



**BASICS OF COST ACCOUNTING**  
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**[CORE COURSE]**

<b>Semester: II</b>	<b>Credits: 3</b>	<b>Subject Code: BB22004</b>	<b>Lectures: 48</b>
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**Course Outcomes:**

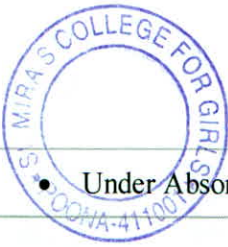
At the end of this course the learner will be able to,

- Underline the importance of Cost Accounting as a Branch of Accounting
- Differentiate between Financial Accounting and Cost Accounting
- Demonstrate an understanding into the concept of cost for a business organization
- Examine the different types of Cost and Cost Classification
- Apply the skills for computation of total cost for a product
- Identify the overheads and its influence on the cost structure
- Recognizing how cost is ascertained for different types of processes
- Computing cost of a particular contract

<b>Unit 1: Introduction (Theory)</b>	<b>08</b>
<ul style="list-style-type: none"> <li>• Meaning &amp; Definition of Cost, Costing, Cost Accounting and Cost Accountancy, Features of Cost Accounting</li> <li>• Objectives of Cost Accounting</li> <li>• Origin &amp; Development of Cost Accounting</li> <li>• Advantages and Limitations of Cost Accounting</li> <li>• Limitations of Financial Accounting, Difference between Financial Accounting and Cost Accounting</li> <li>• Cost Accounting Terminology – Cost Unit and Cost Centre</li> </ul>	
<b>Unit 2: Elements of Cost, Classification of Cost and Cost Sheet (Theory and Practical Problems)</b>	<b>14</b>
<ul style="list-style-type: none"> <li>• Elements of Cost - Material, Labour and Expenses</li> <li>• Overheads – Factory Overheads, Administration Overheads, Selling &amp; Distribution Overheads</li> <li>• Classification of Cost - by Functions, by behavior, by controllability, by normality, by inventory, by time, for managerial decision-making</li> <li>• Cost Sheet – Meaning, Contents, Uses of Cost Sheet</li> <li>• Preparation of Cost Sheet – a) Simple Cost Sheet b) Cost Sheet with Stock Adjustments. Items to be excluded from Cost sheet</li> </ul>	
<b>Unit 3: Overheads (Theory and Practical Problems)</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Meaning and Definitions, Classification of Overheads.</li> <li>• Collection, Allocation, Apportionment and Re-apportionment of Overheads</li> </ul>	

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• Under Absorption and Over Absorption – Definition and Reasons	
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<b>Unit 4: Methods of Costing (Theory and Practical Problems)</b>	14
<ul style="list-style-type: none"> <li>• <b>Contract Costing</b> – Meaning and Features of Contract Costing, Costing Procedure, Works Certified and Uncertified, Escalation Clause, Cost Plus Contract, Work in progress, Profit on Incomplete Contract</li> <li>• <b>Process Costing</b> – Meaning, Features of Process Costing, Preparation of Process Accounts including Normal and Abnormal Loss/Gain</li> </ul>	

**Areas of Practical Problems**

- Cost Sheet
- Apportionment and Re-apportionment of Overheads
- Contract Costing
- Process Costing

**Allocation of Marks:**

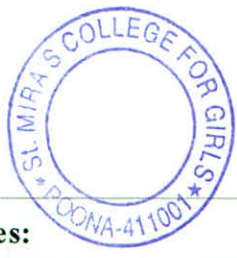
- Theory - 30%
- Practical Problems - 70%

**#12 hours for Library work, assignments, practical or field work**

<b>Basic Reading:</b>
<ul style="list-style-type: none"> <li>• Dr. Mahesh Kulkarni and Dr. SuhasMahajan <i>Basics of Cost Accounting</i> for FYBBA Nirali Prakashan</li> <li>• P.R.Bhonde and S. Limaye <i>Introduction to costing</i> for S.Y.B.Com Narendra Prakashan, Pune</li> <li>• Prof. S Jagtap, Prof. B.B.Pagar, Prof. Dr. N.M.Nare <i>Cost &amp; Works accounting – I</i> K.S.Publication, Pune</li> </ul>
<b>Reference Books:</b>
<ul style="list-style-type: none"> <li>• Satish M. Inamdar <i>Cost and Management Accounting</i> Everest Publishing House <i>Mana</i></li> <li>• Murthy &amp;Guruswamy <i>Cost Accounting</i> Tata McGraw Hill 2014</li> <li>• M.N.Arora <i>Cost Accounting – Principles and Practice</i> Vikas Publishing House Pvt. Ltd.</li> <li>• P.C.Tulsian <i>Cost Accounting</i> Tata McGraw Hill 2007</li> <li>• S.P.Jain, K.L.Narang, Simmi Agarwal <i>Advanced Cost Accounting</i> Kalyani Publishers</li> <li>• J.C.Varshney <i>Principles&amp; Practice of cost Accounting</i> Wisdom Publications, Delhi</li> <li>• M.Y.Khan and P.K. Jain <i>Cost Accounting</i> McGraw Hill Education (India) Pvt. Ltd.</li> </ul>

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**E-resources:**

- <https://icmai.in/upload/Students/Syllabus2016/Inter/Paper-8-New.pdf>
- <https://cleartax.in/s/cost-accounting>
- <https://www.accountingcoach.com/blog/what-is-cost-accounting>
- <https://www.accountingtools.com/articles/what-is-cost-accounting.html>
- <https://www.accountingedu.org/cost-accounting/>
- <https://www.yourarticlelibrary.com/cost-accounting/cost-accounting-meaning-objectives-principles-and-objections/55218>

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Faculty	Mrs. Sarah Khambatti		Sarah Khambatti 3/8/20
Subject Expert (outside SPPU)	Ms. Soma Kulshrestha	Soma Kulshrestha 3/8/20	
Subject Expert (outside SPPU)	Mr. Ashok Kokate		Ashok Kokate 3/8/20
VC Nominee (SPPU)	Dr. Shweta Jain	Shweta Jain 3/8/20	
Industry Expert	CA Ms. Timsi Rajpal		Timsi Rajpal 3/8/20
Alumni	Ms. Devi Krishna		

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