



**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

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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**

**Book**

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

**Recommended Book**

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