

**BHAGWAN MAHAVIR UNIVERSITY, SURAT**  
**SY B.Com. (Bachelor of Commerce)**  
**1060204303 - COST ACCOUNTING-I**

Second Year B.Com

Semester - III

<b>Subject Name</b>	Cost Accounting-I
<b>Subject Code</b>	1060204303
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• This course consists of a discussion of cost accounting concepts and objectives, an in-depth study of cost accounting systems and accumulation procedures</li> <li>• Define the costs and their impact on value creation in the manufacturing and non-manufacturing companies</li> </ul>
<b>Course Outcome</b>	<ul style="list-style-type: none"> <li>• Describe how cost accounting is used for decision making and performance evaluation</li> <li>• Explain the basic concept of cost and how costs are presented in financial statements.</li> <li>• Demonstrate how materials, labor and overhead costs are added to a product at each stage of the production cycle</li> <li>• Express the place and role of cost accounting in the modern economic environment.</li> </ul>
<b>Course Duration</b>	The course duration is of 45 sessions of 60 minutes each.
<b>Teaching Methods</b>	The course will use the following pedagogical tools: (a) Lectures and Discussions (b) Assignment/Activities/Quiz/Class participation
<b>Evaluation</b>	<b>Continuous Evaluation</b> <b>Internal Assessment-(30 Marks)</b> Internal Exam/Assignments/Quiz/Class participation/Attendance, etc. <b>External Assessment- (70 Marks)</b>

**COURSE CONTENT**

<b>Unit-1</b>	<b>INTRODUCTION TO COST ACCOUNTING</b>	<b>20%</b>
	1.1 Meaning, definition, cost concept, costing, cost accounting & cost accountancy. 1.2 Objective and functions of cost accounting and cost unit 1.3 Cost Centre, responsibility centers, profit centre, cost control, cost reduction. 1.4 Distinction between cost accounting and financial accounting, essentials of a good costing systems, installation of costing system, methods and techniques of cost accounting. 1.5 Advantages and disadvantages of cost accounting, cost concept and	

	classification, elements of cost.	
<b>Unit-2</b>	<b>ACCOUNTING AND CONTROL OF MATERIAL COST</b>	<b>25%</b>
	<p>2.1 Material Purchase Procedure</p> <p>2.2 <b>Inventory Control</b>, Material Stock Level, EOQ, ABC, VED And FSN Analysis, JIT, Stock Turnover, Material Issue Control, Stores Records, Bincard And Stores Ledger and Documents Authorizing Movement Of Materials.</p> <p>2.3 <b>Inventory Systems</b>: Perpetual And Periodic Inventory Systems, Continuous Stock Taking, Material Losses, Wastage, Scrap, Spoilage, Defectives, Pricing Of Issues Of Material ,FIFO,LIFO, Simple Average, Weighted Average.</p>	
<b>Unit-3</b>	<b>ACCOUNTING AND CONTROL OF LABOUR COST</b>	<b>25%</b>
	<p>3.1 Time Keeping And Time Booking, Methods</p> <p>3.2 Systems Of Wage Payment, Time Rate System, Piece Rate System, Differential Piece Rate, Taylor’s Differential Piece Rate System and Merrick’s Differential Piece Rate System</p> <p>3.3 Gantt Task And Bonus Plan, Incentive Plans, Halsey Plan, Rowan Plan, Idle Time, Overtime And Their Accounting Treatment,</p> <p>3.4 Labour Turnover, Causes and Effects, Methods Of Calculating Labour Turnover.</p>	
<b>Unit-4</b>	<b>ACCOUNTING FOR OVERHEADS</b>	<b>30%</b>
	<p>4.1 Classification Of Overhead, Segregation Of Semi Variable Overhead, Production Overhead, Allocation And Apportionment,</p> <p>4.2 Primary And Secondary Distribution Summary, Absorption Rates, Actual And Pre-Determined Rates, Blanket And Multiple Rates,</p> <p>4.3 Over, Absorption And Under, Absorption, Reasons and Disposal</p> <p>4.4 Introduction To Activity Based Costing( Problems Of ABC Excludes)</p>	

**Note: 1**

- Practical problems shall not exceed 70% of total weightage.

**Text book**

1. P.N. Hrikumar, Manoj Narayanan K.S., and Susha D., “Cost Accounting-I”, Himalaya publishing house.

**References Books:**

1. Anthony Robert, Reece, etnal: Principles of Management Accounting : Richard D. Irwin Inc. Illinois.
2. Arora M. N. : Cost Accounting -Principles and Practice; Vikas, New Delhi.
3. Dr. N. K. Agrawal : Cost Accounting Text & Problem; Suchitra Prakashan.
4. Gowda J. M.: Advanced Cost Accounting ; Himalaya Publishing House, New Delhi.

5. Horngren. Charles, Foster and Datar: Cost Accounting -A Managerial Emphasis; Prentice Hall of India, New Delhi.
6. Intal P. G :Practicals on Cost Account ; Atlantic Publication.
7. Jain S. P. and Narang K.L. : Cost Accounting : Kalyani, New Delhi.
8. Jawaharlal: Cost Accountancy ; Tata McGraw Hill, New Delhi.
9. Kalpan R. S. Atkinson A. A. : Advanced Management Accounting : Prentice Hall of India International.
10. Khan M. Y. and Jain P. K. Management Accounting: Tata McGraw Hill.
11. Khanna & Pandey : Practical Costing ; S. Chand & Co., Delhi.
12. Maheshwari S.N.: Advanced problems and Solution in Cost Accounting; Sultan Chand, New Delhi.
13. Nigam & Sharma: Advance Cost Accounting; Himalaya Publishing House, New Delhi.
14. Rathanam, Cost Accountancy ; Himalaya Publishing House, Delhi.
15. Tulsian P. C.: Practical Costing ; Vikas, New Delhi.