

Programme : Master of Commerce [M.Com]
 Course Code : COM-626
 Course Title : Cost Management and Control
 Number of Credits : 4
 Effective from AY : 2022 – 2023

Pre-requisites for the Course:

NIL

Objectives of the Course:

The main objectives of the course are:

1. To understand the basis of cost management and how cost control is carried out.
2. To have an in-depth knowledge of various cost management techniques used to control costs.
3. To understand the practical applications of linear Programming, network analysis, transportation problems, and assignment problems

Course Content

Unit 1	Introduction to Cost Management	10 Hours
Introduction, Meaning, Uses of Cost Management, Cost Control, Cost Reduction, Cost Avoidance, Strategic Cost Management – Competitive Advantage, Cost Leadership, Differentiation, Focusing. Contemporary Business Environment, Classification of Costs for Decision Making.		
Unit 2	Cost Management and Control Techniques - Basics	10 Hours
Activity Based Costing – Meaning, Objectives, ABC and Traditional costing, Advantages and Limitations of ABC, Cost Pools, Cost Drivers and Cost objects, Criteria for successful implementation of ABC system (Including problems). Target Costing – Meaning, Steps, Benefits of target costing, Value engineering in target costing. Transfer Pricing – Meaning, Objectives, Methods of transfer pricing, Transfer pricing in MNCs and Service Organisations. Balanced Scorecard – Balanced Scorecard perspective. Learning Curve Model – Phases, factors affecting learning curve, Applications of a learning curve.		
Unit 3	Linear Programming Problems and Network Analysis	20 Hours
Linear Programming – Meaning, assumptions, Applications of L.P. techniques in cost control, Constraints, Limitations (Including Problems). Network Analysis – Introduction, objectives, stages, drawing network diagram, PERT, and CPM (Including Problems).		
Unit 4	Transportation and Assignment Problems	20 Hours
Transportation Problems – Introduction, applications of Transportation in Cost reduction and control, conditions, stages, Methods for an initial basic feasible solution, Unbalanced Transportation problems (Including problems). Assignment Problems – Introduction, stages, Application of Assignment problems in cost control, unbalance and assignment problems, maximize the objective function (Including Problems)		

Pedagogy:

The pedagogy for this course constitutes a mixture of Lectures, Case study, Assignment on reading relevant research papers, and Group Discussions.

Reference / Readings:

1. Edward Blocher, *Cost Management: A Strategic Emphasis*, Tata McGraw Hill. 8th Edition, 2020.
2. Frederick S. Hillier, Gerald J. Lieberman, Bodhibrata Nag, Preetam Basu, *Introduction to Operation Research*, McGraw Hill 10th Edition, 2017.

3. Hilton, Maher, & Selto, *Cost Management*, Tata McGraw-Hill Publishing Co. International Edition, 2019.
4. Horngreen, Foster, & Datar, *Cost Accounting: A Managerial Emphasis*, Prentice Hall. 16th Edition, 2019.
5. Jawahar Lal, *Strategic Cost Management*. Himalaya Publishing House, 1st Edition, 2020.
6. Ravi M. Kishore, *Strategic Cost Management*, Taxmann, 5th Edition, 2020.

Online Resources:

1. <https://icmai.in/upload/Students/Syllabus2016/Final/Paper-15-Oct-2020.pdf>
2. <https://icmai.in/upload/Students/Syllabus2016/Inter/Paper-9-April-2021.pdf>
3. <https://globalcma.in/wp-content/uploads/2018/05/Final-Strategic-Cost-Management-Theory.pdf>

Course Outcomes:

- CO1:** Understand the basics of Cost Management and elements of costs.
- CO2:** Understand various techniques to be used to control the costs.
- CO3:** Understand and apply cost tools for making managerial decision.
- CO4:** Able to do project planning and review of controlling techniques.