



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

COURSE CONTENT

STRATEGIC MANAGEMENT ACCOUNTING								
III SEMESTER								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
20MBA022F	Professional Elective	L	T	P	C	CIE	SEE	Total
		4	-	-	4	30	70	100
Contact Classes:60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 60			
Prerequisite: Basic concepts of Strategic Management Accounting								

COURSE OVERVIEW:

Strategic Management Accounting (SMA) is an advanced area of accounting that focuses on using financial and non-financial information to support long-term strategic decision-making. Unlike traditional accounting, which emphasizes internal cost control and historical data, SMA integrates external market data, competitor analysis, and future-oriented insights to help organizations gain a competitive advantage.

COURSE OBJECTIVES:

- To understand the concepts, scope, and significance of Strategic Management Accounting in modern business environments.
- To develop the ability to analyze cost structures and apply strategic cost management techniques for decision-making.
- To evaluate organizational performance using financial and non-financial measures such as the Balanced Scorecard.
- To examine external factors including competitors, market trends, and industry dynamics for strategic planning.
- To apply strategic accounting tools and techniques in formulating and implementing business strategies for competitive advantage.

COURSE OUTCOMES: After Completion of the course, students should be able to

1. Explain the scope and applications of management and cost accounting.
2. Apply costing methods for diverse industrial scenarios.
3. Analyze decision-making techniques using break-even and cost comparison tools.
4. Prepare budgets for planning and control in managerial decisions
5. Evaluate variances using standard costing techniques for performance measurement.

UNIT-I MANAGEMENT ACCOUNTING VS. COST ACCOUNTING

Definitions, nature, scope, objectives and functions of management accounting, importance and limitations of cost accounting and management accounting; differences between cost accounting, management accounting and financial accounting. Types of costing used in industries. Role of

accounting information in planning and control, cost concepts and managerial use of classification of costs, the management process and accounting, cost analysis and control: direct and indirect expenses, allocation and apportionment of overheads, calculation of machine hour rate (problems), introduction to activity-based costing and life cycle costing.

UNIT-II COSTING FOR SPECIFIC INDUSTRIES

Unit costing, job costing, cost sheet and tender and process costing and their variants, treatment of normal losses and abnormal losses (problems), inter process profits, costing for byproducts and equivalent production, introduction, application of marginal costing in terms of cost control, profit planning, closing down a plant, dropping a product line, charging general and specific fixed costs, fixation of selling price.

UNIT-III MAKE OR BUY DECISIONS

Key or limiting factor, selection of suitable product mix, desired level of profits, diversification of products, closing down or suspending activities, level of activity planning.

Break even analysis: application of breakeven point for various business problems, meaning, significance and limitations of breakeven analysis and problems on breakeven point, inter firm comparison: need for inter firm comparison, types of comparisons, advantages.

UNIT-IV BUDGETARY CONTROL

Budget, definitions, advantages and disadvantages of budgetary control, steps in budgetary control, different types of budgets: flexible budget, sales budget, cash budget, production budget (problems), master budget, performance budgets, material vs. purchase budgets, zero based budgeting, introduction to cost audit and management audit.

UNIT-V STANDARD COSTING

Standard cost and standard costing, standard costing vs. budgetary control, standard costing vs. estimated cost, standard costing and marginal costing analysis of variance, material variance, labor variance, Sales and Profit variance(problems), case studies. Latest Amendments in Strategic Management Accounting

TEXT BOOKS:

1. S.P.Jain and K.L.Narang, "Cost and Management Accounting", Kalyani Publishers, 7th Edition, 2014.
2. S.K.Gupta and R.K.Shama, —Advanced Management Accounting, Kalyani Publishers, 2nd Revised Edition, 2003.
3. M.N.Arora, —Cost & Management Accounting, Himalaya Publishing House, 1st Edition, 2004.

REFERENCE BOOKS:

1. M.N.Arora, —Cost Accounting, Himalaya Publishing House, 1st Revised Edition, 2010.
2. M.E. ThukaramRao, "Management and Cost Accounting", New Age International Publisher, 1st Edition, 2007.
3. Manash Gupta, Cost Accounting Principles and Practice, Pearson Education, 2006

ELECTRONIC RESOURCES:

1. <http://www.icsi.in/Study%20Material%20Executive/Executive%20Programme->

2013/COST%20AND%20MANAGEMENT%20ACCOUNTING%20(MODULE%20I%20PAPER%202).pdf.

2. <https://www.cengagebrain.co.nz/content/9781408049044.pdf>
3. <https://www.free-ebooks.net/ebook/Cost-and-Management-Accounting>
4. <http://www.freebookcentre.net/Business/Accounting-Books.html>

MATERIALS ONLINE:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos

