

**Name of the Subject:** COST & MANAGEMENT ACCOUNTING  
**Course Code and Subject Code:** CC 201, CMA  
**Course Credit:** FULL (50 SESSIONS OF 60 MINUTES EACH)

**Course Description**

Management of business and industrial enterprises involves some basic functions to achieve the objectives of the organizations through well planned decisions on the critical issues of cost. In this context training in cost accounting provides a systematic and logical way of analyzing business decisions that focuses on the very important part of business. It will acquaint students with various concepts of costing and highlight the decision making and control focus of managerial accounting.

**Evaluation pattern:**

Class participation and Attendance	10%
Quizzes, Presentations and Assignments	20%
Mid Term Examination	30%
End Term (University) Examination	40%

**Pedagogy:**

- Lectures
- Case study
- Minor projects

Session	Course Content	Percentile weightage
1 - 2	<b>Overview of Cost Management Accounting</b> Definition, Scope and functions Of Management Accounting and difference between Management Accounting and Financial Accounting, Strategic Decisions and The Management Accountant, Decision making, Planning and control, Cost-Benefit Approach, The Chief Financial Officer and The Controller	5%
3 - 4	<b>An Introduction to Cost Terms and Purposes</b> Costs And Cost Terminology, Direct Costs and Indirect Costs, Cost Allocation, Variable Costs and Fixed Costs, Cost Drivers, Relevant Range, Total Costs and Unit Costs, Inventoriable Costs and Period Costs, Prime Cost and Conversion Cost, Relationship Of Types Of Costs	5%
4 - 7	<b>Cost-Volume Profit Analysis</b> Essentials of CVP analysis, CVP assumptions, Breakeven point and target	5%

	income, CVP analysis for decision making, Sensitivity analysis and Margin of safety, cost planning and CVP, Effects of sales mix on income, Contribution margin Vs Gross margin	
8 - 11	<b>Job Costing</b> Building block concepts of costing system, Job costing and Process costing, Evaluation and implementation of Job costing, Indirect cost rates, Normal costing, Actual costing, Budgeted indirect costs and End-of-Accounting-Year adjustments, Multiple overhead cost pool	8%
12 - 16	<b>Activity Based Costing</b> Simple costing using single indirect cost pool, Activity Based Costing System, Cost Hierarchies, Comparing alternative costing system, Using ABC Systems for improving cost management and profitability ,	10%
17 - 22	<b>Master Budget and Responsibility Accounting</b> Budgets and the budgeting cycle, advantages of budgets, developing operating budget, sensitivity analysis, responsibility accounting, responsibility and controllability, budgeting in multinational companies, human aspects of budgeting	10%
23 - 25	<b>Flexible Budgets, Direct Cost Variances, and Management Control</b> Static budget and variances, Flexible budget, Flexible budget variance and sales volume variances, Price variance and Efficiency variance, Management use of variances	10%
26 - 30	<b>Flexible Budgets, Overhead Cost Variance And Management Control</b> Variable and fixed overhead costs, developing budgeted variable and fixed overhead cost rates, variable overhead cost and spending variance, integrated analysis of overhead cost variance, production volume and sales volume variance, variance analysis and ABC,	10%
31 - 33	<b>Decision Making and Relevant Costs</b> Information and the decision process, The concept of relevance, insourcing Vs outsourcing, make Vs buy, Opportunity cost and outsourcing, product mix decision with capacity constraints, customer profitability-ABC- and relevant costs, equipment replacement decision, decision and performance evaluation	8%
34 - 37	<b>Pricing decision and cost management</b> Short run pricing, long run pricing, target costing and target pricing, value engineering, cost plus pricing, additional decision for pricing consideration	10%
38 – 40	<b>Sales variance analysis</b>	5%

	Sales variances, Sales mix variance and Sales quantity variance	
41 – 43	<b>Cost Allocation: Joint Products &amp; By-Products</b> Allocating joint costs, Approaches to joint costs, Irrelevance of joint cost for decision making, Accounting for By-products	7%
44 – 46	<b>Process costing</b> Physical units and Equivalent units, Weighted average method, FIFO method, Transferred-In Costs in process costing, Hybrid costing system	5%
47	<b>Contemporary Issues</b> Kaizen costing, Target costing, Life Cycle costing, E-Budgeting	2%
48 – 50	Revision	

**Text Book:**

1. Cost Accounting - A Managerial Emphasis, 14<sup>th</sup> Edition, Hongren, Datar & Rajan, Pearson

**Reference Books:**

1. Cost and Management Accounting , 7<sup>th</sup> Edition, Colin Drury, Cengage
2. Cost And Management Accounting And Control, Hansen & Moven, Thomson
3. Cost Accounting, Rajshekar & Lalitha, Pearson
4. Cost Management Accounting, Ravi Kishore, 5<sup>th</sup> Edition, Taxxman
5. Cost Accounting Principles & Practices, Nigam & Jain, Latest Edition, PHI
6. Management Accounting, Khan & Jain, Latest Edition, TMH
7. Management Accounting, R C Sekhar & A V Rajagopalan, Oxford Uni. Press
8. Managerial Accounting, Bamber, Braun & Harrison, Latest Edition, Pearson
9. A Textbook on Cost and Management Accounting, M. N. Arora, 10<sup>th</sup> Edition, Vikas Publications
10. Cost Accounting, K Alex, Pearson
11. Management Accounting, Paresh Shah, Latest Edition, Oxford Uni. Press