

Sambhram School of Management

A REPORT ON STUDENTS' SEMINAR

The Students' Seminar "**Contemporary Issues in Management Accounting**" was organized on November 08, 2016 in the College seminar hall; the program began with invocation, welcome address and introduction. Prof D. K. Murthy, NITTE School of Management, Bangalore inaugurated this Seminar and was the Key Note Speaker on this occasion; he delivered lecture on "Environmental Management Accounting".

He began his presentations pertaining to disasters caused by human beings; such as Bhopal Gas Tragedy and fire in the petrol well and oil spill in the ocean and strongly felt the Government should do something to protect the environment otherwise the entire flora and fauna had to face serious repercussions. Recalling Adam Smith's phrase "The Invisible Hand" in his book **Wealth of Nations (1776)** he said in the present day visible hands are spoiling the entire environment. Regarding the business and environment it included Endogenous and Exogenous: internal ethos and culture of a company are examples for endogenous; whereas for exogenous Sociological, Legal, Economical, Political and Technological (SLEPT) are the examples which are not under the control of the organizations. In this regard he said for the Environment Management two dimensions were required: protection and preservation of natural environment and ensuring efficient use of natural resources. Here he quoted examples of two government agencies ESCOMS and BWSSB and mentioned the impact of man-made disasters Viz., Bhopal gas tragedy and Exxon Valdez oil spills; strongly felt that the culprits should be punished.

Regarding the role of business in the environment protection he was of the opinion that ethical and moral obligations to protect environment, promoting green practices are the need of the hour. At this juncture he suggested adopting five basic principles: 1. Reduce pollution 2. Conserve resources 3. Conserve energy 4. Reduce consumption and waste and 5. Protect Earth's ecological balance. He bemoaned that in India awareness regarding these things were not much whereas in western countries they followed the norms unscrupulously.

Regarding the Environment Account he asked why it was being adopted by the business organizations; whatever was consumed should be accounted/ audited; what was not measurable could not be controlled. In this context he

quoted the example of ESCOMS attempt to fix meters for the farmers' pump sets in Karnataka.

Environment Management Accounting (EMA) is a subset of Environment Accounting and Management Accounting; this focuses on information received within the organizations, on things such as cost, energy, water, disposal of waste and effluents. He related the concepts of converge of culture and time and explained the expenses on these required threadbare analysis. EMA could be used for external reporting. It used some standard costing techniques to identify, analyze, manage and hopefully would reduce environmental costs. Here ABC may also effectively be used, he added.

He mentioned some EMA tools and they were: Input-output Analysis, Flow Cost Accounting, Activity Based Costing, Life Cycle Costing and Environmental Capital Appraisal. He concluded his lecture by strongly urging the audience to create awareness among the people and to conserve the environment for the posterity.

Another Resource Person CMA N Ravindranath Koushik, Secretary, ICAI, Bangalore Chapter delivered another lecture entitled "Issues and Challenges in Management Accountings"; he underlined the role of Management Accountants throughout his lecture. In business re-engineering the role of CMA assumes a lot of significance in purchasing accessories and the management style has undergone topsy turvy. Now bottom up approach has got relevance when compared to top down approach. He said that TQM and TQC started from ground level and for this he gave the example of Japanese Companies which involved lower level employees.

Key trends and challenges in Management Accounting include:

1. Implementing the methods and techniques to leverage management reporting for facilitating and supporting continuous innovation.
2. The use of MA and reporting techniques to incorporate an entrepreneurial organizational structure.
3. Incorporating strategies of action and anchor practices to enhance business performance.

In this context he asked the audience why employees quit the organizations; further asked is it for money or for work culture and answered it was for the work culture people quit the organizations.

He discussed the contemporary issues such as:

- MA and digitalized environment proficiency representation of information produced
- Global reporting standards and MA
- MA techniques modified to incorporate environmental aspects
- MA possesses unique skill sets which include a special knowledge on data analysis as well as broader business perspective which aid early detection of frauds in the companies. Budgeting and variance analysis aids in detection of frauds and management control system and strategy.

Since everything is digitalized now MAC role poses a big challenge. He discussed the MA guidelines issued by ICAI (CMA) under the following headings:

1. Implementing benchmarking
2. Valuation management
3. Implementing corporate environment strategies
4. Tools and techniques of environment accounting for business
5. Value chain analysis
6. Balance score card
7. Target costing
8. Life cycle costing
9. Theory of constraints
10. MRP (Measure, repeat, predict)

Regarding the issue of how to prepare the CMAs for future he gave the following suggestions.

- Develop competence in systems analysis and computer technology
- Develop facilitation skills such as persuasion and communication skills
- Acquire a broad business knowledge in strategy, operations, HR, Marketing, Finance and Economics
- Develop analytical skills
- Learn to visualize the future
- Develop a willingness to embrace change and prepare to face risk
- Master accounting and tax issues

By emphasizing on all the above he concluded the accountants are solution architects.

The post lunch session was exclusively dedicated to students' presentations where in thirteen papers were presented by group of two students each. They were:

1. Human Resource Accounting Practices- A Case Study of Infosys Technologies Limited
2. Measuring Performance using Balanced Scorecard
3. Challenges of Environmental Management Accounting-Current Accounting Practices
4. Kaizen Costing
5. TQM: A Case Study of Tata Motors
6. Zero Based Budgeting
7. Effect of Activity Based Costing on Total Cost Management
8. Effect of Life Cycle Costing on Pricing
9. Kaizen Costing: A Catalyst for Change and Continuous Cost Improvement
10. Responsibility Accounting Practices in India
11. Forensic Accounting- A Tool to Investigate Financial Frauds with reference to India
12. Implementation of Target Costing in Cost Management
13. Management Control System

Of these the paper titled "TQM-A CASE STUDY OF TATA MOTORS" by Ms. Iradakunda Sabbato and Ms. Amala Johan of III Semester MBA was adjudged the **best paper** bagging Two Thousand Rupees cash prize. Another paper titled "Management Control System" by Ms. Deeksha and Ms. Nandini B of First Semester M.Com was adjudged as the **second best paper** bagging One Thousand Rupees cash prize.

In the valedictory function the prizes and certificates were distributed. All the winners, losers and the participants enjoyed alike; they took away message from the Seminar that winning is not important but participation is very important. The Director Prof. K C Mishra congratulated the winners and lauded the enthusiasm shown by all the students and faculty members in organizing these kinds of events. Mr. J B Janardana, Associate Professor proposed vote of thanks.