

Paper 1.2 : Advanced Cost and Management Accounting

Unit 1:

Cost based Pricing Decisions: Pricing of finished goods, theory of price, pricing policy, principles of product pricing, new product pricing, pricing of services and Pareto analysis

Unit-2

Decision Making: Important factors in marginal costing decisions, Pricing under special circumstances, Make or Buy decision, Shut down or continue decision, Product mix, export v/s local sales price mix decision, **Throughput Accounting:** Meaning, Concepts and practical application

Unit-3

Activity Based Costing: Meaning, importance and characteristics, Uses and limitations, Elements and Steps involved, Comparison of ABC with Traditional costing, Activity based management **Cost accounting Standards:** CAS 1 classification of cost, CAS-3 Overheads, and CAS-10 Direct cost.

Unit-4

Standard Costing: Accounting procedure for standard cost, Computation and reporting of Cost Variance, Test of significance of variances. **Target Costing:** Origin, meaning advantage, main features, cost ascertainment and pricing of products and services

Unit -5

Measuring shareholders' wealth: Economic value added: Evolution and growth, EVA V/S Conventional measures, computation of EVA, adjustment in EVA, introductory knowledge of Market value added, Cash value added, cash flow return on investment and total shareholders' return . **Balance score card**

Suggested Readings:

Arora, M.N. :Cost Accounting, Himalaya Publishing Company, New Delhi.

Bhar, B.K. : Cost Accounting.

Drury ,Colin, Costing an Introduction, Taxmann India

Drury Colin, Management and Cost accounting, International Thompson Business Press

Horngren, C.T.: Foster, G. and Datar, S.M. – Cost Accounting: A Managerial Emphasis, Prentice Hall of India, New Delhi.

Khan, M.Y. and Jain, P.K: Cost Accounting and Financial Management, Tata McGraw Hill Pub. Co. Ltd., New Delhi.

Kishor Ravi M, Management Accounting, Taxmann Publication, New Delhi