

Book Review

Strategic Cost Management Prof. Jawahar Lal, Himalaya Publishing House

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The 2nd revised edition of the book “**Strategic cost Management**” presents a comprehensive and updated coverage of the latest cost management concepts and techniques which is adopted by different types of business firms in order to sustain in the present competitive environment. The author has created a logical linkage between the various cost concepts and its application in the business units. The chapters have been portrayed in a clear and lucid style which would enable the students to understand the theories underlying strategic cost management.

The text book is well structured and divided into four sections. The first section is on the ‘overview and basic concepts of cost management’. This portion has reflected the aspect of strategic cost management which can help firms to earn competitive advantage through cost leadership, product differentiation and focusing on the target market or segment. The chapters have very well explained the types of costs with simple and relevant examples

The second section of the book on “activity-based control and management”, has explained the activity based costing in both manufacturing and service sector. The different techniques of Activity Based management- namely activity analysis, cost drivers analysis, activity based costing, continuous improvement, operational control, performance evaluation and business process reengineering has been thoroughly defined with practical examples.

Past three of the book focuses on the ‘cost management techniques’. A detailed discussion on the modern techniques of cost management has been laid down along with their significance and role in strategic decision making of a firm.

The fourth section deals with ‘performance evaluation measures’ like variance analysis, division contribution margin, division net profit, ROI, residual income, and economics value added. The concept of transfer pricing has been explained elaborately based on the different types of pricing situations. The application of balanced scorecard for strategic performance measurement has been illustrated from the finance perspective, from the perspective of customer internal business process as well as learning and growth.

Overall the organization of the chapters has been made in a very chronological manner. Every chapter has clearly defined learning objectives. The context of each chapter included explanations with examples. At the end of every chapter case based illustrative numerical problems been given with the solutions for better understanding of the learning objectives. The exercises and review problems will help the students preparing for competitive exams.

The reviewed book shows a balanced blend of concept and practical applications as well as contains the emerging themes of today’s business world. However few value additions from generally accepted cost accounting Principles (CACAP) could have added more flavor to the edition.