

**JYOTI NIVAS COLLEGE AUTONOMOUS
SYLLABUS FOR 2019 BATCH AND THEREAFTER**

Programme: M.Voc. (Banking and Finance)

Semester: I

COST MANAGEMENT

Course Code: 19MVB104

No. of Hours: 60

COURSE OBJECTIVES:

- To enable the students to acquire skills needed to present accounting information.
- To provide the students with an in-depth knowledge of advanced approaches of Cost Accounting.
- To enable them to apply costing methods and techniques to assist management for taking appropriate decisions.

LEARNING OUTCOMES:

- Demonstrate costing methods and techniques appropriate to a variety of different businesses.
- Explain the role of standard costing within organizations and prepare and interpret standard costs and variance statements.
- Students will be able to prepare functional budgets.

UNIT I: COST CONTROL AND COST REDUCTION

12 HRS

Meaning of cost control and cost reduction, areas covered by cost control and cost reduction- product design ,target costing, value analysis, value engineering, value chain analysis, Business Process Re-Engineering (theory only).

UNIT II: MARGINAL COSTING

12 HRS

Absorption costing. Cost classification under absorption costing , Meaning and Definition of marginal costing- Absorption costing V/S marginal costing- need for marginal costing, arguments against and in favour of marginal costing – marginal cost equation – uses and limitation of marginal costing –Break even analysis – Problems on –Break even analysis.

UNIT III: STANDARD COSTING

12 HRS

Historical costing –Introduction- Meaning & Definition of Standard Cost and Standard Costing – Advantages and Disadvantages of Standard Costing-preliminaries in establishing system of standard costing – Variance analysis – Material Variance, Labour Variance and Overheads Variance – Problems on Material Variances and Labour Variances

UNIT IV: BUDGETARY CONTROL

12 HRS

Introduction – Meaning & Definition of Budget and Budgetary Control – Objectives of Budgetary Control-essential requirements of budgetary control – advantages and disadvantages of budgetary control – Meaning, types of Functional Budgets – Flexible Budgets, Cash Budgets, Sales budge and production budget. Problems on Flexible budgets and cash budgets.

UNIT V: ACTIVITY BASED COSTING

12 HRS

Introduction – Weakness of conventional system – concept of ABC – Kaplan and Cooper’s Approach – cost drivers and cost pools – allocation of overheads under ABC – Characteristics of ABC – Steps in the implementation of ABC – Benefits from adaptation of ABC system – difficulties faced by the industries in the successful implementation of ABC – Problems on ABC

PRACTICAL COMPONENTS:

- Preparation of Income Statement using Absorption costing and marginal costing technique
- Illustrate make or buying decisions helps in decision making.
- Preparation of sales budget for a firm which has a turnover of ₹12 crores per annum

BOOKS FOR REFERENCE:

1. 1 S P Iyengar, Cost Accounting
2. B.S. Raman, Cost Accounting
3. K.S. Thakur, Cost Accounting
4. Ravi M. Kishore, Cost Management, Taxmann's Publication