



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

TERM: II
ACADEMIC YEAR: 2020-21
BATCH: PGDM-2020-22

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Office hours: 9.30 AM to 5.30 PM (**Office:** Faculty Block B)
Consulting hours: 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.
- **Accounting: Text and Cases:** Anthony R, Hawkins D, and Merchant K (2013): MC-Graw Hill publication. 13th Edition.

Class Handout: A class material will be provided with readings, exercises, cases etc.

Evaluation Criteria

• Class participation	10%	All Los
• Quizzes	20%	All Los
• Case Analysis-Decision Report	20%	LOs 1 & 2
• End Term	50%	LOs 3 & 4

Plagiarism:

We are committed to upholding the highest standards of academic integrity and honesty. Plagiarism is the use of or presentation of ideas, works that are not one's own and which are not common knowledge, without granting credit to the originator. You may refer the already available content just for your reference and to get the basic ideas. Only 20% of such content is acceptable, above that comes under the definition of Plagiarism which is unacceptable in IMI and will be treated seriously. All such cases will be referred to the appropriate body of the Institute for suitable disciplinary action.

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	Practice Session	LO1	Exercise and Presentation
7 -8	Full Cost and Their Uses - Traditional Overhead Allocation Method	LO2	Star Engineering Company
8 – 9	Departmental Overhead Allocation – Actual vs Normal Rate	LO2	Huron Automotive Company
9 – 10	Overhead Allocation – ABC and ABM	LO2	Safety Monitoring Devices
13	Overhead Allocation - TDABC	LO2	Midwest office Products
14	Joint Cost & By Product Cost Allocation, Target Costing and Life Cycle Costing		Exercises
15	Practice Session	LO2	Exercise and Presentation
16	Strategic Planning and Budgeting	LO3	Exercise
17	Variance Analysis – Material and Labor Variances	LO3	Exercise: Campar Industries
18	Variance Analysis – Overhead variances	LO3	Exercise: Campar Industries
19	Variance Analysis – Reconciliation of Budgeted and Actual Profit	LO3	Exercise: Darius Company
20	Practice Session	LO3	Exercise and Presentation
21	Short Run Alternative Choice Decisions	LO4	Precision Worldwide Inc.

22	Contract Mfg Decisions	LO4	Baldwin Bicycle Company
23	Outsourcing Decision	LO4	The Horizon Insurance Agency
24	Responsibility Centers and Transfer Pricing	LO4	Birch Paper Co
25	Practice Session	LO4	Exercise and Presentation