

CA Final (New Syllabus) Strategic Cost Management and Performance Evaluation (SCM&PE)

Changes made in New Module of ICAI (November, 2021 edition)

Dear Student Friends,

ICAI has published a new edition of SCM&PE module in November, 2021. I have done the comparison of this module with November, 2020 edition and noticed the following changes. **This new module is applicable for May, 2022 exam and onwards till next change.**

Major changes are only two :

- (1) Inclusion of Rank Order Clustering Concept in Chapter 3 and
- (2) Deletion of Chapter 5 and renumbering of remaining chapters.

No major change in the contents or questions, except some aesthetic changes.

I have given page wise details below about the changes made by ICAI in November, 2021 edition of their SCM&PE module.

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| Page No. | Changes as compared to November, 2020 module |
|--|---|
| Chapter 1 - Introduction to Strategic Cost Management : | |
| | No change in contents or questions. Value Shop Model is shifted to Page 1.10 as Concept Insight, in the new edition. In the earlier Nov. 2020 edition, it was separately given in detail on page 1.25 |
| Chapter 2 - Modern Business Environment : | |
| | No change in the contents or questions, except some aesthetic changes. |
| Chapter 3 - Lean System & Innovation : | |
| 3.26 | A new concept insight regarding " Rank Order Clustering " method is added in the new module. It is already covered by me in the free YouTube lecture available on our channel. This concept and related questions are added in Version 4 notes and discussed in the classroom. |
| 3.49 | A new Q.8 is added on Rank Order Clustering Method. I had discussed it in the free YouTube video lecture and it was included in Amendment Batch 4 notes as Q.4 on page 69. Now this question is now covered & explained in Version 4 notes. ICAI new module has covered only 1 question, whereas we have covered 2 such questions in Version 4 batch. |
| Chapter 4 - Cost Management Techniques : | |
| 4.19 | Illustration 2 is added, which is based on Learning Curve Theory. It is a simple question with solution. We have covered a very similar question in the chapter of Standard Costing. Ref. Q.57/241 (Volume II) - Version 3 Notes. In Version 4 Notes, it is available at : Q.63/265 (Volume II). |
| Chapter 5 - Decision Making : | |
| | In the earlier module Chapter 5 was 'Cost Management for Specific Sector'. However, this chapter is removed from your syllabus. Hence, earlier Chapter 6 i.e. 'Decision Making' has now become Chapter 5 and similarly the numbers of all the subsequent chapters have also been changed. There is no other change in the contents or questions. |
| Chapter 6 - Pricing Decision : | |
| | No change in the contents or questions at all. |
| Chapter 7 - Performance Measurement & Evaluation : | |
| | No major change. Few minor things are deleted from the module, though I think they were relevant. The minor deletions are as follows : (a) Major problems of Performance Measures (8.11 of Nov. 2020 edition) (b) Types of Benchmarking (8.40 of Nov. 2020 edition) (c) Benchmarking Process (8.42 of Nov. 2020 edition) |
| Chapter 8 - Divisional Transfer Pricing : | |
| | No change in the contents or questions at all. |
| Chapter 9 - Strategic Analysis of Operating Income : | |
| | No change in the contents or questions at all. |

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| Chapter 10 - Budgetary Control : | |
| | No change at all except deletion of only 1 page as follows : Types of Feedback (11.6 of Nov. 2020 edition) i.e. Primary, Secondary, Negative and Positive Feedback. |
| Chapter 11 - Standard Costing : | |
| | No change in the contents or questions at all. |
| Chapter 12 - Case Study : (Module 3 of ICAI) | |
| 12.11 | CS-3 : Value Chain Analysis (Audio Tech) is in the new module. It was earlier CS-18 : Performance Prism, on page 13.69 in Nov. 2020 edition of module. |
| | Deleted CS-3 : Porter's Value Chain Model V/s Value Shop Model from new module. It was earlier on page 13.11 in Nov. 2020 edition of module. |
| | Deleted CS-5 : Business Excellence Model from new module. It was earlier on page 13.17 in Nov. 2020 edition of module. |
| 12.63 | CS-19 of earlier module now became CS-16 i.e. Traditional Accounting V/s TBL Framework |
| | Deleted CS-17 : The Building Block Model (Grab & Go) from new module. It was earlier on page 13.65 in Nov. 2020 edition of module. |
| 12.66 | CS-20 of earlier module now became CS-17 : Silver Sands |
| | CS-21 earlier now became CS-18 - Cure Hospital |
| | CS-22 earlier now became CS-19 - Wings International |
| | CS-23 earlier now became CS-20 - Magical Stay |
| | CS-24 earlier now became CS-21 - HAL |
| Note : | Due to Deletion of 3 Case Studies from new module, the total number of case studies are reduced from 24 to 21. |

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