Final Course
(Revised Scheme of Education and Training)
Study Material
(Modules 1 to 3)

PAPER 5
Strategic Cost Management and Performance Evaluation
[Performance Evaluation and Control]
Module – 2

BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
Before we Begin....

Strategic issues are increasingly becoming important, cost management has changed from a traditional role of product costing and operational control to a border, where cost leadership and performance management is vital. In this scenario managing costs strategically and monitoring and controlling performance is crucial for the long-term sustainability of organisations. This study material combines the strategic cost management techniques, with the performance based management framework in one integrated system.

Under the Revised Scheme of Education and Training, at the Final Level, you are expected to not only to apply various strategic cost management tools and techniques but also to analyze and evaluate the issues. The process of learning helps you inculcate the requisite professional skills, necessary for achieving the desired professional competence.

This Study Material is divided into three modules for ease of handling by the students. Module 1 contains Chapters 1-7, Module 2 contains Chapters 8-12 and Module 3 contains Chater-13. The content for each chapter at the Final level has been structured in the following manner–

(i) **Learning Outcomes** – Learning outcomes which you need to demonstrate after learning each topic have been detailed in the first page of each chapter. Demonstration of these learning outcomes would help you to achieve the desired level of technical competence.

(ii) **Chapter Overview** – As the name suggests, this chart/table would give a broad framework of the contents covered in the chapter.

(iii) **Content** – Study Material lays greater emphasis on analysis and interpretation of information from the perspective of decision usefulness.

(iv) **Illustrations and Case Scenarios** have been included in the Study Material systematically, after discussion on each topic, so that application of the concept can be understood very clearly. This would also enable you to learn and sharpen your application skills and test your understanding. Case Scenarios are woven into the text to go beyond the numbers and think critically.

(v) **Case Studies** based on real-world situations are designed to assess a wider range of skills and integrated learning across the syllabus.
(vi) **Let us Recapitulate** – A summary of the chapter is given at the end to help you revise what you have learnt. It would especially help you to revise the chapter(s) quickly the day before the examination.

Every effort has been made to make the Study Material error free, however if inadvertently any error is present and found by readers they may send it to us immediately, so that it can be rectified at our end.

In case you need any further clarification/guidance, you may send your queries at deepak.gupta@icai.in


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## PART–B

**PERFORMANCE EVALUATION AND CONTROL**

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