

**ST. JOSEPH'S COLLEGE OF COMMERCE  
(AUTONOMOUS)**



**FINALISED LESSON PLAN  
2018-2019 EVEN SEMESTER IV  
BACHELORS OF BUSINESS ADMINISTRATION  
M4 17 MC 401  
ADVANCED MANAGEMENT ACCOUNTING**

**PREPARED BY  
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**COURSE / SUBJECT OBJECTIVES:** To give an insight about costs and their drivers to provide competencies needed to analyze, plan and manage costs to support the implementation of organization's strategy.

## PREPARATION OF LESSON PLAN FRAMEWORK

### UNIT WISE BREAK UP

LECTURE HOURS: 60

**Objective:** To give an insight about costs and their drivers to provide competencies needed to analyze, plan and manage costs to support the implementation of organization's strategy.

Sl. No	UNIT & OBJECTIVES	No. of Lecture Hours	Methodology/ Instructional techniques	Evaluation/ learning confirmation
<b>MODULE 1</b>	<b>STANDARD COSTING: To understand the importance of:</b> <ul style="list-style-type: none"><li>● Standard costs and their applicability and suitability in the modern manufacturing environment.</li><li>● Management control through analysis of various variances.</li><li>● Revising standards to calculate planning and operating variances.</li></ul>	<b>15</b>	Lecture with the help of power Point presentation/ Discussion	Evaluation through MCQs and Case Studies
1.	Meaning, definition, advantages, uses, types and steps involved in standard costing.	5	Lecture and Discussion	-
2.	Management control through analysis of variances – material, labour and overhead variances. Preparation of variance reports and interpretation of variance reports.	5	Lecture and Illustrations	Question and Answer

3.	Revising standards to calculate planning and operating variances. The suitability of standard costing in different organisations. Standard costing and variance analysis in the modern manufacturing environment.	5	Lecture and Illustrations	Question and Answer
<b>MODULE 2</b>	<p><b>FORECASTING AND BUDGETARY CONTROL: To understand the importance and applicability of:</b></p> <ul style="list-style-type: none"> <li>● Usage and forecasting techniques.</li> <li>● Need of budgeting and their functions.</li> <li>● Alternative approaches to budgeting such as zero based budgeting.</li> <li>● Preparation of various budgets and budget padding.</li> </ul>	10		Evaluation through MCQs and Case Studies
1.	Forecasting techniques – time series, regression and high-low method.	3	Lecture	Question and Answer
2.	Budgeting – meaning, need, objectives and functions, advantages and limitations. Classification – functional and master budget.	1	Lecture and Problems/ Case Study Analysis	Question and Answer
3.	Alternative approaches to budgeting, zero based budgeting.	2	Lecture and Problems	Question and Answer
4.	Preparation of budgets – raw material consumption, purchase, labour hour, overhead, cash, master, fixed and flexible budget. Activity based budget, incremental budget, rolling budget – top down v/s bottom up budgeting. Budget padding.	4	Lecture and Problems/ Case Study Analysis	Question and Answer
<b>MODULE 3</b>	<p><b>DECISION MAKING WITH RISK AND UNCERTAINTY: to understand the ways of decision making through various situations with the help of:</b></p> <ul style="list-style-type: none"> <li>● Learning the attitude to risk of various decision makers.</li> <li>● Application of sensitivity analysis.</li> <li>● Understanding the decision tree analysis.</li> <li>● Valuation of perfect and imperfect information.</li> </ul>	10		Evaluation through MCQs and Case Studies

1.	Uncertainty and Risk – nature of risk and uncertainty and the attitudes to risk by decision makers.	2	Lecture and Illustrations	Question and Answer
2.	Sensitivity analysis, expected values, standard deviations, payoff tables, simulation, maximax, maximin and minimax regret criteria.	6	Lecture and Problem Solving/ Case Study Analysis	Question and Answer
3.	Decision tree analysis	1	Lecture and Problem Solving/ Case Study Analysis	Question and Answer
4.	Value of perfect and imperfect information	1	Lecture and Problem Solving/ Case Study Analysis	Question and Answer
<b>MODULE 4</b>	<p><b>DECISION MAKING WITH TRANSFER PRICING: To understand the theories and applicability of:</b></p> <ul style="list-style-type: none"> <li>● Transfer pricing in different market structures.</li> <li>● Different types of transfer prices and dual-transfer prices.</li> <li>● Methods of transfer pricing.</li> </ul>	<b>10</b>		Evaluation through MCQs and Case Studies
1.	Theory of transfer pricing, including perfect, imperfect and no market for the intermediate good.	3	Lecture	Question and Answer
2.	Negotiated, market, cost-plus and variable cost – based transfer prices, dual transfer prices and lump sum payments.	4	Lecture and Problems/ Case Study Analysis	Question and Answer
3.	Methods of transfer pricing – market based approach – cost based approach.	3	Lecture and Problems/ Case Study Analysis	Question and Answer
<b>MODULE 5</b>	<p><b>PRICING DECISIONS FOR PROFIT MAXIMISATION: To understand the ways of pricing decision sin different situations such as:</b></p> <ul style="list-style-type: none"> <li>● In imperfect markets.</li> </ul>	<b>10</b>		Evaluation through MCQs and Case Studies

	<ul style="list-style-type: none"> <li>● <b>Financial consequences of different kinds of pricing.</b></li> </ul>			
1.	Pricing decisions for profit maximization in imperfect markets.	4	Lecture and Illustrations/ Case Study Analysis	Question and Answer
2.	Pricing strategies and the financial consequences of market skimming, premium pricing, penetration pricing, loss leaders, product bundling, optional extras and product differentiation to appeal to different market segments.	6	Lecture. Case study	Question and Answer
<b>MODULE 6</b>	<p><b>CONTEMPORARY CONCEPTS: To understand the benefits and suitability of the application of various contemporary concepts such as:</b></p> <ul style="list-style-type: none"> <li>● <b>Just in time (JIT)</b></li> <li>● <b>Kaizen costing</b></li> <li>● <b>Process re-engineering</b></li> <li>● <b>Target costing</b></li> <li>● <b>Value chain analysis</b></li> <li>● <b>Life cycle costing</b></li> <li>● <b>Learning curves</b></li> <li>● <b>Environmental costing</b></li> </ul>	5		Evaluation through MCQs and Case Studies
1.	Just in time production, the theory of constraint and total quality management on efficiency, inventory and cost.	1	Lecture and Case study analysis	Question and Answer
2.	Kaizen costing, continuous improvement and cost of quality reporting.	1	Lecture and Case Study Analysis	Question and Answer
3.	Process re-engineering and the elimination of non-value adding activities and reduction of activity costs.		Lecture and Case Study Analysis	Question and Answer
4.	Target costing and the determination of target costs from target prices.	1	Lecture and Case Study Analysis	Question and Answer
5.	Value chain analysis and the management of contribution/profit generated throughout the chain.		Lecture and Case Study Analysis	Question and Answer

6.	Life cycle costing and its implications for marketing strategies.	1	Lecture and Case Study Analysis	Question and Answer
7.	Learning curves to estimate time and cost for activities, products and services.		Lecture and Case Study Analysis	Question and Answer
8.	Environmental costing – meaning, advantages, classification and throughput accounting.	1	Lecture and Case Study Analysis	Question and Answer

### **CIA Tentative Dates**

<b>Sl. No.</b>	<b>Component of CIA</b>	<b>Administration</b>	<b>Marks</b>
<b>1</b>	CIA – I – MCQ test	December 1 <sup>st</sup> to 4 <sup>th</sup>	5/10
<b>2</b>	CIA – II – Mid Semester Exam	January 15 <sup>th</sup> to 19 <sup>th</sup>	20/30
<b>3</b>	CIA – III – Case Study	February 19 <sup>th</sup> to 23 <sup>rd</sup>	5/10

### **BOOKS FOR REFERENCE:**

1. CIMA Study Text P1 Management Accounting 2015, Kaplan Publishing.
2. CIMA Study Text P2 Advanced Management Accounting 2015, Kaplan Publishing.