

# GANPAT UNIVERSITY

## FACULTY OF MANAGEMENT STUDIES

Programme	Master of Business Administration				Branch/Spec	Marketing/Finance/HR/International Business/Entrepreneurship/SCM			
Semester	II				Version	1.0.0.2			
Effective from Academic Year			2022-23		Effective for the batch Admitted in			June 2022	
Subject code	3IIA02CMA		Subject Name		<b>COST AND MANAGEMENT ACCOUNTING</b>				
Teaching scheme					Examination scheme (Marks)				
(Per week)	Lecture (DT)		Practical (Lab.)		Total		CE	SEE	Total
	L	TU	P	TW					
Credit	4	0	0	0	4	Theory	60	40	100
Hours	4	0	0	0	4	Practical	-	-	-
Pre-requisites:									
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Course Objective									
The objective of this course is to acquaint students with various concepts of costing and highlight the decision-making and control focus of managerial accounting. Simple to gradually difficult case situations are taken up to the students.									
Course Outcome (CO):									
3IIA02CMA.CO1: Understand managerial and cost accounting concepts to classify costs, prepare cost sheets, income statements, and use cost information for effective business.									
3IIA02CMA.CO2: Analyze cost volume profit relationships, differential and incremental costs, and apply relevant costing techniques to make informed managerial decisions on pricing.									
3IIA02CMA.CO3: Apply budgeting, budgetary control, capital budgeting techniques, and standard costing methods to plan, monitor, and evaluate the variance.									
3IIA02CMA.CO4: Analyze transfer pricing methods, various cost centers and modern cost management techniques such as Activity Based Costing, target costing, and life cycle costing.									
Theory syllabus									
Unit	Content								Hrs
1	Introduction: Managerial accounting and the business organization, Distinction between Financial Accounting, Cost Accounting and Management Accounting, Role of Cost in decision making, Management Accounting and Cost Accounting as internal control tools, cost concepts, types of cost, Cost behaviour patterns – variable cost and Fixed cost, Cost drivers, Relevant range, inventoriable Costs, Period Costs, Prime Costs and Conversion costs, full costing, overhead allocations, Preparation of income statement and schedule of cost of goods sold, preparation of cost sheet.								15
2	Marginal Costing: Cost, Volume, Profit analysis, P/V ratio, CVP analysis in service and non profit organization, CVP analysis and target operating income and target net income, implications, Concept and uses of contribution, Advanced Breakeven point and its analysis for the various types of decision-making like single product pricing, multi product pricing, replacement, sales etc. Differential Costing and incremental costing;: concept, uses and applications, Method of calculation of these cost and its role in management decision making like sales, replacement, buying etc, Relevant information, relevant costs and relevant revenue and decision making, One time only special order, Insourcing vs outsourcing, Replacement decision , Make vs Buy.								15

3	Budgeting: Concept of Budget, Budgeting and Budgetary Control, Types of Budget, Static and Flexible Budgeting, Preparation of Revenue Budget, Cash Budget, Sales Budget, Production Budget, Materials Budget, Direct manufacturing labour budget, Manufacturing overhead budget, Ending Inventories Budget, Cost of Goods Sold Budget, Budgeted income statement, Capital Expenditure Budget and Master Budget, Advantages and Limitations of Budgetary Control. Capital Budgeting analysis: Net Present value Standard Costing: Concept of standard costs, establishing various cost standards, calculation of Material Variance, Labour Variance, and Overhead Variance, and its applications and implications.	15
4	Allocation and Transfer Price: Responsibility Accounting, Concept and various approached to responsibility accounting, concept of investment centre, cost centre, profit centre and responsibility centre and its managerial implications, Transfer Pricing Multinational transfer pricing, market based transfer pricing, cost-based transfer pricing. Neo Concepts for Decision Making: Concept, distinctive features of Activity Based Costing, Cost Drivers, Cost of Activities, Cost object such as product, service, customer. Value Chain Analysis, Target Costing, Life Cycle Costing. Kaizen Costing.	15
Practical content		
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Text Books		
TB	Horngren, Foster and Datar, "Cost Accounting, A Managerial Emphasis", 14th Edition, Prentice Hall	
Reference Books		
1	Horngren et al- Introduction to Management Accounting (Pearson, 12th edition), 2002	
2	Khan and Jain- Management Accounting (Tata McGraw-Hill, 2000) 3rd ed.	
3	Pandey I M- Management Accounting (Vikas, 3rd edition), 2004.	
4	Bhattacharyya S K and Dearden J- Accounting for Management (Vikas), 1987, 8th ed.	
5	Sahaf M A- Management Accounting: Principles and Practice (Vikas), 2000.	
6	Arora, M.N. (2018) Cost and Management Accounting. New Delhi: Vikas Publications.	

Note:

Version 1.0.0.0 (First Digit= New syllabus/Revision in Full Syllabus, Second Digit=Revision in Teaching Scheme, Third Digit=Revision in Exam Scheme, Forth Digit= Content Revision)

L=Lecture, TU=Tutorial, P= Practical/Lab., TW= Term work, DT= Direct Teaching, Lab.= Laboratory work

CE= Continuous Evaluation, SEE= Semester End Examination

**Mapping of CO with PO and PSO:**

<b>Semester 2: Course Name: 3IIA02CMA COST AND MANAGEMENT ACCOUNTING</b>							
<b>Course outcomes</b>	<b>PO1</b>	<b>PO2</b>	<b>PO3</b>	<b>PO4</b>	<b>PO5</b>	<b>PO6</b>	<b>PO7</b>
<b>3IIA02CMA.CO1</b>	1	2	-	2	1	2	1
<b>3IIA02CMA.CO2</b>	3	3	-	2	-	-	2
<b>3IIA02CMA.CO3</b>	3	3	-	2	2	2	1
<b>3IIA02CMA.CO4</b>	3	3	1	2	1	2	2

<b>Semester 2: Course Name: 3IIA02CMA COST AND MANAGEMENT ACCOUNTING</b>			
<b>Course outcomes</b>	<b>PSO1</b>	<b>PSO2</b>	<b>PSO3</b>
<b>3IIA02CMA.CO1</b>	2	-	1
<b>3IIA02CMA.CO2</b>	2	1	3
<b>3IIA02CMA.CO3</b>	2	2	3
<b>3IIA02CMA.CO4</b>	2	2	3