

INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR
Post Graduate Diploma in Management (PGDM)
AC502: Cost & Management Accounting
CREDIT: Full (3 credits)
SESSION DURATION: 90

TERM: II
BATCH: 2016-2018

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Course Introduction: Being a part of MIS, cost accounting assumes much importance in decision making process. A deep knowledge of cost drivers is vital to long term sustainability of a business organization. The most difficult part is to identify cost drivers according to the type and nature of industry. The competitiveness of a product in the market depends not only upon its quality but also on the price in a price sensitive market. This course will enable the students to identify cost drivers and to take suitable decisions.

Learning Outcomes:

- LO1. Expose the students to the internal functioning of an organization
- LO2. Enable them to do costing of the products and services
- LO3. Enable them to take pricing decisions under different economic situations.

Pedagogy:

The course will be taught through conceptual development and discussing cases. Emphasis will be on developing the students' ability to think and take of short term decisions with a particular situation. It will also include assignments allotted to group of students for research and presentation at the end of the term.

Course Readings

Reference book(s):

1. Cost Accounting: A Managerial Emphasis, Horngren, Datar, Foster (HDF), Pearson Education
2. Cost & Management Accounting, Colin Drury, Cengage
3. Managerial Accounting, Hilton & Platt, TMH
4. Cost Accounting – A Managerial Emphasis: Horngren, Pearson

Course Evaluation criteria:

Quiz	10% (At the end of the term)
Mid-Trimester	30%
End-Trimester	40%
Project	20%

Session Plan:

Session No.	Topic	LOs	Readings
1-2	Introduction to Cost Terms <ul style="list-style-type: none">• Cost Drivers, Centres, (In)Direct Costs, COGS• Preparation of Cost Sheet• Inventoriable and Period Costs, Sunk Costs, Fixed, Variable• Methods of Costing – Job, Batch, Process and Contract (Concept)	LO1	Examples and Exercises
3-5	Activity Based Costing <ul style="list-style-type: none">• Meaning and importance of overheads• Traditional overhead allocation methods• Allocation by ABC	LO1, LO2	Examples and Exercises

6-7	Budgeting and Profitability Planning <ul style="list-style-type: none"> • Strategic and Operational Plans • Types – Sales, Production, Cash • Flexible Budgets • Master Budget 	LO1, LO2	Examples and Exercises
8-10	Decision Making <ul style="list-style-type: none"> • Break Even Analysis • Opportunity Cost • Analysis of Relevant Costs 	LO3	Examples and Exercises
11-13	Pricing Decisions <ul style="list-style-type: none"> • Target Costing • Cost Plus Pricing 	LO3	Case: Netflix Pricing Decisions Case 2: Parle G Pricing
14-16	Variance Analysis <ul style="list-style-type: none"> • Variance Analysis – Sales Mix and Sales Quantity Variance, Material Variances 	LO1, LO2	Case: HP-Queensferry Communications
17-18	Responsibility accounting, Performance evaluation of investment centres, Balance Score Card	LO1, LO2	Examples and Exercises
19-20		PROJECT PRESENTATIONS	