



INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR
POST GRADUATE DIPLOMA IN MANAGEMENT
COST AND MANAGEMENT ACCOUNTING (AC502)
CREDIT: 2 CREDITS
SESSION DURATION: 60 Minutes

Faculty: Prof. Devesh Baid

Term: II

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Year: 2018

Batch: I (PGDM 2018-20)

Consultation Days: Monday to Friday Consultation Hours: 2.30 PM to 5.30 PM (with prior intimation)

Course Introduction: The course develops an understanding of costing terminology and overhead cost allocation to enable students to compute costing of products. Also students will learn to use costing data for various decisions such as pricing decision, manufacture or outsource, etc. Further it tries to develop a sense of how costing can be used for control purposes.

Learning Outcomes (LOs): At end of this course student will be able to accomplish the following.

1. To calculate breakeven point and conduct CVP analysis.
2. To calculate cost of product by doing appropriate overhead allocation.
3. To use cost control techniques like budgeting, variance analysis etc.
4. To make decision using cost information.

Course Pedagogy: The course will use combination of lecture, presentation, small problems, and cases for delivering concepts. Lectures and presentations will be used to explain theory behind concepts while exercises, and cases will be used to demonstrate application of concepts. This reinforces learning in the minds of the participant.

Course Readings

Recommended Book

- Managerial Accounting: A South Asian Perspective: Sawyers R, Jackson S, Jenkins G & Arora R K (2016). Cengage Learning, New Delhi. 2nd Edition.
- Cost Accounting: A Managerial Emphasis, Horngren C T, Datar S M, Rajan M V (2015), Pearson Education. 15th Edition.

Reference Books

- Accounting: Text and Cases: Anthony R, Hawkins D, and Merchant K (2013): MC-Graw Hill publication. 13th Edition.

Evaluation Criteria

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| • Class participation | 10% |
| • Quizzes | 20% |
| • Mid Term | 30% |
| • End Term | 40% |

Session Plan

Session No	Topic	Learning Outcomes	Reading / Case
1	Introduction to Costing Terms	LO1	Lecture and Presentation
2	The Behavior of Costs - Contribution Margin - Break Even Point	LO1	Case: Sulphuric Acid Plant
3 & 4	The Behavior of Costs - Incremental Cost - Sunk Cost	LO1	Exercise: Hospital Supply Inc
5	The Behavior of Costs - Multiple Product Break Even Analysis	LO1	Exercise
6 & 7	Full Cost and Their Uses - Traditional Overhead Allocation Method	LO2	Star Engineering Company
8	Departmental Overhead Allocation – Actual vs Normal Rate	LO2	Huron Automotive Company
9	Overhead Allocation – ABC and ABM	LO2	Safety Monitoring Devices
10	Overhead Allocation - TDABC	LO2	Midwest office Products
11	Joint Cost and By Product Cost Allocation	LO2	Kisan Savera: Tapping Growth Opportunities
12	Target Costing and Life Cycle Costing	LO2	Exercise
13	Strategic Planning and Budgeting	LO3	Charles Family Steak (A)
14	Variance Analysis – Material and Labor Variances	LO3	Exercise: Campar Industries
15	Variance Analysis – Overhead variances	LO3	Exercise: Campar Industries
16	Variance Analysis – Reconciliation of Budgeted and Actual Profit	LO3	Exercise: Darius Company
17	Short Run Alternative Choice Decisions	LO4	Precision Worldwide Inc.
18	Contract Mfg Decisions	LO4	Baldwin Bicycle Company
19	Outsourcing Decision	LO4	The Horizon Insurance Agency
20	Responsibility Centers and Transfer Pricing	LO4	Birch Paper Co