

PROGRAM	Bachelor of Commerce/ Bachelor of Commerce (Hons)
SEMESTER	III
COURSE TITLE	Cost Accounting – I
COURSE CODE	04BC1301
COURSE CREDITS	04
COURSE DURATION	48 Hrs (48 sessions of 60 minutes each)

COURSE OUTCOMES:

- Students will understand the basic concepts and classify the cost based on theory
- Students will select the material cost according to the nature of Business and design a control technique for inventory
- Students will analyse the labour cost suitable for business
- Students will apply the suitable overhead allocation, absorption and overhead techniques
- To evaluate the latest trends in Costing Accounting relevant to Business

Teaching and Examination Scheme

Teaching Scheme (Hours)			Credits	Internal Marks (50%)		End-Semester Examination (50%)			Total Marks
Theory	Tutorial	Practical		IA	CSE	Theory	Practical/Viva	Term Work (TW)	
3	1	0	4	30	20	50	0	0	100

Course Contents:

Unit No	Unit / Sub Unit	Sessions
I	INTRODUCTION TO COST ACCOUNTING Meaning of Cost, Costing, Cost Accounting and Cost Accountancy – Objectives, scope and functions of Cost Accounting– Elements of Cost – Fundamental understanding of Cost Unit, Cost Center, Cost Object, Cost Ascertainment & Cost Estimation – Methods and Techniques of Cost accounting – Advantage and Limitations of Cost Accounting – Classification of cost – Comparison between Financial Accounting and Cost Accounting.	10

II	ELEMENTS OF COST (DIRECT EXPENSE) MATERIAL Meaning of Material (Direct & Indirect) – Material Control (Inventory Control) – Techniques of Inventory Control – Economic Order Quantity – ABC Analysis – Setting Stock Levels	10
III	LABOUR Meaning & Types of Labour (Direct & Indirect) – Timekeeping – Time booking - Idle Time – Overtime – Labour Turn Over. Methods of Remuneration - Time Rate System – Piece Rate System – Incentive – Halsey plan – Rowan Plan- Taylor’s differential Piece Rate System and Merrick’s Differential Piece Rate System – Gantt’s task and bonus plan – Emerson’s Efficiency plan.	10
IV	ELEMENTS OF COST (INDIRECT EXPENSE)- Overheads Meaning Definition and Classification of Overheads — Allocation of Overheads – Apportionment of Overheads – Primary & Secondary Overhead Distribution Summary – Repeated Distribution Method – Simultaneous Equations Method – Absorption of Overheads – Under & Over Absorption – Methods of Absorption – Treatment of Absorption – Machine Hour Rate	10
V	Latest Trends in Cost Accounting Kaizen Costing – Target Costing – Lean Manufacturing – Learning Curve	08

SUGGESTED READINGS:

Text Books:

Sr.No	Author/s	Name of the Book	Publisher	Edition & Year of Publication
T-01	M. N. Arora	Cost and Management Accounting	Vikas Publication	10 th edition

Reference Books:

Sr.No	Author/s	Name of the Book	Publisher	Edition and Year of Publication
R-01	P.C.Tulsian	Cost Accounting	S Chad	8 th edition
R-02	S.N.Maheswari	Cost & Management Accounting	Sultan Chand & Sons	14 th edition
R-03	M.Y.Khan	Cost Accounting	Tata McGraw Hill	2 nd edition