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| <b>INSTITUTE</b>      | <b>FACULTY OF MANAGEMENT STUDIES</b>               |
| <b>PROGRAM</b>        | <b>BACHELOR OF BUSINESS ADMINISTRATION (HONS.)</b> |
| <b>SEMESTER</b>       | <b>3</b>   |
| <b>COURSE TITLE</b>   | <b>COST ACCOUNTING</b>                             |
| <b>COURSE CODE</b>    | <b>04BB0309</b>                                    |
| <b>COURSE CREDITS</b> | <b>4</b>   |

**Course Outcomes:** After completion of this course, student will be able to:

- 1 Understand fundamentals of cost accounting
- 2 Analyse the cost concepts associated with material and labour
- 3 Evaluate and apply overheads apportionment and distribution
- 4 Learn to apply job and process costing methods
- 5 Understand operating costing and its application

**Pre-requisite of course:**NONE

#### Teaching and Examination Scheme

| <b>Theory Hours</b> | <b>Tutorial Hours</b> | <b>Practical Hours</b> | <b>ESE</b> | <b>IA</b> | <b>CSE</b> | <b>Viva</b> | <b>Term Work</b> |
|---------------------|-----------------------|------------------------|------------|-----------|------------|-------------|------------------|
| 4                   | 0                     | 0                      | 50         | 30        | 20         | 0           | 0                |

| <b>Contents : Unit</b> | <b>Topics</b>  | <b>Contact Hours</b> |
|------------------------|--|----------------------|
| 1                      | <b>Fundamentals of Cost accounting</b><br>Objectives and functions of cost accounting, Meaning of Cost, Methods of costing, Techniques of costing, Cost ascertainment and cost estimation, Classifications of cost, Special costs for management decision making, Elements of cost, Steps of installation of a costing system, Advantages of cost accounting, Limitations or objections against cost accounting, Essentials of a good cost accounting system | 8                    |
| 2                      | <b>Direct Expense</b><br>Material Cost: Material Control, Techniques of inventory control; ABC, Stock Levels and Economic order Quantity. Proper storage of Materials, Labour Cost: Meaning, Labour Remuneration: Methods of Remuneration: Time rate system, Piece rate system, Incentive plans, Group bonus plans   | 9                    |

| <b>Contents :<br/>Unit</b> | <b>Topics</b>  | <b>Contact<br/>Hours</b> |
|----------------------------|--|--------------------------|
| 3                          | <b>Overheads</b><br>Meaning of overhead cost, Classification of overhead cost, Segregation of semi-variable cost, overheads distribution, Allocation and apportionment of overheads (primary distribution), Re-apportionment of service department cost (secondary distribution), Unit Costing: output costing, Costing procedure, Treatment of Stocks, Items Excluded from Cost, Treatment of Scrap | 11                       |
| 4                          | <b>Methods of costing</b><br>Job and Batch Costing: Job Costing Procedure, Batch costing, Economic Batch Quantity, Process Costing: Introduction, Essential Characteristics of Process Costing, Process Costing and Job Costing— A Comparison, Costing Procedure, Normal Loss and abnormal loss, Normal Gain and abnormal Gain   | 11                       |
| 5                          | <b>Methods of Costing - II</b><br>Operating Costing: Operating costing, Cost unit, Transport costing, Transport costing procedure, Boiler house and power house costing, Canteen costing   | 9                        |
| <b>Total Hours</b>         |  | <b>48</b>                |

#### **Textbook :**

- 1 A Textbook on Cost and Management, M. N. Arora , Vikas Publication, 2021
- 2 Cost and Management Accounting, Paresh Shah , Oxford Publication, 2015

#### **References:**

- 1 Cost and Management Accounting, Cost and Management Accounting, Ravi M kishore , Taxmann, 2020
- 2 Cost Accounting , Cost Accounting , V Rajshekhar&Lalitha, Pearson, 2011
- 3 Cost Accounting, Cost Accounting, CharlesT, Horngren, S M, Pearson , 2005
- 4 Cost Accounting , Cost Accounting , P C Tulsian , S Chand , 2016
- 5 Management Accounting , Management Accounting , Khan and Jain, TMH, 2021

#### **Suggested Theory Distribution:**

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

| Distribution of Theory for course delivery and evaluation |                   |              |                |                 |                                  |
|---|-------------------|--------------|----------------|-----------------|----------------------------------|
| <b>Remember /<br/>Knowledge</b>                           | <b>Understand</b> | <b>Apply</b> | <b>Analyze</b> | <b>Evaluate</b> | <b>Higher order<br/>Thinking</b> |
| 20.00   | 30.00             | 25.00        | 15.00          | 10.00           | 0.00                             |

#### **Instructional Method:**

- 1 Theory

**Supplementary Resources:**

- 1 [www.icmai.in](http://www.icmai.in)
- 2 [www.icai.org/post/intermediate-course](http://www.icai.org/post/intermediate-course)
- 3 [www.icsi.org](http://www.icsi.org)