBB35.03	CO 3	Discuss the significance and limitations of unit costing, job costing, process costing, and cost sheet.	PO2	3
CMBB35.04	CO 4	Apply the applications of marginal costing in terms of specific fixed assets, cost control, suitable product mix, and profit planning and closing down	PO4	3
CMBB35.05	CO 5	Discuss the limiting factor, selection of suitable product mix, desired level of profits	PO7	2
CMBB35.06	CO 6	Diversification of products, closing down or suspending activities, level of activity planning	PO1	2
CMBB35.07	CO 7	Determine the importance budgetary control. and the classification of various types of budgets	PO4	3
CMBB35.08	CO 8	Enumerate the cost audit and management audit.	PO7	2
CMBB35.09	CO 9	Demonstrate the significance and limitations of standard costing vs. budgetary control.	PO2	3
CMBB35.10	CO10	Predict the importance, limitations, reasons and types of variance analysis	PO4,PO7	2.5

3 = High; 2 = Medium; 1 = Low

IX. MAPPING COURSE OUTCOMES LEADING TO THE ACHIEVEMENT OF PROGRAM OUTCOMES:

Cos	Program Outcomes (POs)							
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
CO 1	2			2				
CO 2		3						
CO 3		3						
CO 4				3				
CO 5							2	
CO 6	2							
CO 7				3				
CO 8							2	
CO 9		3						
CO 10				3			2	

3 = High; 2 = Medium; 1 = Low

X. ASSESSMENT METHODOLOGIES – DIRECT

CIE Exams	PO1, PO2, PO4, PO7	SEE Exams	PO1, PO2, PO 4, PO7	Assignments	PO1	Seminars	PO2 PO4
Laboratory Practices	-	Student Viva	-	Mini Project	-	Certification	-
Term Paper	-						

XI. ASSESSMENT METHODOLOGIES - INDIRECT

✓	Early Semester Feedback	✓	End Semester OBE Feedback
✗	Assessment of Mini Projects by Experts		

XII. SYLLABUS

UNIT-I	MANAGEMENT ACCOUNTING VS COST ACCOUNTING
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
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, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.	
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. Break even analysis: application of breakeven point for various business problems, meaning, significance and 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
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
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(problems), case studies.	

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..
References:
1. Shashi K.Gupta and R.K.Sharma, "Advanced Management Accounting", Kalyani Publishers, 2 nd Revised Edition, 2003. 2. M.E. ThukaramRao, "Management and Cost Accounting" , New Age International Publishers,2012.”.
E-Text Books:
1. https://www.free-ebooks.net/ebook/Cost-and-Management-Accounting 2. http://www.freebookcentre.net/Business/Accounting-Books.html

XIII. COURSE PLAN:

The course plan is meant as a guideline. Probably there may be changes.

Lecture No	Topics to be covered	Course Outcomes (COs)	Reference
1-2	Objectives, advantages and limitations of management accounting and cost accounting, Role of accounting information in planning and control	CO 1	T1
3-4	Cost concepts and managerial use of classification of costs, the management process and accounting	CO 1	T2
5-7	Cost analysis and control: direct and indirect expenses	CO 1	T1
8-9	Direct and indirect expenses, allocation and apportionment of overheads	CO 2	T1
10	Calculation of machine hour rate, introduction to activity based costing and life cycle costing..	CO 2	T2
11-13	Unit costing, job costing, cost sheet and tender sheet and process costing and their variants	CO 3	T1
14-15	Treatment of normal losses and abnormal losses, inter process profits	CO 3	T1
16-17	Costing for byproducts and equivalent production, introduction, application of marginal costing in terms of cost control	CO 4	T1
18-19	Profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.	CO 4	T1
20-21	Key or limiting factor, selection of suitable product mix, desired level of profits	CO 5	T2
22-23	Diversification of products, closing down or suspending activities, level of activity planning	CO 6	R1
26-27	Budget, budgetary control, steps in budgetary control	CO 7	T1
28-29	Flexible budget, different types of budgets: sales budget, cash budget,	CO 7	T1
30-33	performance budgets, material vs. purchase budgets,	CO 8	R1
34-35	zero based budgeting, introduction to cost audit and management audit	CO 8	T1
36-37	Standard cost and standard costing	CO 9	T1
37-38	standard costing vs. budgetary control,	CO 8	T1
39-40	standard costing vs. estimated cost	CO 9	T2
41	standard costing and marginal costing	CO 9	T1
42	analysis of variance, material variance	CO 10	T2
43	Sales and Profit variance. Case studies	CO 10	T1

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

S No	Description	Proposed actions	Relevance with POs
1	Tools and Techniques of Management Accounting	Seminars	PO 1
2	Practical Difficulties in Installing a Costing System	Guest Lectures	PO 2
3	Role of Cost Accounting in decision making	Seminars	PO 4

Prepared by:

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