

MB206.1: Strategic Management Accounting

Course Objectives:

- To provide the students with an in-depth knowledge of management accounting
- To make them competent to prepare and analyses accounting data,
- Apply it to a range of planning, control and decision-making situations and adopt it to accommodate changes

Unit - I: Introduction to Management Accounting:

Strategic Management Accounting, Meaning, Scope. Strategic Importance, Cost Behaviour and Decision Making, Fixed and Variable Costs, C.V.P Analysis, Marginal Costing, Concept of Break Even Analysis, Uses for Decision Making, Optimization of Product Mix, Make or Buy, Key Factor Analysis.

Unit - II: Strategic Planning and Control & Accounting for Control:

Strategic Planning, Management Control and Operational Control. Meaning, Concept and Purpose of Standards, Types of Standards, Standard Setting, Variance Analysis, Interpretation. Budgetary Control: Meaning & Purpose, Component of Effective Budgeting Program, Performance Budgeting, Zero Based Budgeting: Concept, Importance and Relevance.

Unit - III: Responsibility Accounting:

Responsibility Centers, Need for Divisionalization, Types of Responsibility Centers, Responsibility Accounting, Meaning, Definition, Behavioural Aspects, Segmented Performance Evaluation, Transfer Pricing, Definition, Purpose and Methods of Pricing.

Unit- IV: Activity Based Costing and Customer Account Profitability Analysis:

Activity Based Costing Systems, Meaning, Tracing Costs from Activities to Products and Services, Activity Based Management, Activity Cost Drivers, Activity Based Costing Versus Traditional Costing. Customer Account Profitability Analysis, Meaning and Need for CAP Analysis.

Unit-V: Strategic Decisions for Product Life Cycle, Activity Based Costing and Competitor Analysis:

Product Life Cycle Costing, PLC Assessment, Cost Assessment, Pricing and Evaluation Criteria for Products at Different Stages of PLC. Competitor Accounting, Concept and Importance, Sources of Competitor Information, Competitive Pricing and Bidding. Target Costing and Cost Analysis for Pricing Decisions.

Suggested Books:

1. "Managerial Accounting", Bamber, Braun & Harrison, Pearson Ed, New Delhi.
2. "Strategic Management Accounting", Ward. K, Butterworth Heinemann, New Delhi.
3. "Cost Management- A strategic Emphasis", Edward J. Blocher, Kung H. Chen, Gary Cokins Tata McGraw Hill.
4. "Management Control Systems", Anthony & Deardon.
5. "Cost Accounting for Business Managers", Ashish K. Bhattacharya, New Delhi.

Course Outcomes :

- On completion of this course students will be able to:
- apply management accounting techniques in planning, control and decision-making situations.
- apply and evaluate alternative methods of investment appraisal.
- apply and evaluate techniques for allocating and managing resources.
- discuss and evaluate performance of strategic management