

Course Code	Course Title	C	H	I	E	T
17P4KMC17	Strategic Cost Management	4	90	25	75	100

Learning Objectives

- To understand and ability to analyse the cost and make them to take business decisions
- To know the concept of ABC and its relevance in business decisions
- To able to apply relevant cost management tools viz., Target costing, Kaizen, Life cycle costing and six sigma

Learning Outcomes: Advanced Knowledge on cost analysis and management decisions. Basic understanding and working knowledge of ABC, kaizen costing, Life cycle costing and six sigma

Unit – I Cost Analysis and Management Decisions

Concepts of Cost relevance to purpose of managerial decisions – Break even analysis its applications and limitations – CVP Analysis.

Unit – II Introduction Cost analysis

Analysis of cost of production for managerial decisions involving (i.e.) make or buy, Idle capacity, plant shut down, process further or sell – Equipment replacement etc. Expand or contract, change Vs status Quo- Decision making and limiting factors.

Unit – III Activity based Costing

Introduction - Meaning & Definition Objectives – Assumptions – Steps advantages – ABC Vs Traditional Costing – Need for implementing ABC.

Unit – IV Cost based Decision making

Target Costing – Customer orientation – Target Costing Process – Tear down analysis – Values engineering – Kaizen Costing of Life cycle costing – EVA.

Unit – V Six Sigma

Origin – Theories – Meaning – Conducting (FEMA) – Failure mode and effects analysis – Six Sigma organization – DMAIC – Define measure analysis improve and control – Balance score card.

Books for Study:

S.P.Jain & K.L.Narang, Advanced Cost Accounting, Kalyani Publications, Delhi.

Books for Reference

1. V.K. Saxena, C.D. Vashist, Advanced Cost and Management Accounting, Sultan Chand & Sons, Delhi.
2. Robert
3. Robert S. Kaplan, Anthony A. Atkinson, Advanced Management Accounting
4. Dr. S.N. Maheshwari, Advanced Cost Accounting, Himalaya Publishing House Pvt. Ltd., Mumbai.
5. T.S. Reddy & Y. Hari Prasad Reddy, Cost Accounting, Margham Publications, Chennai.
6. www.icaai.org.in, www.icmai.in,
www.managementstudyguide.com