

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

TERM: II
ACADEMIC YEAR: 2021-22
BATCH: PGDM-2021-23

FACULTY: Devesh Baid

Telephone: 0674- 3042123

E-Mail: devesh@imibh.edu.in

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

Book

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

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.

Evaluation Criteria

| | | |
|-----------------------|-----|-----------|
| • Class participation | 10% | All LOs |
| • Quizzes | 30% | All LOs |
| • Mid Term | 20% | LOs 1 & 2 |
| • End Term | 40% | 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 - 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 - 6 | The Behavior of Costs - Multiple Product Break Even Analysis | LO1 | Exercise |
| 7 - 8 | Full Cost and Their Uses - Traditional Overhead Allocation Method | LO2 | Star Engineering Company |
| 9 - 10 | Overhead Allocation – ABC and ABM | LO2 | Safety Monitoring Devices |
| 11 - 12 | Overhead Allocation - TDABC | LO2 | Midwest office Products |
| 13 - 14 | Budgeting & variance Analysis | LO3 | Exercise: Campar Industries |
| 15 - 16 | Variance Analysis – Reconciliation of Budgeted and Actual Profit | LO3 | Exercise: Darius Company |
| 17 - 18 | Short Run Alternative Choice Decisions | LO4 | Precision Worldwide Inc. |
| 19 - 20 | Contract Mfg Decisions | LO4 | Baldwin Bicycle Company |