

ELECTIVE COURSE – I : STRATEGIC COST MANAGEMENT

Course Objective:

The course aims at imparting an advanced knowledge of existing Costing Systems, their drawbacks and development of improved methods and techniques, so as to make Costing systems tools of Strategic Decision Making.

UNIT – I

Designing Costing Systems for Job and Process Oriented manufacturing environments – Cost Estimation and Regression Analysis – Linear programming and cost volume profit analysis – Learning curves.

UNIT – II

Cost as a Source of Competitive Advantage – Value Chain Concept – Cost Driver Concept – Strategic Positioning Concept – Profit Variance Analysis – Target Costing – Life Cycle Costing.

UNIT – III

Activity Based Costing – Drawbacks of Conventional Costing Systems – Hidden Factory – Merits and Demerits of ABC – implementation of ABC.

UNIT – IV

Cost of Quality – Understanding, Analysis and measurement of COQ.

UNIT – V

Business Process Reengineering , Total Quality Management, Just in Time and Flexible Manufacturing Systems as enablers of low cost strategy – Their implications for Costing Systems.

References:

1. “Strategic Cost Management” by Vijay Govindarajan
2. “Advanced Management Accounting” by Roert S.Kaplan and Anthony A Atkinson.