Faculty of Management Studies

Master of Business Administration (Integrated) (Sem-III)

In Effect from Academic Year 2023-24

Branch Name:	MANAGEMENT
Program Code:	1MS30
Course Name:	Cost Accounting
Course Code:	2MS3010305T
Pre-requisite Course:	Cost Analysis, Certified Management Accountant

Course Objectives:

1) To familiarize the students with the concepts of cost accounting in business.
2) To make students skilled enough to prepare the cost sheet with various methods and use the same for fact-based decision making.
3) To improve students' basic understanding regarding different methods and techniques of cost accounting.

Teaching and Examination Scheme:

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)				
Lecture (L)	Tutorial (T)	Practical (P)	Credit	Theory (Marks)		Practical (Marks)		Total (Marks)
				University Assessment	Continuous Assessment	University Assessment	Continuous Assessment	
4	-	-	4	60	40	-	-	100

Subject Contents:

Sr. No.	Topic	Total Hours	Weightage (%)
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 Hospital, Contract Costing	10	20%

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%

Text Books:

Sr. No.	Books
1	Cost Accounting: Principles & Practice by M.N. Arora Vikas Publishing House

Reference Books:

Sr. No.	Books
1	Cost and Management Accounting by Ravi M. Kishore, Taxman Publication
2	Cost Accounting and Financial Management by M. Y. Khan and P. K.Jain, Tata McGraw-Hill Publishing Company Limited
3	Cost Accounting by J. Made Goda, Himalaya Publishing House

List of Open Source Software/learning website:

1. “Management Concepts and Applications/Management” available on
2. https://en.wikibooks.org/wiki/Management_Concepts_and_Applications/Management
3. http://www.managementconcepts.com/
4. http://www.managementstudyguide.com/planning_function.html

Course Learning Outcomes (CLO): On completion of this course, the students will be able to:

CLO	Description	Bloom’s Taxonomy Level
CLO1	To acquire the basic knowledge on cost accounting concepts, elements and classification of cost and overheads.	1 Remembering
CLO2	To understand the techniques of costing, preparation of cost sheets, Need for material control, control of idle time of labour, methods of calculation of labour turnover and classification of overheads.	2 Understanding, 3 Apply
CLO3	To develop the application skill in drafting a cost sheet, estimation of inventory, EOQ, Methods of valuing material issue.	3 Apply 4 Analyze 6 Create
CLO4	To analyse the various systems of wage payment and methods of operating costing.	4 Analyze
CLO5	To evaluate the process losses, wastage, scrap, normal and abnormal losses and Reconcile the profits of Financial and Cost Accounting.	5 Evaluate
CLO6	To Develop, restructure and apply cost accounting approaches to solve practical problems like cost control.	4 Analyze 5 Evaluate 6 Create

Mapping of CLOs with Pos & PSOs

Course Learning Outcomes	Program Outcomes(POs)								Program Specific Outcomes(PSOs)	
	PO1	**PO2**	**PO3**	**PO4**	**PO5**	**PO6**	**PO7**	**PO8**	**PSO1**	**PSO2**
CLO1	H	M							L	
CLO2	H	H	H			L			L	
CLO3	M	H	H				L		L	L
CLO4	L	H	H	L					L	
CLO5	L	H	M					L	L	
CLO6	M	H	H	L		L			M	

H: High, M: Medium, L: Low