

# JAIPURIA INSTITUTE OF MANAGEMENT

## PGDM; TRIMESTER II; ACADEMIC YEAR 2019-20

Course Code and title	FIN201: Management Accounting
Credits	1.5
Term and Year	II Term, 2019 -20
Course Pre-requisite(s)	Accounting Fundamentals
Course Requirement(s)	
Course Schedule (day and time of class)	As per time table
Classroom # (Location)	MA (307), MB (306), SM (104)
Course Instructor	Prof Ravi Agarwal
Email	Ravi.Agarwal@jaipuria.ac.in
Telephone Number (for office appointments)	Ext. 356
Student Consultation Hours	Wednesday (1:00pm – 4:00pm)
Office location	Faculty offices, Cabin #2, 1 <sup>st</sup> floor

### 1. Course Overview

Management Accounting and Control seeks to create value by providing effective tools for planning, analysis and control, which furnish information that is useful for decision making at all levels in the organization. The course introduces a number of cost and management accounting tools and quantitative techniques that can be used to analyze how business processes consume resources, create value for a firm and its customers, and how this value may be enhanced through activity and process improvement. Major topics include cost behavior, cost analysis, profit planning and control measures.

Financial accounting provides information of firm's financial condition and results of its activities through three standard financial statements, i.e., the Balance Sheet, Income Statement and Statement of Cash Flows. Management Accounting and Control is the next phase in accounting which deals with evaluating the information not provided by financial accounting and is essentially meant for internal use of management. It incorporates cost accounting with an aim to ascertain costs, control costs and in the long run reduce costs. This course focuses on decision facilitating information for improvement in specific decisions such as to set better prices, to cut costs productively, to plan product mix, or to make better allocation of resources and has crucial managerial uses for planning, implementing and controlling the firm's activities. This course, thus, incorporates the analysis and effect of all relevant information for improvement in specific managerial decisions.

The course is divided into three modules. Module 1 provides the students the concept and applications of cost and management accounting. Module 2 deals with the cost-volume-profit (CVP) analysis and its application in managerial decision making. Module 3 is accounting for planning and control of organization and essentially covers budgetary control. This course includes cases to analyze and apply the concepts in practical business problems involving costing tools followed by class discussion. The case analyses help students to take a position, to understand and appraise the arguments of fellow students and to reach to optimum decision.

## 2. Course Learning Outcomes

On successful completion of the course you should be able to:

1. Estimate relevant cost components for business decisions.
2. Apply relevant cost information for decision making.
3. Prepare financial budgets for efficient planning and effective control.

## 3. Mapping of CLOs with PLOs

<b>PLO*/CLO**</b>	<b>CLO1</b> Classify Cost	<b>CLO2</b> Interpret relevant cost information for decision making	<b>CLO3</b> Apply management accounting techniques for planning & control
<b>PLO-1</b> Communicate effectively and display inter-personnel skills			
<b>PLO-2</b> Demonstrate Leadership and Teamwork towards achievement of organizational goals			
<b>PLO-3</b> Apply relevant conceptual frameworks for effective decision-making		v(Moderate)	v(Low)
<b>PLO-4</b> Develop an entrepreneurial mindset for optimal business solutions			
<b>PLO-5</b> Evaluate the relationship between business environment and organizations			
<b>PLO 6</b> Appreciate sustainable and ethical business practices			
<b>PLO-7</b> Leverage technologies for business decisions			
<b>PLO-8</b> Demonstrate capability as an Independent learner			

Linkage of \* **Program level Outcome (PLO)** with \*\***Course Learning Outcome (LO)**

### Mapping CLOs to GAs

	GA 1	GA 2	GA 3	GA4	GA5	GA6	GA7	GA8
CLO 1								
CLO 2		X						
CLO 3								

#### 4. Text Book

James, J. (2012). *Managerial Accounting* (5<sup>th</sup> Edition), Wiley India Pvt Ltd, New Delhi

#### 5. Assessment Criteria

Component	Description	Weight
Quizzes	There will be two Moodle quizzes (10 marks each), one before the end of sixth session and the second before the end of twelfth session.  Quiz 1- CLO1 Quiz 2- CLO2	20%
Case Analysis	Group assignment of submission of case analysis  (CLO1 & CLO2)	20%
Class Participation	The students will be asked “directed” questions on the portion already covered. This includes active participation by coming to the white board and contributing to the class discussion. A wrong answer will lead to deduction of marks.  (CLO1, CLO2, CLO3)	20%
Sit-in Examination	It will cover sessions 1-12 (CLO1 & CLO2 & CLO3)	40%
<b>Total</b>		<b>100%</b>

#### Assessment Task Description

##### 1. Quiz 1:

**Weightage:** 10% (refer detailed Rubrics for evaluation at the end).

**Description:** There will be two quizzes administered through Moodle with **sequential layout** and individual performance will be assessed. Question bank of minimum 30 questions to be created for a quiz of 10 questions. Quiz questions: **20% basic, 50% intermediate and 30% advanced level.**

**Expectation from students:**

**Quiz 1:** To be able to estimate relevant cost components for business decisions

**Quiz 2:** To be able to apply relevant cost information for short term decision, CVP analysis, and pricing decision.

**Suggested time to devote to this task:** 2.5 weeks for 1<sup>st</sup> Quiz  
5 Weeks for 2<sup>nd</sup> Quiz

**Submission details:** Moodle based quiz

**Feedback and return of work:** Marks will be announced immediately after quiz completion. Qualitative Feedback will be given in the succeeding session.

**Pre/In/beyond class:** In Class

## 2. Case Analysis

**Weightage:** 20% (refer Rubrics for evaluation at the end)

**Description:** This would be a spreadsheet and word document (500 words, single spaced, 12 font) with supporting Excel data file.

**Expectation from the students:** Estimation of relevant cost components and applying cost information for business decisions.

**Academic Integrity:** Every group has the option to “fire” from the group the members who chose to engage in social loafing and contribute marginally towards the project work. Such students will be required to take a separate project from the instructor to do on their own and their evaluation will be done out of 10 marks only as the remaining 10 marks would be deducted from their overall marks at the end of the term. The marks of the group will be applicable to all its members.

**Late submissions:** will not be accepted. The onus of confirming submissions lies with the groups. Only one assignment per group will be accepted. Multiple assignments will be seen as failure to comprehend the submission guidelines and will have a reflection in marks awarded to the group. *The last date to submit the project is 5<sup>th</sup> December 2019.*

**Suggested time to devote to this task:** 5 Weeks

**Submission details:** Soft copy upload on LMS

**Feedback and return of work:** Feedback will be given within 1 week after assessment.

**Pre/In/beyond class:** Beyond class

## 3. Class Participation

**Weightage:** 20% (refer Rubrics for evaluation at the end)

**Description:** This would include asking direct questions to random student.

**Expectation from the students:** The student must be alert and able to give a reasonable answer to the question(s) asked.

**Pre/In/beyond class:** During the class

## 3. End Term Examination

**Weightage:** 40%

**Level of questions:** 20% basic, 50% intermediate and 30% advanced level

**Description:** Will be based on full course and will consist of estimation of relevant cost, take business decision by applying relevant cost information and prepare budget.

**Expectation from the students:** Student should be able to apply relevant cost components for taking business decisions.

**Suggested time to devote to this task:** 5-6 Week (1.5 hours daily)

**Submission details:** End Term Examination (Scheduled by Exam Office)

**Feedback and return of work:** Feedback will be given within 2 weeks of the exam

## List of Topics/ Modules

Topic/ Module	Contents/ Concepts
<b>Module 1: Introduction to Costing</b>	Goals of cost and managerial accounting; Cost classification for manufacturing and services; cost sheet and ABC system.
<b>Module 2: Managerial Decision Making</b>	Cost-volume profit analysis; Use of cost information in decision making; Incremental analysis; Pricing decisions.
<b>Module 3: Tools for Cost Planning and Control</b>	Budgetary Planning and Control

## 7. Session Plan

Session	Topic/ Sub Topic	Reading Reference	Pedagogy	Session Learning Outcomes	CLO
<b>I. Introduction to Costing</b>					
<b>1</b>	Goals of Cost and Managerial Accounting	Text Book Ch.1 pp.3-11	*Discussion	Understanding of primary goals of managerial accounting and knowledge of cost terms used in planning, control and decision making	<b>CLO1</b>
<b>2</b>	Cost Classification for Manufacturing and Service Companies	Text Book Ch.2 pp.37-46	*Numerical Exercise *Discussion	Ability to understand and distinguish between product and period costs, direct costs and overheads and types of costing system	<b>CLO2</b>
<b>3</b>	Cost Sheet	Text Book Ch.2 pp.47-51, 55-57	*Numerical Exercise  *Discussion	Understanding of how direct costs and overheads are applied to jobs	<b>CLO1</b>

4	Activity Based Costing & its Application	Text Book Ch.6 pp. 218-227	*Numerical Exercise  *Discussion	Ability to distinguish between Traditional and ABC methods.  Understand how overhead costs are applied to jobs/products	
5	Activity Based Costing & its Application	Text Book Ch.6 pp. 218-227	*Numerical Exercises  *Discussion	Ability to distinguish between Traditional and ABC methods.  Understand how overhead costs are applied to jobs/products	<b>CLO1</b>
<b>II. Managerial Decision Making</b>					
6	Cost-Volume-Profit Analysis	Text Book Ch.4 pp.121-126 pp.134-146	*Numerical Exercises  *Discussion	Understand common cost behavior patterns  Understand the concept of breakeven analysis, implications of operating leverage from financial decision making perspective and What if analysis for decision making	<b>CLO2</b>
7	Cost-Volume-Profit Analysis	Text Book Ch.4 pp.134-146	*Numerical Exercises  *Case Analysis  *Discussion	Understand the concept of breakeven analysis, implications of operating leverage from financial decision making perspective and What if analysis for decision making	CLO2
8	Use of Cost Information in Management Decision Making	Text Book Ch.7 pp.258-268, 273-274	*Numerical Exercise  *Discussion	Analyze decisions like additional processing, make or buy and dropping a product line using cost concepts and	CLO2

				qualitative considerations	
9	Incremental Analysis	Text Book Ch.7  pp.258-268	*Numerical Exercise  *Case Analysis  *Discussion	Using incremental costing and understanding qualitative considerations for decision making	CLO2
10	Pricing Decision	Text Book Ch.8  pp.297-309	*Numerical Exercise  *Case Analysis  *Discussion	Understanding the profit-maximizing price, fixation of prices for special orders and analyzing customer profitability	CLO2
<b>III. Tools for Cost Planning and Control</b>					
11	Budgetary Planning-Budgets for Financial Planning; Types of Budgets	Text Book Ch.10 pp.371-384	*Numerical Exercise using Excel  *Discussion	Making master and functional budgets and use them as a tool for planning	CLO3
12	Budgetary Control Static vs Flexible Budgets	Text Book Ch.10 pp.384-389	*Numerical Exercise using Excel  *Discussion	Explaining why and how flexible budgets help in performance evaluation and planning	CLO3

### **Time budgeting in course planning:**

Please note that while assigning activities and planning teaching schedules following table may be of help. The weightage of items in the table is prescriptive and may vary according to course requirement. Yet it is indicative of how student time per course can be budgeted:

Activity	Description	Time Budgeted
Classes	2-3 hours per week for 12 weeks (as per schedule of programme office)	15 hours
Reading	Prescribed readings and making notes	7.5 hours
Preparation of set questions, exercises and problems	Including shared and group exercises	15 hours

Preparation of assignment	Reading and writing	7.5 hours
Study and revision for test and end of Trimester examination	Self-preparations	7.5 hours
<b>TOTAL</b>		<b>52.5 hours</b>

### **Additional Readings / References**

- Hansen, D.R. and Mowen M.M. (2013). *Management Accounting* (8<sup>th</sup> Edition) Delhi: Cengage Learning.
- Atkinson, A. A., Kaplan, R. S., Matsumura, E. M., Young, S. M., & Kumar, G. A. (2014). *Management Accounting: Information for Decision Making and Strategy Execution* (6<sup>th</sup> Edition) Delhi: Pearson Education.
- Horngren, C. T., et al (2018). *Cost Accounting: A Managerial Emphasis* (16<sup>th</sup> Edition). Delhi: Pearson Education.
- Drury, C. (2017). *Management and Cost Accounting* (10<sup>th</sup> Edition). New Delhi: Cengage Learning India Pvt Ltd.

### **Internet Resources**

- [www.accountingcoach.com/](http://www.accountingcoach.com/)  
This website has details on all accounting topics. It has an exhaustive glossary of accounting terms. Apart from explaining various accounting concepts, this website has host of other interactive tools like Quizzes, Questions & Answers, Crosswords, and templates to practice the concepts.
- [www.aaahq.org](http://www.aaahq.org)  
This is the website of American Accounting Association. The American Accounting Association promotes worldwide excellence in accounting education, research and practice. This website contains a digital library which has exhaustive archive of accounting publications. It also has latest accounting news and research articles.
- [www.accountingtoday.com](http://www.accountingtoday.com)  
AccountingToday.com is a leading provider of online business news for the tax and accounting community, offering breaking news, in-depth features, insightful editorial analysis, and a host of Web-related resources and services. This website would help students to keep abreast with the latest in the field of accounting.
- [www.icmai.in](http://www.icmai.in)  
This is the website of Institute of Cost Accountants of India (ICMAI). It provides updated information on the Act, Rules and Guidelines to be followed by cost accountants in India. It also publishes Management accounting guidelines and guidance notes. The website should be referred to keep abreast with the latest in management and cost accounting in India.

Students are also advised to read leading business dailies such as The Economic Times, Business Standard, and Hindu Business Line regularly for getting the latest updates.

### **Institute's Policy Statements**



It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document. It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

### **LMS-Moodle/Impartus**

LMS-Moodle/Impartus is used to host course resources for all courses. Students can download lecture, additional reading materials, and tutorial notes to support class participation.

### **Late Submission**

Assessment tasks submitted after the due date, without prior approval/arrangement, will be not be accepted. Requests for extension of time must be made with the faculty member concerned and based on Special Consideration guidelines.

### **Plagiarism**

Plagiarism is looked at as the presentation of the expressed thought or work of another person as though it is one's own without properly acknowledging that person.

Cases of plagiarism will be dealt with according to Plagiarism Policy of the institute. It is advisable that students should read the relevant section of Student Handbook for detailed guidelines. It is also advisable that students must not allow other students to copy their work and must take care to safeguard against this happening. In cases of copying, normally all students involved will be penalised equally; an exception will be if the student can demonstrate the work is their own and they took reasonable care to safeguard against copying.