



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		
24MB021F	Professional Elective	L	T	P	C	CIE	SEE	Total
		4	-	-	4	40	60	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 management accounting that focuses on providing financial and non-financial information to support strategic decision-making and long-term business planning. The course helps students understand how accounting information can be used to analyze competitors, evaluate strategies, and improve organizational performance.

COURSE OBJECTIVES:

- To Understand the concept and importance of Strategic Management Accounting.
- To Analyze how accounting information supports strategic decision-making.
- To Learn various strategic cost management techniques.
- To Evaluate organizational performance using strategic accounting tools.
- To Develop the ability to link financial data with business strategy.

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

1. Identify the scope, objectives and functions of management-cost accounting, differentiating cost from financial accounting
2. Describe costing methods and loss treatment for cost control
3. Calculate break-even points and apply decision-making tools for product mix selection & profit planning
4. Assess budget types, budgetary control processes, advantages and limitations
5. Evaluate standard costing variances in material, labour, sales and profit through case-based comparison with costing techniques

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. Meir Kohn, "Financial Institutions and Markets" Oxford University Press, 2nd Edition, 2009.
2. Khan. M.Y, "Financial Services", Tata McGraw-Hill, Pvt. Ltd., New Delhi,5th Edition,2010.
3. Gordon and Natarajan, "Financial Markets and Services", Himalaya publishing House, Mumbai ,7th Edition, 2009.

REFERENCE BOOKS:

1. Vasant Desai, “Financial Markets and Financial Services”, Himalaya publishing House, Mumbai, 1st Edition, 2009.
2. Punithavathy Pandian, “Financial Services and Markets”, Vikas Publishing House, 3rd Edition, 2009.
3. L.M. Bhole: Financial Institutions and Markets, TMH, 2012

ELECTRONIC RESOURCES:

- [https://www.scribd.com/document/184434634/45790874-mba-3-sem-finance notes-Bangalore-university](https://www.scribd.com/document/184434634/45790874-mba-3-sem-finance-notes-Bangalore-university).
- <http://www.slideshare.net/venkykk/fifm-2013-final-financial-institutions-and-notes-as-per-bput-syllabus-for-mba-2nd>.
- http://iimsnepal.com/download/e%20book%20materials/mba%20ebook%20material/mba%203rd%20semester%20ebook%20materials/dmgt512_financial_institutions_and_services.pdf

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

