COMC001 – Advanced Cost and Performance Analysis

Master of Commerce
Semester I
DSC-Core Paper
COMC001: Advanced Cost and Performance Analysis

Course Type/ Course Code	Course Title	Lectures	Tutorials	Practical	Credit	Pre-requisites
COMC001	Advanced Cost and Performance Analysis	3	1	0	4	NIL

Objective: This course is designed to equip students with the essential knowledge and analytical skills needed to effectively control and monitor costs, apply various cost management techniques, and utilize accounting data to support strategic decision-making within corporate settings.

Learning Outcomes: On completion of this course, the student should be able to:

- Describe strategic cost analysis concepts along with Activity-based techniques and apply these for managing a profitable and competitive enterprise.
- Know the various approaches, considerations, and techniques in strategic price setting.
- Explain and apply advanced costing techniques including Life cycle costing, Target costing, Kaizen costing, and Total Quality Management.
- Comprehend modern approaches to productivity enhancement, process re-engineering, the analysis of value chains, Just-in-Time (JIT) Inventory Management, and strategic decision making under constraints.

Contents:

Unit I **(10 hours)**
Cost Management Systems; Strategic cost management; Cost concepts. Big Data and Data Analytics in Cost Accounting; Sourcing and Storing Data. Activity-Based Costing (ABC). Activity-Based Management (ABM); Activity-Based-Budgeting (ABB); Capacity utilization.

Unit II **(10 hours)**
Factors influencing pricing decisions; Evaluation of different pricing methods; Economic approach; Pareto analysis; Pricing a new Product; Short run vs. long run pricing; Sensitivity analysis; Bottom line pricing.

Unit III **(13 hours)**
Life Cycle Costing; Life Cycle Budgeting. Target Costing; Value Engineering. Kaizen costing; Bench marking. Total Quality Management (TQM); measuring and reporting quality cost information for decision making.

Unit IV **(12 hours)**
Measuring productivity and changes in activity and process efficiency; Productivity in service firms and not-for-profit organizations; Process reengineering (PR). Value chain analysis; Value chain linkages. Just-in-Time (JIT) inventory management. Theory of Constraints (TOC); ABC and TOC.

Tutorial Exercise: Students may select any existing real-life consumer product, analyze its presumed selling price, assess cost elements incorporating ABC techniques, and suggest modifications for process improvements based on quality considerations and value drivers. Students may also visit any manufacturing unit to identify cost issues (such as defects and rework) and develop a Kaizen plan which drives cost reduction.

Suggested Readings:

- Blocher, Edward J., Juras, Paul, Smith, Steven. (2024). *Cost Management: A Strategic Emphasis* (10th ed.). McGraw Hill Education (India) Ltd.
- Eldenburg, Leslie G. & Wolcott, Susan K. (2011). *Cost Management: Measuring, Monitoring, and Motivating Performance* (2nd ed.). John Wiley and Sons.
- Farmer, Karen C. Fredin, Amy, Baag, Pankaj K. (2024). *Cost Accounting: With Integrated Data Analytics, An Indian Adaptation*. John Wiley & Sons Inc.
- Hansen, Don R., Mowen, Maryanne M. & Heitger, Dan L. (2021). *Cost Management, Accounting and Control* (5th ed.). Cengage Learning (India) Ltd.
- Hilton, Ronald W., Maher, Michael W. & Selto, Frank A. (2004). *Cost Management: Strategies for Business Decisions*. McGraw Hill Irwin.
- Lal, Jawahar (2016). *Strategic Cost Management.* Himalaya Publishing House.
- Shank, John K. & Govindarajan, Vijay. (2008). *Strategic Cost Management.* The Free Press.