



GUJARAT TECHNOLOGICAL UNIVERSITY

Master of Engineering

Subject Code: 3730008

Semester III

Cost Management of Engineering Projects

Type of Course:

Prerequisite:

Rationale:

Teaching and Examination Scheme:

Teaching Scheme			Credits C	Examination Marks				Total Marks
L	T	P		Theory Marks		Practical Marks		
				ESE (E)	PA (M)	ESE Viva (V)	PA (I)	
3	0	0	3	70	30	0	0	100

Sr. No.	Topics	Teaching Hours
1	Introduction and Overview of the Strategic Cost Management Process	
2	Cost concepts in decision-making; Relevant cost, Differential cost, Incremental cost and Opportunity cost. Objectives of a Costing System; Inventory valuation; Creation of a Database for operational control; Provision of data for Decision-Making	
3	Project: meaning, Different types, why to manage, cost overruns centres, various stages of project execution: conception to commissioning. Project execution as conglomeration of technical and nontechnical activities. Detailed Engineering activities. Pre project execution main clearances and documents Project team: Role of each member. Importance Project site: Data required with significance. Project contracts. Types and contents. Project execution Project cost control. Bar charts and Network diagram. Project commissioning: mechanical and process	
4	Cost Behavior and Profit Planning Marginal Costing; Distinction between Marginal Costing and Absorption Costing; Break-even Analysis, Cost-Volume-Profit Analysis. Various decision-making problems. Standard Costing and Variance Analysis. Pricing strategies: Pareto Analysis. Target costing, Life Cycle Costing. Costing of service sector. Just-in-time approach, Material Requirement Planning, Enterprise Resource Planning, Total Quality Management and Theory of constraints. Activity-Based Cost Management, Bench Marking; Balanced Score Card and Value-Chain Analysis. Budgetary Control; Flexible Budgets; Performance budgets; Zero-based budgets. Measurement of Divisional profitability pricing decisions including transfer pricing	
5	Quantitative techniques for cost management, Linear Programming, PERT/CPM, Transportation problems, Assignment problems, Simulation, Learning Curve Theory.	

References:

1. Cost Accounting A Managerial Emphasis, Prentice Hall of India, New Delhi
2. Charles T. Horngren and George Foster, Advanced Management Accounting
3. Robert S Kaplan Anthony A. Alkinson, Management & Cost Accounting
4. Ashish K. Bhattacharya, Principles & Practices of Cost Accounting A. H. Wheeler publisher
5. N.D. Vohra, Quantitative Techniques in Management, Tata McGraw Hill Book Co. Ltd

Course Outcomes:

After learning the course the students should be able to :



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Sr. No.	CO statement	Marks % weightage
CO-1		
CO-2		
CO-3		
CO-4		