

UNIVERSITY OF MADRAS
B.Com. DEGREE COURSE IN ACCOUNTING & FINANCE
SYLLABUS WITH EFFECT FROM 2020-2021

BAF-DSC02

CORE-II: FINANCIAL PLANNING AND PERFORMANCE

Inst.Hrs : 6
Credits : 4

YEAR: I
SEMESTER: I

OBJECTIVES

1. Achieve an understanding of strategic planning, forecasting and budgeting, recall the models of strategic planning with the process, classify the forecasting techniques and demonstrate the budget.
2. To make use of budget to prepare an annual profit plan, analyze performance by using flexible budgets and compare actual results to planned results.
3. To explain the importance and use of standard cost systems, propose performance measures and discuss key performance indicators.

Unit I: Strategic Planning

Analysis of external and internal factors affecting strategy - Long-term mission and goals - Alignment of tactics with long-term strategic goals - Strategic planning models and analytical techniques - Characteristics of successful strategic planning process.

Unit II: Budgeting and Forecasting

Operations and performance goals - Characteristics of a successful budget process – Resource allocation - Regression analysis - Learning curve analysis - Expected value - Annual business plans (master budgets) - Project budgeting - Activity-based budgeting - Zero-based budgeting - Continuous (rolling) budgets - Flexible budgeting - Annual profit plan and supporting schedules - Operational budgets - Financial budgets - Capital budgets - Pro forma income – Financial statement projections - Cash flow projections.

Unit III: Cost and Variance Measures

Comparison of actual to planned results - Use of flexible budgets to analyze performance - Management by exception - Use of standard cost systems - Analysis of variation from standard cost expectations.

Unit IV: Responsibility centers and reporting segments

Types of responsibility centers - Transfer pricing - Reporting of organizational segments

Unit V: Performance Measures:

Product profitability analysis - Business unit profitability analysis - Customer profitability analysis - Return on investment - Residual income - Investment base issues - Key performance indicators (KPIs) - Balanced scorecard

RECOMMENDED TEXT BOOKS:

1. Wiley CMAexcel Learning System, Part 1: Financial Planning, Performance & Analytics

REFERENCE BOOKS:

1. Strategic Management and Business Policy: Globalization, Innovation and Sustainability; Thomas Wheelen, J. David Hunger, Alan N. Hoffman, and Chuck Bamford; Pearson
2. Cost Management: A Strategic Emphasis; Edward Blocher, David Stout, Paul Juras, and Gary Cokins; McGraw Hill
3. Cost Accounting: A Managerial Emphasis; Charles Horngren, Srikant Datar, and Madhav Rajan; Pearson
4. Quantitative Methods for Business; David Anderson, Dennis Sweeney, Thomas Williams, Jeffrey Camm, and James Cochran; Cengage Learning