

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM (SM) Batch 2020-22; Term-II | Academic Year: 2020-21

Course Code: FIN201	Course Title: Management Accounting
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Course Code and title	FIN 201 Management Accounting
Credits	1.5
Term and Year	II Term, 2020-21
Course Pre-requisite(s)	
Course Requirement(s)	Basic knowledge of spreadsheet
Course Schedule (day and time of class)	As per Time Table
Classroom # (Location)	Online
Course Instructor	Prof Ravi Agarwal
Course Instructor Email	Ravi.Agarwal@jaipuria.ac.in
Course Instructor Phone (Office)	0120-4638356
Student Consultation Hours	
Office location	First Floor

Course overview

Management Accounting 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 and profit planning.

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 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 acquaints students with the concept and applications of cost and management accounting. Module 2 deals with Cost-volume-profit analysis and its implications for managerial decision making. Module 3 is accounting for planning and control of organization and essentially covers budgeting. 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 some decision.

Course Learning Outcomes (CLOs)

After undergoing this course, the students will be able to:

1. Estimate relevant cost components for business decisions.
2. Apply relevant cost information for decision making.
3. Prepare financial budget for effective planning.

Mapping of CLOs with PLOs

	PLO 1: Communicate effectively	PLO 2: Demonstrate ability to work in teams to achieve desired goals	PLO 3: Reflect on business situations and apply relevant conceptual frameworks	PLO 4: Evaluate different ethical perspectives	PLO 5: Comprehend sustainability issues	PLO 6: Exhibit innovative and creative thinking
CLO1			X(L)			
CLO2			X (M)			
CLO3			X(L)			

NOTE: Attainment of CLO2 (mapped with PLO-3) can be used for preparing AOL Report.

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

List of Topics/ Modules

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

Assessment Criteria

Component	Description	Weight	CLO
Quiz	Two Quizzes will be conducted on non-cumulative basis.	20%	CLO-1
Individual Excel Assignment	First Excel Assignment: Caselets will be provided on excel and questions will be administered using moodle. Excel Assignment will take approximately two hours	20%	CLO-2
Group Case Analysis	A case study will be analyzed and presented by the group at the end of the course	20%	CLO-3
Sit-in Examination	It will be hall examination at the end of the course	40%	
Total		100%	

Text Book

- James, J. (2012). *Managerial Accounting* (5th Edition). New Delhi: Wiley India Pvt. Ltd.

References

- Hansen, D.R. and Mowen M.M. (2013). *Management Accounting* (8th 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* (6th Edition) New Delhi: Pearson Education.
- Horngren, C. T., Sundem, G. L., & Stratton, W. O. (2012). *Introduction to Management Accounting* (16th Edition). Delhi: Pearson Education.
- Drury, C. (2012). *Management and Cost Accounting* (7th Edition). New Delhi: Cengage Learning India Pvt Ltd.

Internet Resources

- 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
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
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.icwai.org
This is the website of Institute of Cost Accountants of India. 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.

The students are also advised to read The Economic Times and Business Today regularly for getting the latest updates.

Session Plan

Session	Topic	Session Objective/CLO	Reading/References	Pedagogy	CLO
I. Introduction to Costing					
1	Goals of Cost and Managerial Accounting	Understanding of primary goals of managerial accounting and knowledge of cost terms used in planning, control and decision making	Text Book Ch.1 Pg.3-11	*Discussion	CLO1
1&2	Cost Classification for Manufacturing and Service Companies	Ability to understand and distinguish between product and period costs, direct costs and overheads and types of costing system	Text Book Ch.2 Pg.37-46	*Numerical Exercise *Discussion	CLO1

3	Cost Sheet	Understanding of how direct costs and overheads are applied to jobs	Text Book Ch.2 Pg.47-51, 55-57	*Numerical Exercise *Discussion	CLO1
4-5	Activity Based Costing & its Application	Ability to distinguish between Traditional and ABC methods. Understand how overhead costs are applied to jobs/products	Text Book Ch.6 Pg. 218-227	*Numerical Exercise *Discussion	CLO1
II. Managerial decision Making					
6	Cost-Volume-Profit Analysis	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	Text Book Ch.4 Pg121-126 Pg.134-146	*Numerical Exercise *Case Analysis *Discussion	CLO2
7	Cost-Volume-Profit Analysis	Understand the concept of breakeven analysis, implications of operating leverage from financial decision making perspective and What if analysis for decision making	Text Book Ch.4 Pg.134-146	*Numerical Exercise *Case Analysis *Discussion	CLO2
8	Use of Cost Information in Management Decision Making	Analyze decisions like additional processing, make or buy and dropping a product line using cost concepts and	Text Book Ch.7 Pg.258-268, 273-274	*Numerical Exercise *Discussion	CLO-2

		qualitative considerations			
9	Incremental Analysis	Using incremental costing and understanding qualitative considerations for decision making	Text Book Ch.7 Pg.258-268	*Numerical Exercise *Case Analysis *Discussion	CLO-2
III. Tools for Cost Planning and Control					
10	Budgetary Planning- Budgets for Financial Planning; Types of Budgets	Making master and functional budgets and use them as a tool for planning	Text Book Ch.10 Pg.371-384	*Numerical Exercise using Excel *Discussion	CLO3

Rubrics for Assessment Components

Rubrics for Quiz (20 Marks)

CLO1: Estimate relevant cost components for business decisions.

Criteria	Below Expectations (less than 40% Marks)	Meet Expectations (More than 40% to 80% marks)	Exceed Expectations (More than 80% Marks)
Estimate relevant cost components for business decisions	Student is able to understand and apply very few cost components for business decisions	Student is able to understand and apply some of the cost components for business decisions	Student is able to understand and apply most of the cost components for business decisions

Rubrics for First Individual Excel Assignment (20 Marks)

CLO2: Apply relevant cost information for decision making.

Traits	Below Expectations (less than 40% Marks)	Meet Expectations (More than 40% to 80% marks)	Exceed Expectations (More than 80% Marks)
Select and use relevant concepts, uses cost information and frameworks for managerial decision making	Has limited knowledge on selecting and using relevant concepts and frameworks for managerial decision making. Requires extensive assistance in selecting relevant concepts and frameworks.	Selects and uses relevant concepts and uses cost information and frameworks for Managerial decision making. Requires minimal assistance in choosing relevant concepts and frameworks	Selects and uses relevant concepts and uses cost information and frameworks for Managerial decision making. Needs no assistance in selecting relevant concepts and frameworks.

Note: Partial Rubrics of PLO is embedded in the Rubrics for Evaluation

Rubrics for Group Assignment (20 Marks)

Criteria	Below Expectations (0-40%)	Meet Expectations (41% to 70%)	Exceed Expectations (71%-100%)
Prepare financial budget for effective planning	Student is able to prepare budget which has limited or incomplete financial information. Many financial information is missing.	Student is able to prepare budget which is partially correct. Few financial information is missing.	Student is able to prepare budget which includes detailed lines for items and is well projected over time.

Rubrics for End Term Examination (40 Marks)

Criteria	Below Expectations (0-40%)	Meet Expectations (41% to 80%)	Exceed Expectations (81%-100%)
Understand, apply and estimate cost for decision making	Student is able to understand, estimate and apply very few cost components for business decisions	Student is able to understand, estimate and apply some of the cost components for business decisions	Student is able to understand, estimate and apply most of the cost components for business decisions

Time budgeting in course planning:

The table below is an example of the suggested time allocations for this course.

Classes	3-4 hours per week for 5 weeks	15 hours
Reading	Prescribed readings and making notes	10 hours
Preparation of set questions, exercises and problems	Provided in the book	10 hours
Preparation of Project (including the Viva)	Analysing and writing	10 hours
Study and revision for test and end of Trimester examination	Self-preparations	7 hours
TOTAL		52 hours

Institute's Policy Statements

The student is required to have a clear comprehension of the specific details included in this document. This course requires a significant commitment in and outside classroom. The learning tasks in this course include class discussions, exercises & problems and self-study. In addition, students are required to complete the various exercises.

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 relevant sections 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 penalized equally; an exception can be made if a student can demonstrate the work as their own and reasonable care was exercised to safeguard against copying.