

Academic Tasks (22232)



Academic Task Number: 1

Course code: ACCM507

Date of allotment: 04/11/2022

Course title: Financial Reporting statement & Analysis II

Date of submission: 09/12/2022

Maximum Marks: 30

Academic Task:

S No.	Objectives of Academic Activity	Topic	Evaluation Parameters
CA-1 (Project)	To apply the technique of target costing in planning and controlling costs.	Students have to form a group of four. Each group will design a unique product that they would like to hypothetically manufacture and sell. Following the procedure of target costing, every group will determine its target price, profit margin, and target cost. The group will decide the target price, profit margin to estimate the target cost of the product. The group will prepare a cost sheet to estimate the actual cost of the product. Further, the group will outline the steps taken to ensure that the actual cost conforms to the target cost. Besides, the group will provide details about the product specifications, manufacturing process (with images), market research conducted to determine the target price, suppliers contacted, and techniques used to minimize cost, etc. Lastly, every group will attach proofs wherever possible (i.e., the market survey conducted, quotations from suppliers, etc.).	Evaluation will be done as per the Rubric.

Question Number	Question Statement	Course Outcome	Bloom's Level	Marks per Question
1.	<p>Apply the technique of target costing in determining the target price of the product. Use the following techniques to decide the price at which the product will be sold:</p> <p>a) <i>Market Research (Survey Method)</i>: Design a questionnaire on Google form and seek customer preference on the chosen product. The sample size should not be less than 50. Analyse the survey using appropriate tools and present findings in the report.</p> <p>b) <i>Competitor Analysis</i>: Show a comparative analysis of the price offered by the competitors for the chosen product.</p> <p>NOTE: Attach proofs, for example, questionnaire, output sheets, and prices offered by the competitors.</p>	CO4	L6: Create	10
2.	<p>a) Determine the profit margin based on a suitable criterion and derive the target cost of the product.</p> <p>b) Write product specifications and describe the manufacturing process of the product using images.</p>	CO4	L3: Apply	5
3.	<p>a) For estimating the cost of raw material, conduct a detailed analysis of the prices offered by the suppliers of the chosen product. Attach proofs, such as screenshot of the prices offered by suppliers on IndiaMART, Amazon, etc., or quotations invited from the suppliers on emails, etc.</p> <p>b) Determine the actual cost of the product by preparing a cost sheet.</p>	CO1	L6: Create	10
4.	<p>a) Outline the steps taken to ensure that the actual cost conforms to the target cost (in case of any deviation).</p> <p>b) Further, suggest ways to reduce the cost of the chosen product using any two techniques of strategic cost management.</p>	CO1, CO4	L4: Analyze	5

NOTE:

1. You are required to form a group of four, decide on a group leader, choose a product and fill the details in the Google form (<https://forms.gle/YzVZA8awJGbsFpJQA>) latest by 11/11/2022. No CA will be marked if you fail to submit the details on time.
2. No two groups can have a similar product. Preference for the product will be given to the group on a first-come-first-serve basis. The link for checking the list of products taken by the groups is <https://docs.google.com/spreadsheets/d/1eprV0zZ0r0obCrvvh5rZIs-mnNGWsFJFCWScbdJRo1k/edit#gid=1169428428>

RUBRIC

QUESTIONS	EXCELLENT	GOOD	AVERAGE	BELOW AVERAGE	POOR
	9-10	6-8	4-6	2-4	0
QUESTION-1	Includes details about the market survey and competitor analysis. Attached proofs. The answer is well explained in detail.	Includes details about the market survey and competitor analysis but does not include proofs.	Only one method is used to determine the target price.	The answer provides conceptual information about target costing. No research has been conducted to determine the target price. Only hypothetical values are provided.	Not attempted/or answer given is not up to mark.
	2	1.5	1	0.5	0
QUESTION-2 (a)	Determined the profit based on a suitable criterion. Supported the answer with a proof. Estimated the target cost.	Determined the profit based on a suitable criterion. Supported the answer with a proof. Does not estimate the target cost.	Determined the profit with a suitable criterion. Does not include proofs. Estimated the target cost.	Only profit percentage is given.	Not attempted/or answer given is not up to mark.

QUESTIONS	EXCELLENT	GOOD	AVERAGE	BELOW AVERAGE	POOR
	3	2	1.5	1	0
QUESTION-2 (b)	Includes detailed product specifications and manufacturing process with supporting images.	Includes detailed product specifications and manufacturing process without supporting images.	Either product specifications or the manufacturing process is missing.	Details are not given properly or out of the context of the study.	Not attempted/or answer given is not up to mark.
	4-5	3	2	1	0
QUESTION-3 (a)	Conducted an in-depth analysis of the suppliers to determine the cost of raw material. Attached the required proofs.	Conducted an in-depth analysis of the suppliers to determine the cost of raw material. No proofs are attached.	Provided the details of raw material only from a single supplier. No comparison has been drawn.	Only prices of raw material are mentioned with no proofs.	Not attempted/or answer given is not up to mark.
	4-5	3	2	1	0
QUESTION-3 (b)	The cost sheet is prepared in a proper format, all items are correct and no vague amount is written in the cost sheet without its explanation.	The cost sheet is not prepared in a proper format, any item under one heading is not correct and/or any vague amount is written in the cost sheet without its explanation.	The cost sheet is not prepared in a proper format, any item under one heading is missing and/or any vague amount is written in the cost sheet without its explanation.	A general cost sheet is prepared which has no reference to the context of the study.	Cost sheet not prepared in proper format/ or answer not attempted
	2.5	2	1.5	1	0
QUESTION-4 (a)	A comparison of actual cost and standard cost is given with steps undertaken to ensure that actual cost conforms to the target cost.	A comparison of actual cost and standard cost is given without steps undertaken to ensure that the actual cost conforms to the target cost.	Only steps are mentioned.	Details are not given properly or out of the context of the study.	Not attempted/or answer given is not up to mark.

QUESTIONS	EXCELLENT	GOOD	AVERAGE	BELOW AVERAGE	POOR
	2.5	2	1.5	1	0
QUESTION-4 (b)	Two techniques of strategic cost management are suggested to reduce the cost of the chosen product with suitable explanations.	Only one technique is mentioned with a suitable explanation.	Two techniques of strategic cost management are suggested to reduce the cost of the chosen product. No explanation is given.	One technique of strategic cost management is suggested to reduce the cost of the chosen product. No explanation is given.	Not attempted/or answer given is not up to mark.