

**Cost and Works Accountancy
Cost Accounting-I**

Semester : III

Subject Code: C31611

Lectures: 60

Objectives:

- To understand the need and importance of Cost Accounting with the competitive business environment.
- To acquaint students with the preparation of Cost Sheet in ascertainment of the cost of the product.
- To guide students in understanding material as an important element of cost.
- To acquaint students with different methods for Issue of materials.
- To introduce the basic Cost Accounting Standards.

Unit 1 : Basics of Cost Accounting

08

- Concept of Cost, Costing, Cost Accounting and Cost Accountancy
- Objectives of Cost Accounting
- Advantages & Limitations of Cost Accounting
- Difference between Financial and Cost Accounting
- Cost Units and Cost Centers

Unit 2 : Elements of Cost and Cost Sheet

12

- Elements of Cost (Material, Labour and other Expenses)
- Classification of Costs
- Preparation of Cost Sheet, Tenders and Quotations
[Problems on Cost Sheet & Tenders]

Unit 3 : Material

12

- Importance of material cost as an element of cost
- Need and Essentials of Material Control
- Material Procurement and Issue Procedure
- Purchase Documentation (Purchase Order, Quotation, Requisition)
- Functions of Purchase Department
- Stock Levels (Reorder, Minimum, Maximum etc.)
- Economic Order Quantity (EOQ)
[Problems on Stock Levels and EOQ]



Unit 4 : Material Accounting

14

- Stores Location and Layout
- Types of Stores Organization
- Stores and Material Records - Bin Card, Store Ledger
- Issue of Material and Pricing Methods of Issue of Material [Problems]
a) FIFO b) LIFO c) Simple Average and d) Weighted Average

Unit 5 : Cost Accounting Standards

02

- CAS 1 : Classification of Cost
- CAS 6 : Material Cost

***Assignments and library hours – 12 hours**

Recommended Text Books:

1. Cost And Works Accounting, Dr. Suhas Mahajan, Dr. Mahesh Kulkarni (2014), Nirali Prakashan, Pune.
2. Cost And Works Accounting, L. N. Chopde, D. H. Choudhari (2005), Sheth Publishers Pvt. Ltd

Recommended Reference Books:

1. Dr. Pawan Kumar Oberoi, "Cost Management", Second Edition, Global Academic Publishers & Distributors, New Delhi.
2. M. R. Agrawal, "Cost Accounting", First Edition (1010-11), Garima Publications.
3. T.R. Sikka, "Fundamentals of Cost Accounting" Seventh Edition 2012, Viva Books Private Limited
4. S.P.Jain & K.N.Narang, "Cost Accounting, 18th Revised Edition(2006), Kalyani Publishers, New Delhi.
5. M N Arora, "Cost Accounting", Twelfth Edition, 201, Vikas Publishing House Pvt. Ltd.
6. A. Murthy, S. Gurusamy, "Cost Accounting", 2009, Tata Mc Graw-Hills Publishing Company Ltd, New Delhi)
7. Bhar B.K., "Cost Accounting Methods & problems", 2005, Academic Publishers, Kolkata.
8. B.S. Khanna & I.M. Pandey, "Practical Costing", S. Chand & Company Ltd., New Delhi.

Journal:

1. 'The Management Accountant' – Journal by ICAI – Calcutta



**Cost and Works Accountancy
Cost Accounting-I**

Semester : IV

Subject Code: C41611

Lectures : 60

Objectives:

- To acquaint students with Inventory Control Techniques.
- To understand the importance of labour as an element of cost.
- To lay a foundation for understanding the Labour & Overheads Accounting procedures.
- To understand the need and importance of Overheads and its classification.
- To have a detailed understanding on accounting and control of Manufacturing Overheads.

Unit 1 : Inventory Control

10

- Meaning, Need and Importance of Inventory Control
- Stock taking: Periodic and Perpetual Method
- ABC Analysis [Problems]
- Inventory Ratios [Problems]

Unit 2 : Labour (Theory)

06.

- Importance of labour cost as an element of cost
- Time Records - Time Keeping and Time Booking
- Idle Time, Over Time, Leave pay
- Job Analysis & Job Evaluation
- Merit Rating

Unit 3 : Accounting for Labour

12

- Methods of Wage Payment [Problems]
 - Time wage system, Piece rate system, Taylor's Differential piece rate System
- Labour Turnover
- Causes of Labour Turnover
- Cost of Labour Turnover
- Labour Turnover Ratios [Problems]



Unit 4 : Accounting of Overheads (Part I)

14

- Meaning and definition of overheads
- Classification of overheads [Problems]
 - Collection of Overheads
 - Allocation of Overheads
 - Apportionment of Overheads
 - Re-apportionment of overheads

Unit 5 : Accounting of Overheads (Part II) - Theory

06

- Overhead Absorption
- Methods of Overhead Absorption
- Under and Over Absorption of overheads
- Control of Manufacturing Overheads

***Assignments and library hours – 12 hours**

Recommended Text Books:

1. Cost And Works Accounting, Dr. Suhas Mahajan, Dr. Mahesh Kulkarni (2014), Nirali Prakashan, Pune.
2. Cost And Works Accounting, L. N. Chopde, D. H. Choudhari (2005), Sheth Publishers Pvt. Ltd

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5. M N Arora, "Cost Accounting", Twelfth Edition, 201, Vikas Publishing House Pvt. Ltd.
- ✦ 6. A. Murthy, S. Gurusamy, "Cost Accounting", 2009, Tata Mc Graw-Hills Publishing Company Ltd, New Delhi)
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