

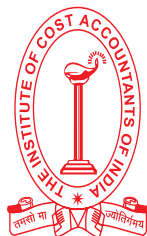


*Brochure*

# Diploma in Advanced Management Accounting

An initiative by

Management Accounting Committee, ICAI



## ICMAI

### THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

[www.icmai.in](http://www.icmai.in)

Behind every successful business decision, there is always a **CMA**

**T**he Institute of Cost Accountants of India (ICMAI) stands as the paramount national institution, nurturing the nation's proficiency in cost and management accounting for well over six decades. Its unwavering commitment has been instrumental in facilitating stakeholders to streamline costs and optimize resources, thus safeguarding national prosperity and fostering development.

Throughout its history, the CMA qualification has evolved in tandem with industry and governmental demands amidst a shifting landscape, consistently demonstrating exemplary contributions. Recognizing the rapid transformations within the geopolitical and economic sphere, the institution is poised to equip CMAs to confront emerging challenges.

In pursuit of this objective, the institution proposes upgradation of the Diploma in Advanced Management Accounting tailored for its members and experienced professionals. This diploma aims to equip them with the requisite skills and competencies to fulfill their professional responsibilities adeptly.

The Diploma in Advanced Management Accounting, henceforth referred to as 'the diploma', is meticulously crafted to encompass a contemporary array of skill sets, aligning CMAs with the demands of the dynamic market. By integrating cutting-edge cost and management accounting principles with 21st-century competencies, the diploma aims to empower CMAs to play a pivotal role in nurturing sustainable organizations.

### Course Title:

**Diploma in Advanced Management Accounting**

### Course Duration:

12 months

### Pre-qualification:

- Associate or Fellow membership of the ICMAI with a minimum of 5 years' experience in practice or in service (the training done

as a part of compulsory requirement for the CMA qualification would not be considered)

- Associate or Fellow members of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India with a minimum of 8 years of experience in practice or in service (the training done as a part of compulsory requirement for the CA and CS qualification would not be considered)
- Any person holding Engineering Degree having minimum experience of 10 years post qualification working in industry.
- Any person holding Master's Degree from a recognized University having minimum experience of 12 years post qualification of Master's Degree.

### Course Overview:

This advanced management accounting course is designed to empower qualified Cost and Management Accountants (CMAs) and other professionals with the latest knowledge and tools required to excel in the field of management accounting. It covers a wide range of topics, from strategic cost management to performance measurement, aimed at providing participants with a comprehensive skill set.

### Course Modules:

1. **Enterprise Strategy:** Navigating Business Success
2. **Strategic performance management:** Driving Organizational Performance
3. **Technology in management accounting:** Leveraging Strategic Advantage
4. **Governance, risks and sustainability in management accounting:** Ensuring Ethical and Responsible Practices

This course is structured to provide a comprehensive content that allows the students to strengthen their expertise in management accounting, stay competitive in their careers, and make valuable contributions to their organizations.

## Module One:

# Enterprise Strategy: Navigating Business Success

### Module Overview:

Enterprise Strategy is a dynamic discipline that integrates management accounting principles with strategic decision-making processes. This course aims to equip participants with the knowledge, skills, and tools necessary to leverage Strategic Management techniques effectively in driving organizational performance and achieving strategic objectives. Through a combination of theoretical insights, practical applications, and case studies, participants will gain a comprehensive understanding of Enterprise Strategy and its role in shaping competitive advantage and sustainable growth.

### Module Objectives:

- Understand the dynamic business environments within which an enterprise operates to achieve its objectives and create value for its stakeholders
- Explore the relationship between management accounting and strategic decision-making processes.
- Learn various techniques and tools for analysing, planning, and controlling organizational resources.
- Develop critical thinking and problem-solving skills to address complex business challenges through different strategic approaches.

### Course Details:

**Unit 1:** Role of Enterprise Strategy: Understanding the environmental landscape within which an enterprise operates - The strategic position analysis (using PESTEL and SWOT models) – Strategic competitive analysis (Porters' Five forces) – the strategic choices (Porter's generic strategies, Ansoff matrix, BCG matrix, M & A, Alliances) – the strategies in action (suitability, Acceptability and feasibility evaluation (SAF analysis), organisational structure and culture,

leadership and strategic change

**Unit 2:** Relationship between management accounting and Enterprise Strategy: The information requirements (for various levels of the organisation, quantitative and qualitative information, feedback & feed-forward information, use of ERP and other such systems to create strategic information)

**Unit 3:** Handling stakeholder expectations: identifying stakeholders of an enterprise – stakeholder mapping using Mendelow's matrix (stakeholders' interest in the enterprise and their power to influence the strategies)–communicating with stakeholder groups – stakeholder value expectations and their fulfilment

**Unit 4:** Business Model and value creation : The process of value creation (application of Porter's value chain model for different industries) – building business models using the parameters such as inputs-processes-outputs-outcomes – value configuration and value capturing

**Unit 5:** Enterprise Strategy: Challenges and resolution: tackling human barriers & resistance to change, lack of management support, lack of awareness of SMA techniques, failure to prioritize the issues –need for involvement of cross-functional teams

### References:

- Horngren, C. T., Datar, S. M., & Rajan, M. V. (2018). *Cost Accounting: A Managerial Emphasis*. Pearson.
- Kaplan, R. S., & Anderson, S. R. (2007). *Time-Driven Activity-Based Costing: A Simpler and More Powerful Path to Higher Profits*. Harvard Business Press.
- Shank, J. K., & Govindarajan, V. (1993). *Strategic cost management: The new tool for competitive advantage*. Free Press.
- *Exploring strategies (Text & Cases)*, Richard Whittington, Gerry Johnson, Kevan Scholes, by Pearsons
- *Business Model Concepts: by CGMA – a white paper*

## Module Two:

### Strategic Performance Management: Driving Organizational Performance

#### Module Overview:

Strategic performance management (SPM) is a critical process that aligns organizational goals with performance metrics and initiatives to drive continuous improvement and achieve strategic objectives. This module explores the principles, frameworks, and tools of SPM, empowering participants to design and implement effective performance management systems that foster accountability, innovation, and organizational excellence.

#### Module Objectives:

- Understand the concept and significance of strategic performance management in organizational success.
- Learn how to align organizational goals with performance metrics and key performance indicators (KPIs), both financial and non-financial
- Explore various frameworks and models of strategic performance management.
- Develop skills in performance measurement, analysis, and interpretation.
- Gain insights into strategic performance management implementation and best practices (reference to Global Management Accounting Principles)

**Unit 1:** Strategic performance management: the performance hierarchy – vision, mission, corporate objectives, Critical Success Factors (CSF), Key Performance Indicators (KPIs), application to private & public sector organizations.

**Unit 2:** Performance measurement: financial statement analysis, benchmarking, divisional performance measurement, models of performance measurement (balanced scorecard, performance pyramid model, building block model, the Baldrige excellence framework)

**Unit 3:** Performance reporting system: Role of strategic management accountant in the preparation and evaluation of performance reports, their linkages with vision/mission/objectives, modern performance reporting (integrated reporting, ESG reporting, sustainability reporting)

**Unit 4:** Performance measurement and analysis: analysing financial statements based on published reports, analyzing non-financial performance with data from BRSR and integrated reports, inter-firm comparison based on the published reports

**Unit 5 :** The strategic management Accounting Principles: Cost analysis and cost behaviour in strategic decision-making, cost drivers and cost management techniques – ABC, Target costing, life-cycle approach, value-based costing), strategic investment analysis

#### References:

- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: translating strategy into action*. Harvard Business Press.
- Neely, A. D., Gregory, M., & Platts, K. W. (2005). *Performance measurement system design: A literature review and research agenda*. *International Journal of Operations & Production Management*, 25(12), 1228-1263.
- Bititci, U. S., Martinez, V., Albores, P., & Parung, J. (2004). *Creating and managing value in collaborative networks*. *International Journal of Physical Distribution & Logistics Management*, 34(3/4), 251-268
- *Global Management Accounting Principles: 2nd edition by AICPA and CIMA Jun 2023*

## Module Three:

# Technology in Management Accounting: Leveraging for Strategic Advantage

### Module Overview:

Technology has transformed the landscape of management accounting, offering new tools and opportunities to enhance efficiency, accuracy, and decision-making. This module explores the intersection of technology and management accounting, equipping participants with the knowledge and skills to leverage innovative technologies effectively in their roles. From automation and data analytics to cloud computing and artificial intelligence, participants will gain insights into the latest technological advancements and their implications for management accounting practices.

### Module Objectives:

- Understand the role of technology in transforming management accounting processes and practices.
- Explore various technological tools and platforms used in management accounting, including automation, data analytics, and artificial intelligence.
- Learn how to integrate technology into management accounting functions to improve efficiency, accuracy, and decision-making.
- Develop skills in using specific software and tools for financial analysis, reporting, and forecasting.
- Gain insights into the strategic implications of technology in management accounting and its impact on organizational performance.

**Unit 1:** Introduction to technology in Management Accounting: recent developments in technology influencing the role of management accounting, importance of using technology in

boosting efficiency and decision-making

**Unit 2:** Tools for use in management accounting: Evolution in technology from descriptive to predictive applications, data analytics and business intelligence, robotic process automation, data visualisation techniques, predictive analytic tools for forecasting & decision support, AI, ML and big data analytics

**Unit 3:** Integration of technology into management accounting process: technology in driving competitive advantage, enabling technology such as power BI, Python, R etc.

**Unit 4:** Strategic implications of technology in management accounting: ethical considerations, change management in implementing technology, training & development for technology adoption, challenges in the use of technology

**Unit 5:** Developing digital strategy: challenges in adopting technology, technology and cyber risks, cloud and mobile computing, tools such as block-chain, data visualisation, management accounting in digital era.

### References:

- Cokins, G. (2018). *Predictive analytics in accounting and finance*. John Wiley & Sons.
- Krishnan, R., & Krishnan, J. (2008). *Business intelligence and the transformation of management accounting*. *Journal of Management Accounting Research*, 20(1), 205-216.
- Mladenović, I., Nikolić, M., & Lazić, J. (2020). *Artificial intelligence and machine learning in management accounting*. *Ekonomika preduzeća*, 68(3-4), 187-201.
- Nitin Seth (2020), *Winning in the Digital Age*, Penguin Random House, India

## Module Four:

# Governance, Risk & Sustainability in Management Accounting: Ensuring Ethical & Responsible Practices

### Module Overview:

Governance, risk, and sustainability (GRS) are integral components of modern management accounting practices, ensuring ethical conduct, mitigating risks, and promoting sustainable business practices. This module explores the principles, frameworks, and tools of GRS in the context of management accounting, equipping participants with the knowledge and skills to navigate complex ethical dilemmas, identify and manage risks, and integrate sustainability considerations into decision-making processes.

### Module Objectives:

- Understand the concepts of governance, risk management, and sustainability in the context of management accounting.
- Explore the role of management accountants in promoting ethical conduct, accountability, and transparency within organizations.
- Learn techniques for identifying, assessing, and managing risks associated with financial and non-financial factors.
- Gain insights into the principles and practices of sustainability accounting and reporting.
- Develop skills in integrating GRS principles into management accounting functions to drive organizational performance and resilience.

**Unit 1:** Introduction to GRS: scope of GRS in management accounting, Regulatory frameworks (Companies Act and SEBI rules), role of GRS in promoting ethical conduct, accountability and transparency within organisations, embedding GRS principles into performance measurement and reporting systems, stakeholder engagement & communication

**Unit 2:** Risk management: process of risk management including identification, assessment (based on likelihood & impact), strategy to minimise the risk (TARA framework) and risk monitoring & reporting, Role of the management accountant in the risk management process

**Unit 3:** Sustainability accounting and reporting: the trends in sustainability accounting (GRI, role of ISSB), the implementation of BRSR in India, data collection, analysis and summarizing for sustainability reporting, sustainability accounting standards by ISSB

**Unit 4:** Sustainability parameters: ESG reporting guidelines, ESG reporting practices by Indian Companies, global megatrends in ESG reporting (carbon footprint, technological disruptions, demographic shifts and social instability)

**Unit 5:** Global governance and sustainability practices: the UN Sustainable Development Goals (SDG) – how are the modern enterprises embodying them in their strategies – SDG and Indian scenario – Role of the management accountant in building and reporting on SDGs.

### References:

1. Beasley, M. S., Branson, J., & Hancock, B. (2013). *Strategic risk management: Creating and protecting value*. Kogan Page Publishers.
2. Epstein, M. J., & Buhovac, A. R. (2014). *Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts*. Berrett-Koehler Publishers.

## Assessment

There will be no theory-based questions for this course. The candidates will need to demonstrate the professional skills of analysis & application, evaluation and communication.

The candidates registering for the diploma programme will be assessed as follows:

1. Completion of self-study on-line modules (they will need to be successfully completed that include the quizzes on all the units for all four modules)
2. Module-wise examination: a written exam for 100-marks which will include one compulsory question for 50 marks based on a case-study and two compulsory questions of 25 marks each based on a separate case scenario
3. The examinations will be held on-line and will be remote proctored. The students will be provided with a word processor and spreadsheet to be able to perform various tasks.
4. The minimum passing marks will be 50 out of 100.
5. In addition to the module-wise examination, each student will have to present a project

work or a research paper on any study area included in the curriculum. This will be a pre- requirement for awarding the Advanced Diploma in Management Accounting.

The candidates will need to exhibit the ability to complete the tasks in the exam which may be in various formats such as reports, letters, briefing notes, presentation slides etc.

## Course Delivery

The course will be delivered through the recommended online resources which the candidates should refer for their self learning. The candidates can access the online recorded sessions by the ICAI's expert faculty. These recorded sessions will be available sequentially i.e. module 1 to module 4.

The candidates will need to complete all the quizzes for each module, before they are permitted to take the exam for the module. The quizzes will be available online and will be computer marked.

## Management Accounting Committee The Institute of Cost Accountants of India

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# ICMAI

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