

Far Western University
Faculty of Management
Bachelor of Business Studies (BBS) Program

Course Details of BBS Third Semester
(Syllabus: **BBS 3rd Semester**)



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Far western University
Faculty of Management
Course Cycle of BBS Program
(From 2021 and onward)

Year: First	Semester I	Credits
MGT 111	Principles of Management	3
MGT 113	Business English I	3
MGT 115	Financial Accounting I	3
MGT 117	Business Economics I	3
MGT 119	Business Statistics I	3
Year: First	Semester II	
MGT 121	Business English II	3
MGT 123	Financial Accounting II	3
MGT 125	Business Economics II	3
MGT 127	Human Resource Management	3
MGT 129	Business Statistics II	3
Year: Second	Semester III	
MGT 231	Principles of Marketing	3
MGT 233	Sociology	3
MGT 235	Fundamentals of Financial Management I	3
MGT 237	Cost and Management Accounting I	3
MGT 239	Business Law	3
Year: Second	Semester IV	
MGT 241	Management Information System	3
MGT 243	Psychology	3
MGT 245	Fundamentals of Financial Management II	3
MGT 247	Cost and Management Accounting II	3
MGT 249	Entrepreneurship and Small Business	3
Year: Third	Semester V	
MGT 351	Organizational Behaviour	3
MGT 353	Quantitative Techniques	3
MGT 355	Production and Operations Management	3
MGT 357	Nepalese Studies and Civil Education	3
MGT 359	Banking and Insurance	3
Year: Third	Semester VI	
MGT 361	Business Ethics and Corporate Social Responsibility	3
MGT 363	Contemporary Issues in Business Environment	3
MGT 365	Principles and Practices of Income Tax	3
MGT 367	Business Research Method	3
	Elective I	3
Year: Fourth	Semester VII	
MGT 471	Tourism and Hospitality Management	3
MGT 473	Project Management	3
	Elective II	3
	Concentration I	3
	Concentration II	3
Year: Fourth	Semester VIII	
MGT 481	Management of Cooperatives and Micro Credit Organizations	3
MGT 483	Business Policy and Strategic Management	3
MGT 485	International Business	3
	Concentration III	3
MGT 489	Project Work	3

Far Western University
Faculty of Management
Syllabus

<i>Course Title:</i>	<i>Principles of Marketing</i>	<i>Course Code:</i>	<i>MGT 231</i>
<i>Year:</i>	<i>Second</i>	<i>Level:</i>	<i>Undergraduate</i>
<i>Semester:</i>	<i>III</i>	<i>Program:</i>	<i>BBS</i>
<i>Credits hours:</i>	<i>3</i>	<i>Lecture hours:</i>	<i>45</i>

Course Description

Marketing is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering and communicating superior customer value. Therefore, this course provides an overview of marketing processes and principles, and enables students to apply the key concepts and principles of marketing to practical business situations in dynamic environment.

Course Objective

The objective of this course is to enable students to understand the basic concepts, principles, techniques and practices of modern marketing and their application in business management.

Learning Outcomes

After completing the course, the students will be able to:

- Understand the basic concepts of marketing and analyse the environmental factors that influence marketing mix.
- Describe the marketing information system and its components.
- Discuss the market segmentation, targeting and positioning.
- Define consumer behavior and analyze the buying decision process with influencing factors.
- Understand marketing mix and its components.
- Explore the product concept, new product development, product life cycle, branding, packaging and labeling.
- Clarify the concept, objectives and methods of pricing.
- Understand the marketing channel and components of physical distribution.
- Explore the promotion mix and emerging trends in marketing.

Course Contents

Unit 1: Concept and Environment of Marketing LH 5

- 1.1. Meaning and significance of marketing in modern business
- 1.2. Marketing concepts (company orientation towards marketplace): Production, product, selling, modern marketing, societal, and holistic concept
- 1.3. Marketing environment: Concept, factors (micro and macro) of marketing environment and marketing environment in Nepalese context

Unit 2: Marketing Information System, Segmentation, Targeting and Positioning LH 6

- 2.1. Marketing Information System (MkIS): Concept, importance and components of MkIS
- 2.2. Market segmentation: Meaning and need of market segmentation, bases for consumer and industrial market segmentation
- 2.3. Market Targeting: Concept and selection of target market, concept and features of Niche marketing
- 2.4. Positioning: Concept and strategy of product positioning

Unit 3: Consumer Behaviour

LH 5

- 3.1. Consumer buying behaviour: Concept, importance, individual buying decision process, factors determining consumer buying behaviour
- 3.2. Organizational buying behaviour: meaning and features of organizational buying behaviour, organizational buying decision process, factors influencing organizational buying behaviour

Unit 4: Marketing Mix

LH 22

- 4.1. Meaning and components of marketing mix
- 4.2. Product: Meaning and type of products; service product: meaning and features; concept and process of new product development; meaning, stage and strategies of product life cycle (PLC); meaning of brand and branding (brand name, brand mark and trade mark), type of brands, features of good brand name; meaning and level of packaging; meaning and types of labeling
- 4.3. Pricing: Concept of price and pricing, objectives of pricing, methods of price determination
- 4.4. Distribution: Concept, importance and components of distribution, concept of distribution channel, channel structure for consumer goods and industrial goods, concept and components of physical distribution
- 4.5. Promotion: Concept and objectives of promotion, components of promotion mix, Advertising: meaning and features of advertising; Publicity: meaning and features; differentiation between advertising and publicity; Sales promotion: concept and major tools; Personal selling: meaning and process (of outdoor selling); Public relation: meaning and major tools

Unit 5: Emerging Trends in Marketing

LH 7

- 5.1. Direct marketing: Meaning and features
- 5.2. E-marketing: Meaning and features of e-marketing, concept of marketing 5.0
- 5.3. Quality marketing: Concept and requirements
- 5.4. Relationship marketing: concept and significant
- 5.5. Green marketing: Meaning and components
- 5.6. Ethical marketing: Concept and principles of ethical marketing
- 5.7. Rural marketing: Meaning of rural marketing, features of rural marketing in Nepal
- 5.8. Consumer awareness: Concept of consumer awareness and quality standards (NS and ISO)

Basic Text Books:

Baines, P., Fill, C., & Rosengran, S. (2017). *Marketing* (4th ed.). Oxford University Press.

Kotler, P., Armstrong, G., Agnihotri, P. Y., & ul Haque, E. (2013). *Principles of marketing: A south Asian perspective* (13th ed.). Pearson Prentice Hall.

Reference Books:

Agrawal, G. R. (2017). *Marketing management in Nepal*. M. K. Publishers.

Doyle, P. (2002). *Principles of marketing and strategy*. Pearson Education Ltd.

Jobber, D. (2007). *Principles and practice of marketing* (5th ed.). McGraw Hill.

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Syllabus

<i>Course Title:</i>	<i>Sociology</i>	<i>Course Code:</i>	<i>MGT 233</i>
<i>Year:</i>	<i>Second</i>	<i>Level:</i>	<i>Undergraduate</i>
<i>Semester:</i>	<i>III</i>	<i>Program:</i>	<i>BBS</i>
<i>Credits hours:</i>	<i>3</i>	<i>Lecture hours:</i>	<i>45</i>

Course Description

This course deals with the introduction to sociology, basic concepts in sociology, social institutions, social stratification and social inequality, social processes, social disorder, deviance and social control, theoretical perspectives in sociology, social change and its relevancy in the field of business management.

Course Objectives

This course aims to provide students with basic sociological concepts that will help students understand various ideas on society, culture, group, organizations etc. Students' enriched knowledge of different theoretical perspectives in sociology will help managing business and social organizations more efficiently.

Learning Outcomes

After studying this course, students will be able to:

- Explain the nature, scope and importance of sociology.
- Understand the concept of society, community, association, organization, group, norms, values and culture.
- Analyze macro and micro social institutions such as family, marriage, kinship, economy, polity, education and religion.
- Explain caste, class ethnicity and gender based social stratification and differentiation in the context of Nepal.
- Define various social processes and describe stage and agencies of socialization.
- Explain the agencies of social control and define social disorder, deviance and social control.
- Define major theoretical perspectives in sociology and their relevancy in management.
- Analyze the social change and describe the factors of social change.

Course Contents

Unit 1: Introduction

LH 6

- 1.1. Meaning, definition, nature, scope and importance of sociology
- 1.2. Relationship of sociology with other social sciences: history, political science, economics, psychology and anthropology
- 1.3. Development of sociology in Nepal.

Unit 2: Basic Concepts in Sociology

LH 10

- 2.1. Meaning, characteristics/elements of society, community, association, organization, group, norms values, culture, role and status
- 2.2. Social institution: meaning, definitions and basic features of family, marriage, kinship, economy, polity, education and religion
- 2.3. Implication of sociological concepts and issues in the field of business management

Unit 3: Social Stratification and Social Inequality

LH 5

- 3.1. Social stratification: definition and characteristics
- 3.2. Caste, class ethnicity and gender-based stratification inequality in Nepal.

Unit 4: Social Processes**LH 6**

- 4.1. Meaning, definition, and characteristics of cooperation, accommodation, acculturation, competition and conflict
- 4.2. Socialization: Meaning, stages and agencies of socialization
- 4.3. Social Mobility: Meaning, forms and influencing factors
- 4.4. Implications of social process in business management

Unit 5: Social Disorder, Deviance and Social Control**LH 6**

- 5.1. Social disorder and deviance: Meaning and definitions
- 5.2. Social control: Meaning, types and importance
- 5.3. Informal agencies of social control: Customs, folkways and others
- 5.4. Formal agencies of social control: Law and education.

Unit 6: Theoretical Perspective in Sociology and Social Change**LH 12**

- 6.1. Theoretical perspective in sociology: Functionalism, conflict theory and postmodernism
- 6.2. Sociological theories in management education
- 6.3. Social change: Meaning and definition of social and cultural change, factors of social and cultural change and connection of business activities to social and cultural change.

Basic Text Books:

Rao, C.N. (2012). *Sociology*. New Delhi: S. Chanda and Company Ltd.

Vidya, B., & Sachdeva, D.R. (2012). *An introduction to sociology*. New Delhi: Kitab Mahal Publishers.

References Books:

Bottomore, T. B. (1986). *Sociology: A guide to problems and literatures*. The Family and Kinship. New Delhi: Blackie and Sons Ltd.

Inkeles, A. (2001). *What is sociology? An introduction to the discipline and profession*. New Delhi: Prentice Hall of India pvt. Ltd.

Johnson, H. M. (2007). *Sociology: A systematic introduction*. Delhi: Surjeet Publication.

Pandey, T. R., Mishra S., Chemjong D., Pokharel, S., & Rawal N. (2006). *Forms and patterns of social discrimination in Nepal*. Kathamndu: UNESCO.

Ritzer, George. (1995). *Sociological Theory*. New York: McGraw Hill Inc.

Tim, C., Jiobu, R., & Schwirian, K. (2008). *Sociology: for the twenty-first century*. New Jersey: Pearson Prentice Hall.

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<i>Course Title:</i>	<i>Fundamentals of Financial Management I</i>	<i>Course code:</i>	<i>MGT 235</i>
<i>Year:</i>	<i>Second</i>	<i>Level:</i>	<i>Undergraduate</i>
<i>Semester:</i>	<i>III</i>	<i>Program:</i>	<i>BBS</i>
<i>Credit hours:</i>	<i>3</i>	<i>Lecture hours:</i>	<i>45</i>

Course Description

This course "Fundamentals of Financial Management" is deals with how financial resources are raised and used by a business organization. It helps student to learn effective management of financial resources in an organization and equips them with necessary skill to put them in practice. The course also establishes the base for specialized and advance course of finance. Financial management-I covers concept of financial management, financial statements analysis, fundamental of risk and return, time value of money, financial assets valuation, cost of capital and basics of capital budgeting decisions.

Course Objective

The objective of this course is to enable students to understand the basic concept, practices and approaches of financial management and their application in financial decision in the business organization.

Learning Outcomes

After completing the course, students will be able to:

- Understand the fundamental concept of financial management.
- Analysis and interpret different financial ratios.
- Apply the concept of time value of money in business decision.
- Measure risk and return of assets and diversify risk.
- Determine the intrinsic value of bond and stocks.
- Compute costs of different components of capital and apply these costs to determine WACC.
- Evaluate investment projects applying appropriate techniques of capital budgeting.

Course Contents

Unit 1: Introduction to Financial Management

LH 3

- 1.1 Concept and functions of financial management
- 1.2 Objectives of the firm: Profit maximization, value maximization and social welfare
- 1.3 Role of financial manager
- 1.4 Financial environment in Nepal: Financial market, financial institutions and financial securities
- 1.5 Business ethics and social responsibility

Unit 2: Financial Statements Analysis

LH 6

- 2.1 Financial statements and reports: balance sheet, income statement, statement of cash flows and statement of stockholders' equity
- 2.2 Financial statements analysis: concept, purpose and types
- 2.3 Analysis of financial ratios: liquidity ratios, asset management ratios, debt management ratios, profitability ratios, market value ratios; the DuPont equation of ratio analysis
- 2.4 Uses and limitations of financial ratios analysis

Unit 3: Fundamental of Risk and Return

LH 6

- 3.1 Risk and return of single investment: Concept and measurement of return (rate of return and average return/expected rate of return), concept and measurement of risk (variance and standard deviation) and comparison between risk and return (coefficient of variation)

- 3.2 Portfolio risk and return: Concept of portfolio, computation of portfolio return and risk and effect of coefficient of correlation on portfolio risk
- 3.3 Capital Assets Pricing Model (CAPM): Concept, estimation of required rate of return and the security market line.

Unit 4: Time Value of Money

LH 8

- 4.1 Concept of time value of money, significance of time value of money and cash flow time line
- 4.2 Present value and future value of a single cashflow, finding interest rates and time period
- 4.3 Annuities: Concept and types of annuities, present value and future value of ordinary annuity and annuity due, solving for annuity payments, time periods and interest rates
- 4.4 Future and present value of uneven cash flows
- 4.5 Perpetuities: Concept and present value
- 4.6 Effect of multiple compounding periods on present value, future value and effective annual rate (EAR)
- 4.7 Amortization of Loans

Unit 5: Financial Assets Valuation

LH 10

- 5.1 Financial assets: Concept and basic financial asset valuation model
- 5.2 Bond: Meaning and characteristics of bond; valuation of bond (perpetual bonds, zero coupon bonds, coupon bonds with finite maturity and bonds with semi-annual coupons)
- 5.3 Bond yields: Current yields, yield to maturity and yield to call; bond's required return and value of bond over time
- 5.4 Common stock: Meaning and key features of common stock; common stock valuation: valuation for single and multiple holding periods by using dividend discount model (zero growth model, normal growth model and non-constant growth model); investor's required rate of return
- 5.5 Preferred stock: Features and valuation

Unit 6: Cost of Capital

LH 4

- 6.1 Concepts of cost of capital
- 6.2 Component cost of capital: cost of debt, cost of preferred stock, cost of retained earnings, cost of new common stock
- 6.3 Weighted average cost of capital
- 6.4 Marginal cost of capital

Unit 7: Basics of Capital Budgeting Decisions

LH 8

- 7.1 Concept and significance of capital budgeting
- 7.2 Process of capital budgeting decision
- 7.3 Classification of investment projects
- 7.4 Project evaluation methods and selection criteria: Payback period, discounted payback period, accounting rate of return, net present value, internal rate of return, profitability index and modified internal rate of return (MIRR)

Basic Text Book:

Brigham, E.F., & Houston, J.F. (2012). *Fundamentals of financial management, Concise*. 7th ed. Mason, OH: Harcourt College Publisher.

Reference Books:

Brigham, E. F., & Ehrhardt, M. C. (2017). *Financial management: Theory and practice* (15 ed.). Australia; Boston, MA: Cengage Learning.

Damodaran, A. (2006). *Applied corporate finance* 2nd ed. New York, NY: John Wiley & Sons, Inc.

Gitman, L. J. (2004). *Principles of managerial finance*. Delhi: Pearson Education.

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Syllabus

<i>Course Title:</i>	<i>Business Law</i>	<i>Course code:</i>	<i>MGT 239</i>
<i>Year:</i>	<i>Second</i>	<i>Level:</i>	<i>Undergraduate</i>
<i>Semester:</i>	<i>III</i>	<i>Program:</i>	<i>BBS</i>
<i>Credit hours:</i>	<i>3</i>	<i>Lecture hours:</i>	<i>45</i>

Course Description

This course is designed to expose the students to the various aspects of business law. This course deals with the law of contract in detail with comprehensive emphasis on offer and acceptance, contractual capacity, consideration, consent, legality of objective and consideration, contingent contract, quasi contract, performance of contract, termination of contract and breach of contract. This course also deals with legal provisions related with contract of agency, contract of sale of goods, consumer protection, intellectual property legislations, law of negotiable instruments and law relating to business organizations in Nepal.

Course Objectives

The objective of this course is to help students to understand the basic rules of agreements and contracts along with the various legal provisions related to general contracts and specific contracts such law of agency, bailment, pledge, agency and sale of goods. This course also aims to make students able to understand various provisions related to negotiable instruments, intellectual property rights, consumer protection right and legal provision of registration and termination of business organizations in Nepal.

Learning Outcomes

After successful completion of this course, students will be able to:

- Understand the concept of law and the meaning, significance and sources of business law.
- Explain different types of agreements and contracts, different modes of discharge of contracts, breach of contracts and remedies for the aggrieved parties.
- Comprehend the rules regarding the contract of bailment, pledge and agency.
- Explain various rules related with the contract of sale, condition, warranty, rights of unpaid seller and remedies for breach of contract of sale.
- Understand the essential features and legal provision related to negotiable instruments and discharge of negotiable instruments.
- Demonstrate understanding of various provisions related to intellectual property and consumer protection right and legal provision regarding the registration of business organizations in Nepal.

Course Contents

Unit 1: Introduction to Business law LH 4

- 1.1 Law: Meaning, characteristics and types of law
- 1.2 Business law: Meaning, importance and sources of business law

Unit 2: Law of General Contract LH 18

- 2.1 Contract law: Meaning and types of contract law, essential elements of valid contract, the law relating to contract in Nepal.
- 2.2 Offer and Acceptance: Meaning and rules regarding offer and acceptance, revocation/ lapse of offer and acceptance
- 2.3 Contractual Capacity: Meaning of contractual capacity, legal effects of agreements made with

- an incompetent party (the minor, the person of unsound mind and disqualified persons)
- 2.4 Consideration: Meaning and rules regarding consideration, exceptions to the general rule - no consideration no contract
 - 2.4 Free Consent: Concept and importance of free consent, elements vitiating free consent: Coercion, undue influence, misrepresentation, fraud and mistake
 - 2.5 Contingent Contract: Meaning of contingent contract, rule regarding contingent contract, compare contingent contract and wagering agreement
 - 2.6 Quasi Contract: Concept of quasi contract, cases of quasi contract
 - 2.7 Performance of contract: Meaning of performance of contract, rules regarding performance of contract
 - 2.8 Termination of Contract: Meaning and definition of termination of contract, modes of termination of contract
 - 2.9 Breach of Contract: Meaning and types of breach of contract, remedies for breach of contract

Unit 3: Laws Related to Specific Contracts

LH 10

- 3.1 Agency: Meaning and general rules of agency, modes of creating agency, types of agents, rights and duties of agent, Termination of agency
- 3.2 Contract of sale of goods: Meaning and features of contract of sales of goods, conditions and warranties, principles of caveat emptor, transfer of ownership, rights and duties of unpaid seller against the goods and the buyer
- 3.3 Contract of carriage: Meaning of contract of carriage, right and duties of carrier
- 3.4 Bailment: Meaning and features of bailment, right and duties bailor and bailee, finder of lost goods
- 3.5 Pledge: Meaning and features of pledge, right and duties of pawnee and pawnor

Unit 4: Law of Negotiable Instruments, Intellectual Property and Consumer Protection

LH 6

- 4.1 Negotiable instruments: Meaning and feature of negotiable instruments, promissory note, bills of exchange and cheque, discharge of negotiable instrument
- 4.2 Intellectual property legislations: Meaning and forms of intellectual properties, major provisions of patent, trademark and copy right law in Nepal
- 4.3 Consumer Protection Act: Meaning and objectives of consumer protection, restrictive/unfair trade practices and rights of consumer as per consumer protection act

Unit 5: Laws Relating to Business Organizations in Nepal

LH 5

- 5.1 Sole proprietorship: Meaning, procedure of registration and effects of non-registrations of sole proprietorship, dissolution of sole proprietorship
- 5.2 Partnership: Meaning, procedure of registration and effects of non-registrations of Partnership, dissolution of partnership
- 5.3 Joint stock company: Meaning and types of company, procedure of registration of company and winding up companies: meaning, compulsory and voluntary winding up, liquidation of a company, power and role of the liquidator

Unit 6: Cyber Law

LH 2

- 6.1 Concept and objectives of cyber law
- 6.2 Provisions pertaining to piracy, offences and penalties

Basic Text Books:

Kuchhal, M. C. (2009). *Mercantile law*. New Delhi: Vikas Publishing House Pvt Limited.
Maheshwari S. N. & Maheshwari S. K. (2017). *Principles of business law*. Mumbai: Himalaya Publishing House Pvt. Ltd.

Tulsian, P.C., (2014). *Business Law*. Tata McGraw Hill, New Delhi.

Reference Books:

Beatty, J. F., & Samuelson, S. S. (2010). *Business law and the legal environment*. Mason, Ohio: South-Western Cengage Learning.

Daniel, A. (2013). *Legal aspects of business: Texts, jurisprudence and cases*. Oxford University Press.

Salmond, J., & Fitzgerald, P. J. (1966). *Salmond on jurisprudence*. London: Sweet & Maxwell.

Agency Act, 2014

Nepal Contract Act, 2056

Negotiable Instruments Act, 2034

The Consumer Protection Act, 2075

The Electronic Transaction Act, 2063

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Faculty of Management
Syllabus

<i>Course Title:</i>	<i>Cost and Management Accounting –I</i>	<i>Course code:</i>	<i>MGT 237</i>
<i>Year:</i>	<i>Second</i>	<i>Level:</i>	<i>Undergraduate</i>
<i>Semester:</i>	<i>III</i>	<i>Program:</i>	<i>BBS</i>
<i>Credit hours:</i>	<i>3</i>	<i>Lecture hours:</i>	<i>45</i>

Course Introduction

The course aims to provide the students with an understanding of concept, tools and techniques of cost and management accounting together with applying the management accounting tools and techniques for planning, controlling and decision making, and developing the student’s capacity to analyze the financial and cost report for the managerial decision perspective.

Course objective

The purpose of *Cost and Management Accounting* is to introduce the principles and basis of cost and management accounting from a practical aspect. The course is intended to form the basis as well as to be an integral part of subsequent studies in the subject.

Learning Outcomes

After studying this course, the students will be able to:

- Understand the basic knowledge of cost and management accounting and their relation with financial accounting.
- Know the concept of inventory management and determination of stock levels.
- Know the various methods of labour cost and the functions required for efficient labour administration.
- Determine, apply and analyze overhead allocation.
- Know the concept of absorption and variable costing and able to calculate profit.
- Apply cost volume profit analysis in decision making process.
- Draw up contract accounts.

Course Contents

Unit 1: Conceptual Foundation

LH 6

- 1.1 Cost accounting: Concept, objectives, functions, scope and limitations
- 1.2 Management accounting: Concept, objectives, functions, scope and limitations
- 1.3 Relationship between financial, cost and management accounting
- 1.4 Cost and cost classification: On the basis of function, elements of cost, cost center, cost behavior and managerial decision making
- 1.5 Cost segregation and cost estimation: Two-point method and least square method.

Unit 2: Accounting for Inventory Management

LH 5

- 2.1 Inventory management: Concept and objectives of holding inventory
- 2.2 Inventory levels: Reorder Level, Maximum Level, Minimum, and Average Stock Level
- 2.3 Economic order quantity: Concept of EOQ, computation of EOQ: formula, graphic and trial & error approaches-considering discount under certainty condition
- 2.4 Inventory control system: JIT, ABC analysis, perpetual inventory system

Unit 3: Accounting for Labour

LH 6

- 3.1 Labour cost: Concept of labour cost and objectives of labour cost control
- 3.2 Wages payment system: Essential features, types of wages payment systems: Time Rate, Piece Rate and Incentive Wages Systems: Halsey Premium Plan, Rowan Plan, Taylor's Differential Piece Rate System, Gantt's Tasks Bonus Scheme and group bonus scheme (Priestman's and Scanlon's Plan)
- 3.3 Labour Turnover: Concept, causes and effects, cost of labour turnover: preventive and replacement cost and calculation of labour turnover ratios

Unit 4: Accounting for Overheads

LH 9

- 4.1 Overhead: Concept, classification
- 4.2 Distribution of overhead: Primary distribution and secondary distribution (direct, step down and reciprocal method)
- 4.3 Absorption of overhead: Production unit method, percentage method and hour rate method
- 4.4 Activity Based Costing: Concept, importance and features of ABC; ABC vs traditional costing and process of absorption of overhead cost

Unit 5: Income Recognition Measurement and Reporting

LH 6

- 5.1 Absorption costing: Concept, importance, limitation and preparation of income statement
- 5.2 Variable costing: Concept, importance, limitation and preparation of income statement
- 5.3 Reconciliation of profit or loss between absorption and variable costing showing causes of differences.

Unit 6: Cost- Volume – Profit Analysis

LH 5

- 6.1 Concept, essentials, assumptions, and limitations of CVP analysis
- 6.2 Contribution margin ratio and cost volume ratio
- 6.3 Break even analysis: Concept, advantages and limitations of BEP; Computation of BEP: graphical and formula method; Break even analysis under various situations: change in selling price, variable cost, fixed cost, step fixed cost and multi-products
- 6.4 Margin of safety and determination of selling price to realize the target profit.

Unit 7: Contract Costing

LH 8

- 7.1 Concept and features contract costing
- 7.2 Contract costing procedures: Preparation of contract account in the case of incomplete, near to completion and fully completed contract including work in progress account, contractee's account and balance sheet
- 7.3 Cost plus contract, escalation and de-escalation clauses.

Basic Text Books:

Arora, M.N. (2021). *Cost and management accounting* (11th ed.). Noida: Vikash Publishing House.
Garrison, R.H., Noreen E.W., & Brewer P. C. (2021). *Managerial accounting* (17th ed.). McGraw-Hill Inc.
Lal, J., & Srivastav, S. (2019). *Cost accounting* (6th ed.). New Delhi: Tata McGraw Hill Co.

Reference Books:

Narang, K.L., & Jain, S.P. (2007). *Cost accounting theory and practice*. New Delhi: Kalyani Publishers.
Reddy T.S., & Reddy, H.P. (2013). *Cost accounting and management accounting*. Chennai: Marham Publications.
Jain S.P., & Narang K.L. (2004). *Cost accounting*. New Delhi: Kalyani Publishers.

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