

Gujarat University Syllabus

(Effective from June 2000)

M.Com. – II

STRATEGIC MANAGEMENT

Group – A (Compulsory)

(A) Overview of Strategic Management

- (1) **The Natural and value of Strategic Management:** Dimensions of strategic Decisions: Three levels of strategy. Characteristics of Strategic Management Decisions. Formality in Strategic Management: The Strategy Makers. The Interactive Flow of the Strategic Process. Value of Strategic Management: Financial benefits. Benefits of Strategic Management. Risks of Strategic Management. (The Cohesion Case: Holiday Inns, Inc. Cohesion case Illustration: Strategic Management and Holiday Inns, Inc. 48).
- (2) **The Strategic Management Process:** Components of the Strategic Management Model: Company Mission. Company Profile. External Environment. Strategic Analysis and choice. Long Term Objectives. Grand Strategy. Control and Evaluation. Strategic Management as process. Practical Limitations of the Model: Holistic, Analytic Versus Prescriptive. Nonpolitical. Evolutionary.

(B) Strategic Formulation

- (3) **Defining the Company Mission:** What is a Company Mission? The Need for an Explicit Mission. Formulating a Mission: basic product or Service; Primary Market; Principal Technology. Company Goals: Survival, Growth, Profitability. Company Philosophy. Public Image. Company self-concept. The Claimant Approach to Company Responsibility, Social Responsibility: Guidelines for a Socially Responsible Firm.
- (4) **Assessing the External Environment:** Remote Environment: Economic Considerations. Social Considerations. Political Considerations. Technological Considerations. Operating Environment Competitive Position. Customer Profiles. Suppliers and Creditors: Sources of Resources. Personnel: Nature of the Labour Market. Emphasis on Environmental Factors. Designing Opportunistic Strategies : Issue Selection. Data Selection. Impact Studies. Flexibility.
- (5) **Industry Analysis:** How Competitive Forces Shape Strategy. Contending forces: Threat of Entry, Powerful Suppliers and Buyers. Substitute products. Jockeying for Position. Formulation of Strategy: Positioning the Company. Influencing the Balance. Exploiting Industry Change. Multifaceted Rivalry.
- (6) **Evaluating the Multinational Environment:** Strategic Considerations for Multinational Firms: Development of a MNC. Why Companies Internationalize. Consideration prior to nationalization. Complexity of the Multinational Environment: Control problems for the Multinational Firm. Multinational Strategic Planning: Multidomestic Industries and Global Industries. The Multinational Challenge. Multinationalization of the Corporate Mission: The MNC Mission Statement. Components of Corporate Mission Revisited. Appendix: Components of the Multinational Environment.
- (7) **Environmental Forecasting:** Importance of Forecasting Select Critical Environmental Variables. Select Sources of Significant Environmental Information. Evaluate Forecasting Techniques. Integrate Forecast Results into the Strategic Management Process. Monitor the Critical Aspects of Managing Forecasts. Appendix: Sources for Remote Environmental and Operating Forecasts.
- (8) **The Company Profile:** Internal Analysis of the Firm: The Value of Systematic Internal Assessment. Developing the Company Profile: Identification of Strategic Internal Factors. Evaluation of Strategic Internal Factors. Quantitative Versus Qualitative Approaches in Evaluating Internal Factors. Viewing Internal Analysis as a Process. Appendix: Using Financial Analysis.
- (9) **Formulating Long-Term Objectives and Grand Strategies:** Long-Term Objectives: Qualities of Long-Term Objectives. Grand Strategies: Concentration. Market Development. Product Development Innovation. Horizontal Integration. Vertical Integration. Joint Venture Concentric Diversification. Retrenchment/ Turnaround. Divestiture. Liquidation. Selection of Long-Term Objectives and grand strategy sets. Sequence of Objectives and Strategy Selection.
- (10) **Strategic Analysis and Choice:** Strategic Analysis at the Corporate Level: The BCG Growth share Matrix. The GE Nine-Cell planning Grid Grand Strategy Selection at the Business Level: SWOT Analysis. Grand Strategy Selection Matrix. Model of Grand Strategy Clusters. Behavioral Considerations Affecting Strategic Choice: Role of Past Strategy. Degree of the Firm's External Dependence. Attitudes toward Risk. Internal Political Considerations. Timing Considerations. Competitive Reaction. Contingency Approach to strategic choice.

(C) Strategy Implementation

- (11) **Operationalizing the Strategy:** Annual Objectives, Functional Strategies and Business Policies: Annual Objectives: Qualities of Effective Annual Objectives. Consistency in Annual Objectives. Benefits of Annual Objectives. Developing Functional Strategies: Differences between Business and Functional Strategies. Functional Strategies in the Marketing Area. Functional Strategies in Finance/ Accounting. Functional Strategies in Research and Development. Functional Strategies in Production Operations. Functional Strategies in Personnel. Developing and communicating concise Policies: The Purpose of Policies.
- (12) **Institutionalizing the Strategy:** Structure, Leadership and Culture: Structural Considerations: Simple and Functional Organizational Structure. Divisional Organizational Structure. Strategic Business Units. Matrix Organization. The Role of Structure: Linking Structure to Strategy. Organizational Leadership: Role of the CEO. Assignment of Key Managers. Organizational Life. The Strategy-culture Connection. Factors that Shape Culture. Managing the Strategy-Culture Relationship.
- (13) **Strategic Control:** Guiding and Evaluating the Strategy: Establishing Strategic Controls: Premise Control. Implementation Control. Strategic Surveillance. Special Alert Control. Operational Control Systems: Budgeting Systems. Scheduling. Key Success Factors. Using Operational Control Systems: Monitoring Performance and Evaluating Deviations. Reward Systems: Motivating Execution and Control.
- **Guide to Strategic Management Case Analysis**
The Case Method. Preparing for case Discussion: Suggestions for Effective Preparation. Participating in class: The Student as Active Learner. Your Professor as Discussion Leader. Assignments: Written Assignments. Oral Presentations. Working as a team Member.

REFERENCE BOOKS

- | | |
|---|--|
| 1. Strategic Management | : John A. Pearce, Richard B. Robinsons |
| 2. Business Policy and Strategic Management | : William F. Gloeck |
| 3. Management Policy | : Malvin Standford |



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M.Com. – II

Marketing Management

Group – A (Compulsory)

SECTION - I

(1) The Marketing Management Process and Marketing Planning:

- The Marketing Management Process
- The Nature and contents of Marketing Plan
- The theory of effective Marketing Resource allocation

(2) Analyzing Competitions:

- Identifying the Company's competitors
- Identifying the Competitors' strategies
- Determining the Competitors' objectives
- Assessing the Competitors' strengths and weaknesses
- Estimating the Competitors' reaction patterns
- Designing the Competitive Intelligence System
- Selecting competitors to attack and avoid
- Balancing customer and competitor orientations

(3) Developing, Testing & Launching New Products & Services:

- The New-Product-development dilemma
- Effective organizational arrangements
- Idea generation
- Idea screening
- Concept Development and Testing
- Marketing-Strategy Development
- Business Analysis
- Product Development
- Market Testing
- Commercialisation
- The Consumer Adoption Processes

(4) Marketing Research:

- Role of Marketing Research in Marketing Management
- Sequence of Steps in Marketing Research
- Ethical Issues in Marketing Research
- Problem Formulation
- Translating Decision Problem into Research Problem
- The Research Proposal.
- Research Design as a Plan of Action
- Types of Research Design
- Exploratory Research
- Descriptive Research Designs
- Casual Research Designs
- Scales of Measurement
- Scaling of Psychological Attributes
- Introduction to Psychological Measurement
- Variations in Measured Scores
- Classification and Assessment of Error
- Developing Measures
- Required Steps in Sampling
- Types of Sampling Plans
- Nonprobability Samples
- Stratified Sample
- Stratified v/s Quota Sample
- Cluster Sample
- Research Report Criteria
- Writing Criteria
- Forms of Report
- Preparing the Oral Report
- Delivering the Oral Report
- Graphic Presentation of the Results

SECTION - II

1. (a) **International Marketing:**

International Marketing, Causes of growth and benefits
International Market price-participants-private sectors MNCD, Multinational banks and insurers, MNCS
Nation State and labour resources
International trading Companies.
State owned enterprises
Export management companies
Implications for International Marketing Management.

(b) **Cultural Environment:**

Culture, international environment
Cultural attitudes and international marketing
Cultural facets and selected business practices
Bribery

(c) **Product Policy:**

Product positioning
Product standardisation Vs. adoption.
Brand, trademarks, warranties, service, packing, labelling.
International Marketing of service products
International Marketing of technology

(d) **Promotion Policy:**

Promotion and Product positioning
Advertising world-wide, advertising in selected segments
International advertising
Standardisation Vs. Adoption.
Developing international advertising strategy
Management of the advertising function
International advertising research
Other forms of promoting
Point-of-purchase promotion
International sales forces and their management.

2. (a) **Industrial Marketing:**

Definition of Industrial Marketing
Industrial Marketing Manager
Industrial customers (organisational buyers–commercial Enterprises, Governments, Institutions).
Classification of Industrial products and services
Distinctive characteristics of Industrial Marketing
Basic differences between Industrial and Consumer marketing
Demand related to market characteristics
Demand related to product characteristics
Derived demand characteristics
Joint demand characteristics
Demand Estimation Methods.

(b) **Industrial Buying:**

Stages in Industrial Buying Process
Buying Situations
Buying Motivations
Evaluating potential suppliers.

(c) **Buying Behaviour:**

Environmental, organisation, group and individual forces
Multiple Buying Influences
Buying Centre
Decision Criteria in International Marketing

(d) **Segmentation:**

Requirements and benefits of segmentations
Bases for segmentation
Micro and Macro bases
Approaches used to Segment Industrial Markets
Segmentation Decision Process

3. Service Marketing:

Definition of service
Characteristics of service
Differences between goods and services
Services as a Process
Service as a System
Core and Supplementary services
Positioning a service in the market place
Uses of positioning
Steps in developing a positioning strategy
Understanding consumer choice behaviour
Managing demand
Strategies for managing demand
Strategic Management of consumer service
Creating and delivering service

REFERENCE BOOKS

- | | | |
|-----------------------------|---|-----------------------------|
| 1. Marketing Management | : | Kotler |
| 2. Principles of Marketing | : | Randell |
| 3. Fundamental of Marketing | : | Stanton |
| 4. Basic Marketing Research | : | Churchill |
| 5. Marketing Research | : | Boyd Jr. Westfall & Stosch |
| 6. International Marketing | : | Onkvisit-Shaw |
| 7. International Marketing | : | I.M. Kirpalani |
| 8. Service Marketing | : | Ed. by Christopher Lovelock |
| 9. Marketing of service | : | Ed. by Bidhichand |
| 10. Industrial Marketing | : | Hutt and Speh |
| 11. Industrial Marketing | : | R.W.Hess |

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M.Com. – II

Cost Accounting – III
(Management Accountancy - I)

Group – B (Optional)

SECTION – I

(1) Cost Estimation:

- (i) Account classification method (or engineering method)
- (ii) High - low method
- (iii) Scatter graph
- (iv) Linear Regression Analysis (least square method); correlation and correlation coefficient, co-efficient of determination - standard error of fixed and variable costs the conditions suited to the use of Linear Regression Analysis-Multiple Regression Analysis (in theory only)

(2) Linear Programming and the Cost Account:

Linear programming defined - Effect of constraints, Graphic method, objective function lines, minimizing cost. The Simplex Method (simple problems)

(3) Variance Analysis:

- (i) Accounting of Variances
- (ii) Reconciliation of standard profit with actual profit
- (iii) An opportunity cost approach to variances
- (iv) Interpretation and investigation of variances.

SECTION - II

(4) The use of costs in Pricing Decisions:

Influence of various parties-Determinates of pricing-Relationship among demand, supply and cost, Return on assets employed, Gross margin pricing.

Cost-plus pricing Methods:

- (i) Variable cost pricing
- (ii) Differential cost pricing
- (iii) Full cost pricing
- (iv) Conversion cost pricing
- (v) Direct cost pricing-Evaluation of all cost based pricing methods-social responsibility and pricing. Principal Budget Factor and pricing -New product pricing. Established product pricing-Special order and pricing.

Cost-Analysis for decision making:

(a) Cost-volume-profit analysis (CVP Analysis): – Breakeven Analysis – contribution margin – variable cost ration. Marginal income – Margin of safety – cash – flow – breakeven point – Break – even – chart – Assumptions and limitations of breakeven analysis – sales – mix effect on breakeven – Desired income level Sensitivity Analysis – Effect of volume change – Price and volume alternative, C/V charts.

(b) Accounting for decision making:

Decision accounting – Relevant cost – Differential Cost – Opportunity Cost – Sunk Cost – Budget Factor and Limiting Factor decision – Opportunity Costs with limiting factors – Make or Buy decisions; Accepting or rejecting order – Shutdown decisions- Equipment replacement decisions.

(5) Responsibility Accounting:

Performance Measurement Techniques:

- (i) Techniques for goal setting
- (ii) Profit as an objective
- (iii) Profit Maximisation Model.
- (iv) Profit related objectives.
- (v) Techniques for measuring Performance:
 - (a) Contribution Margin
 - (b) ROCE or ROI
 - (c) Value Added
 - (d) Transfer Pricing
 - (e) Competitive Bench-marking
 - (f) Ratio Analysis for Total Performance Measurement
 - (g) Techniques for Measuring growth
 - (h) Factors affecting growth and success.
 - (i) Accounting analysis for identifying sickness.

(6) Strategic Management Accounting (SMA)

- (a) Introduction
- (b) Definitions
- (c) Information to be provided by SMA
- (d) Factors affecting strategic decision making
- (e) Competitive Advantage and Strategic Cost analysis
- (f) Strategic Cost Analysis
- (g) SMA and Competitive Position Analysis
- (h) Sales and market share
- (i) Profit and market share
- (j) Volume and unit cost
- (k) Unit prices
- (l) Cash flow, liquidity and resource availability.
- (m) Analysis of the future.



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M.Com. – II

Cost Accounting – IV
(Management Accountancy - II)

Group – B (Optional)

SECTION – I

- (1) **Management Accountancy & Human Behaviour:**
Importance of Behaviour Concept
Accounting System
Budget and Human Behaviour
Accounting Information and Evaluation.
- (2) **Analysis of Financial Statements**
Interpretation and analysis of financial position from given ratio and other details.
Preparation and interpretation of Fund Flow and Cash Flow Statements (including Projected Statements)
- (3) **Budgetary Control:**
Concept, objectives and significance
Preparation of different types of budgets (advanced level)
Flexible Budgets
Zero Base Budgeting- concept, process and technique.

SECTION - II

- (4) **Capital Budgeting and Return on Investment:**
 - (j) **Capital Budgeting:**
Significance - screening of capital expenditure proposal - selection of a Project - Methods of Evaluation of Capital Expenditure Proposals - Pay Back Period, Average Rate of Return - Discounted Cash Flow - Calculation of Discounting Factor - Net Present Value Method - Internal Rate of Return Method - Pay Back Reciprocal and IRR - Terminal value Method - Ranking of proposals - Cost of Capital - Computation of cost of capital - Capital Rationing - Control of capital Expenditure.
 - (ii) **Return on Investment:**
Uses of ROI - Problems in computation of ROI - Valuation of Fixed Assets - Replacement Cost Measurement Techniques – Improvement - of ROI and Limitations of ROI.
- (5) **Working Capital Management:**
Types of working capital - Need of Working Capital - Determination of Working Capital - Excess of inadequate Working Capital - Sources of Working Capital and problems on computation of Working Capital.

REFERENCE BOOKS

1. Advanced Management Accounting : Ravi M. Kishore
2. Cost Accounting : Jawaharlal
3. Cost Accounting – A – Managerial Emphasis : Charles Horngren
4. Cost Accounting Theory and Practice : Basu and Das
5. Accounting for Management Tax & Cases : S. K. Bhattacharya and John Dreaden
6. Management Accounting : N.K. Kulshreshtha
Concepts and Cases
7. Theory and Problems of Management : M. Y. Khan and P.K. Jain
and Cost Accounting
8. Advanced Accountancy : S.N.Maheshwari
9. Management Accounting and : S.N.Maheshwari
Financial Management
10. Cost and Management Accounting : V.K.Saxena and C.D.Vashist
Methods Technique and Applications
11. Cost Accountancy : Deakin and Maher
12. Management Accounting : I. M. Pandey

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