

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2018 BATCH AND THEREAFTER**

**Programme: B.Com TM.**

**Semester: V**

**METHODS OF COST ACCOUNTING**

**Course Code: 18BT502**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

- To provide an in-depth insight in students about techniques of Cost ascertainment in both manufacturing and service sectors.
- To make the students familiar with the specific costing methods used by various industries.
- To familiarise the students with Cost Management techniques.

**LEARNING OUTCOMES:**

- The Students will learn the various methods of Costing to be applied according to various sectors of Industries
- The subject help the students to apply Cost management techniques ABC, target Costing etc.,
- The students can predetermine the cost for one operation industries based on various situation.

**UNIT 1**

**One operation costing (unit or output costing)**

**08 HRS**

Meaning – scope – preparation of cost – sheet, tenders or quotations. Treatment of scrap, defective and stocks of raw-material, work-in-progress and finished goods. Difference between production account and cost sheet. Practical problems on cost sheet, tenders or quotations

**UNIT 2**

**Job, Batch and Contract Costing**

**18 HRS**

**Job Costing:** Meaning, features and objectives – preparation of job-cost sheet.

**Batch Costing:** Features - Practical problems on simple Batch Cost sheet and Economic Batch Quantity

Contract Costing - Comparison between job and contract costing— profit on incomplete contracts – escalation clause – cost plus contracts – work-in-progress and its valuation. Practical problems -presentation of incomplete contract in the balance sheet.

Accounting standard on accounting for construction contracts (IAS-11) be discussed.

### **UNIT 3**

#### **Service or operating costing**

**10 HRS**

Meaning – cost unit – characteristics – classification of costs – transport costing – practical problems.

### **UNIT 4**

#### **Process Costing**

**16 HRS**

Features – application – distinction between job and process costing – costing procedure – losses and gains in process practical problems. Equivalent production: meaning – calculation of (computation of) equivalent production (problems having only closing work-in-progress with no process losses)

### **UNIT 5**

**08 HRS**

#### **Emerging concepts in Cost Management**

Meaning of Cost Management and Concepts of Cost Management. Activity Based Costing, Life Cycle Costing, Target Costing. Lean Costing and Six Sigma.

### **SKILL DEVELOPMENT**

- Visiting a factory and studying its working.
- Visit a service concern and find out how cost is recorded.
- Listing of industries and methods of costing adopted by them.
- In a hypothetical situations, preparation of tender.

## **BOOKS FOR REFERENCE**

1. Jawahar Lal, Cost accounting, Tata Mc Graw Hill, 1985(2<sup>nd</sup> edition)
2. Khanna, Pandey, Ahuja and Batra, Practical Costing, Sultan Chand publishers, 2007.
3. Dr. P.C. Tulsian, Practical Costing, Sultan Chand publishers, 2008, 1st edition.
4. Gauri Shankar, Practical Costing, Himalaya publishing House, 2003
5. Lall Nigam B.M. & Sharma G.L : Advanced Cost Accounting – Himalaya Publishing House
6. Khan M.Y. & Jain P.K: Cost Accounting – Tata McGraw-Hill Publishing Co.
7. Agarwal M.L: Cost Accounting – Principles and Practice – SahityaBhavan Publication
8. Pillai RSN & Bagavathi V: Cost Accounting – S. Chand & Co.
9. Jain & Narang: Cost Accounting & Practical Costing – Kalyani Publications.
10. Arora M.N: Cost Accounting – Himalaya Publishing House.