

AMRITA VISHWAVIDYAPEETHAM, KOCHI CAMPUS

AMRITA SCHOOL OF BUSINESS

COST MANAGEMENT (FI304C)

I. COURSE OBJECTIVES

Cost or Management Accounting Information is one of the primary informational sources, for decision making and control in organizations. It provides for the informational needs of individuals internal to the organization, like Managers, Executives, Workers etc, and helps them to make better decisions and improve their organizations processes and performance.

The main emphasis of this course therefore is to provide students with a basic understanding of the concepts of Cost Management which provide a framework for the effective planning & Control of an Organizations' processes and performance. Coupled with the above the course also aims at providing an understanding of the analytical methods and techniques used for coping with the myriad problems that arise in the process of such decision making.

More specifically the course has been designed to:

- Provide a basic understanding of Cost concepts and terms :
- Provide a basic understanding of various Costing Methods
- Provide a basic understanding of the Planning Control and decision making as well as help in the development of adequate analytical and decision making skills on various issues related to the above.

II Course Contents

1. Introduction to Cost Accounting and Cost Management
2. Basic Cost Management Concepts
3. Activity Cost Behaviour
4. Product and Service Costing: Overhead Application and Job order System
5. Product of Service Costing: A process systems approach.
6. Support department cost allocation
7. Joint product and by product costing
8. Budgeting for Planning and Control
9. Standard Costing
10. Cost Volume Profit Analysis

III Teaching Method

The predominant classroom activity will be analysis and discussion of the fundamental concepts, duly supplemented by demonstration exercises and problems to help the students understand the concepts discussed. Case studies if required would be used to explain the application of theoretical concepts to practical real life situations.

IV Expectation from students

Being a core subjects; students are expected to acquire an above average understanding of the course for which a lot of systematic and dedicated work is the basic prerequisite.

It is specifically brought to the notice of students that the minimum marks required for a pass in this subject is 40% which is grade C. Anything below would be qualify for an F (Fail) Grade.

| | Topic | Course Plan No. of Sessions | Readings Course Material |
|----|--|--------------------------------|--------------------------------|
| 1. | Introduction to Cost Mgt. and Cost Accounting | 1 | Chapter 1 |
| 2. | Basic Cost Management Concepts | 4 | Chapters 2 |
| 3. | Activity Cost Behaviour | 2 | Chapter 3 |
| 4. | Product and Service Costing. Overhead Application and Job Order System | 5 | Chapter 4 |
| 5. | Product and Service Costing A Process Systems Approach | 6 | Chapter 5 |
| 6. | Support Department Cost Allocation | 3 | Chapter 6 |
| 7. | Joint Product and by Product Costing | 3 | Chapter 7 |
| 8. | Budgeting for Planning and Control | 4 | Chapter 8 |

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| 9. | Standard Costing | 5 | Chapter 9 |
| 10. | Cost Volume. Profit Analysis | 7 | Chapter 9 |
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Suggested readings

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| 1. | Course Material | Hansen and Mowen |
| 2. | Introduction to Cost & Management Accounting | Roger Storey |
| 3. | Cost Accounting: Schaums Outline Series | Ralph S. Polemeni Sheela A Handy James A Cashin |
| 4. | Management Accounting | Atkinson |
| 5. | Cost Accounting Concepts & Applications for Managerial Decision Making | Polemeni, Fabozzi and Adleberg |