

I>Course Content:

Semester	III Core
Subject	Strategic Cost Management
Course Code	MMSFE306 (RGCMS)
Credits	4
Duration	40

Learning Objective:

1	To understand the concepts and techniques in cost and management accounting.
2	To learn the application of cost and management accounting techniques in strategic decision making.

Prerequisites if any	Knowledge of Cost and Management Accounting.
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Module

Sr. No.	Content	Activity	Course Outcomes
1.	Cost Management tools <ul style="list-style-type: none"> • CVP analysis for decision making • Lean Manufacturing and Quality Control • Life cycle costing • Kaizen costing • JIT & theory of constraints • BPR and bench marking • Flexible Manufacturing Systems (FMS) • Total Quality Management (TQM) • Lean Costing • Target Costing 	Classroom discussion/problem solving/exercises	MMSFE306.1
2.	Activity Based Costing Nature of activity-based costing (ABC), benefits and limitations of ABC, limitation of volume -based costing system, indicators of ABC, activity hierarchies, cost drivers, designing an ABC system Activity-based management, operational and strategic application of ABC, customer profitability analysis.	Classroom discussion/ With problem solving /exercises	MMSFE306.1
3.	Lean costing Concept, application to accounting process, lean performance	Classroom discussion and problem solving	MMSFE306.2

	measurements, financial reports for lean operations.		
4.	Life- cycle costing Introduction, Life-cycle costing analysis, importance of life-cycle costing to a utility, life-cycle costing methodology, life-cycle cost estimation	Classroom discussion and problem solving	MMSFE306.2
5.	Kaizen costing Concept, need, system.	Classroom discussion and case discussions	MMSFE306.3
6.	Target costing Basics and meaning, phases in target costing, streamlining the processes, traditional cost system versus target costing	Classroom discussion and numerical exercises	MMSFE306.3
7.	Environmental costing Environmental costs- internal and external	Classroom discussion	MMSFE306.4
8.	Strategic cost management Conceptual framework, environmental influences on cost management practices. Pillars of SCM: - Cost driver analysis. - Strategic positioning analysis.	Classroom discussion	MMSFE306.4
9.	Value Chain Analysis and Long Term Cost Management. Nature of value-chain analysis, activity analysis and linkage analysis, application of linkage analysis in cost reduction and value addition. Value Engineering	Classroom discussion	MMSFE306.5
10.	Costing and Strategies Blue ocean and red ocean strategy, Judo strategy, Edge strategy, Three box strategy	Classroom discussion	MMSFE306.5
11.	Performance Evaluation Balance Score Card Concept, prospective and limitations, establishing objectives and performance measures in different perspectives of balance score card, productivity measurement and control, quality cost management and reporting, Benchmarking and standard costing, Budgeting and Budgetary control, Transfer Pricing, Triple bottom line and sustainability, Measuring performance ROI ,EVA,	Classroom discussion/ With problem solving/exercises	MMSFE306.6

	ROCE, Cost Benefit analysis		
12.	Cost Audit and Management Audit under Companies Act Inflation accounting, Goodwill accounting, SOX audit, Energy and Environmental audit, strategic assessment of cost and managerial performances, price fixation.	Classroom discussion	MMSFE306.6

II>Course Outcomes

Course Code	Course Outcomes Students will be able to..	Cognition
MMSFE306.1	CO1: apply the concepts of ABC and understand various cost management tools	Apply
MMSFE306.2	CO2: apply life cycle costing and lean costing	Apply
MMSFE306.3	CO3: apply kaizen and target costing	Apply
MMSFE306.4	CO4: apply environment costing and understand the basic concepts of SCM	Apply
MMSFE306.5	CO5: understand value chain analysis and different strategies	Understand
MMSFE306.5	CO6: apply performance measures and understand cost audit	Apply

Text books

Sr. No.	Books
1	Vijay Govindarajan , Strategic Cost Management.
2	Hornrgren and Datar , Cost Management

Reference Books

Sr. No.	Books
1	Roert S. Kaplan and Anthony A Atkinson , Advanced Management Accounting
2	Bolcher Chen/Lin , Cost Management: A strategic Emphasis
3	Girish Jakhotiya , Strategic Financial Management