FACULTY OF MANAGEMENT STUDIES

Integrated MBA – Five Years (Sem.-III)
Effective from Academic Year 2021-22

Subject Code: 1MS3010305	Subject Title: Cost Accounting

1. Course Overview

This course deals with the cost accounting that have been derived from cost management. Cost accounting as a discipline in the business programme equips students with the basics of cost awareness and cost reduction to ensure creation and cautious use of resources in small and large scale organizations. Sections selected include basic principles, costing methods for cost and pricing purposes, costing techniques which are used to control and make informed decisions to bear on cost units and cost centers in an organization. There are other topics that could be applied to cost determination and pricing of products. A study of the principles provides an in-depth knowledge and skill required for determining, analyzing and reporting cost information in small-scale businesses and other organizations. It realizes and maintains the tenets of morals and values associated with the business program as a whole..

2. Course Objectives

To provide an in depth study of the Cost Accounting is identification, analysis and classification of cost components to facilitate managerial decision making.

Learning aims

The syllabus aims to test the student's ability to:

- Understand and explain the conceptual framework of Cost Management
- Explain the basic concepts and processes in determination of cost of products and services

3. Teaching Scheme (Hours per week)

Lecture (Hrs.)	Tutorial	Practical	Credit			Total
				University Total Assessment	Continuous Assessment	
3	1	0	4	60	40	100

4. Syllabus:

Module No.	Contents	Total Hours	Weight (%)
1	**INTRODUCTION TO COST ACCOUNTING:** Definitions, Objectives Of Cost Accounting, Functions, Advantages and Disadvantages Of Cost Accounting, Cost Accounting And Financial Accounting. Overview of Cost Accounting Standard, Cost Unit, Cost Centre, Methods of Costing, Costing Techniques, Types of Cost. Direct cost, Indirect cost, Conversion cost, Notional cost, Sunk cost, Historical cost, Opportunity cost.	7	20
2	**MATERIAL COST:** Materials Purchase and Control, Techniques of Inventory Control, Stock Levels, Inventory Turnover, Purchase Procedure, Classification and Codification of Materials, Inventory Valuation Methods i.e. FIFO, LIFO, Average cost, Weighted Average Method **LABOUR COST:** Meaning of Personnel Department, Labour Turnover, Time-Keeping Department, Payroll Department, Idle Time, Over Time, Methods of Labour Remuneration **OVERHEAD COST:** Meaning and Definition of Overhead Cost, Classification of Overhead Cost, Allocation and Apportionment of Overheads, Re-Apportionment of Service Department Costs, Under-Absorption and Over-Absorption of Overheads	10	20
3	**COSTING METHODS-I** Unit Costing (Including Estimated Cost Sheet) Job Costing, Batch Costing	10	20
4	**COSTING METHODS-II** Process Costing – Normal and abnormal losses, equivalent production, Joint and By Products. Operating Costing or Service Costing – Transport, Hotel and	10	20

	Hospital, Contract Costing		
5	**STANDARD COSTING:** Definition, Characteristics, Advantages, Limitations of Standard Costing, Types of Variances. Computation of variances relating to material and labour costs only.	8	20

5. Suggested Readings

Text Books

Author /s	Publication	Title
Cost Accounting: Principles & Practice by M.N. Arora	Vikas Publishing House	Cost Accounting

Reference Books

Author /s	Publication	Title
Cost and Management Accounting by Ravi M. Kishore	Taxman Publication	Cost and Management Accounting
Cost Accounting and Financial Management by M. Y. Khan and P. K. Jain	Tata McGraw-Hill Publishing Company Limited	Cost Accounting and Financial Management
Cost Accounting by J. Made Goda	Himalaya Publishing House	Cost Accounting

6. Evaluation Scheme

Sr. No.	Component	Weight
1	**University Examination** * For the written examination, the open book examination may be opted by the paper setter appropriately	**60%**

2	**Internal Assessment** -Depending on the need and objectives of the subject, internal assessment should include minimum three of the following sub-components; *Class Test, Quiz, Assignments, Case Presentation, Class Participation, Projects, Team/Individual Assignments.* -The weightage of a sub-component should not exceed 50% of internal assessment component weight. -The bifurcation of sub-components shall be communicated by the instructor before commencement of the academic sessions.	**40%**