

Name of the Program: Bachelor of Commerce (B.Com.)

Course Code: B.Com. 4.2

NAME OF THE COURSE: COSTING METHODS AND TECHNIQUES

Course Credits No. of Hours per Week Total No. of Teaching Hours

4 Credits

4 Hrs.

60 Hrs.

Pedagogy: Classroom lectures, Case studies, Group discussion & Seminar etc.,

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 enable students to gain knowledge for decision making.

LEARNING OUTCOMES:

- The Students will learn the various methods of Costing to be applied according to various Industries
- The Students can determine the cost of operation in various situations,
- The students can apply the knowledge gained for cost control.

Syllabus:

Hours

Module No. 1: Job and Contract Costing

12

Job Costing: Meaning, features, applications, Job cost sheet - simple problems.

Contract Costing: Meaning, features of contract costing, applications of contract costing, comparison between job costing and contract costing, meaning of terms used in contract costing; recording of contract costs, treatment of profit on incomplete contracts-Problems on Preparation of Contract account and Contractee's account (excluding Trial Balance and Balance Sheet problems included).

Module No. 2: Process Costing

12

Process costing: Meaning, features and applications of Process Costing; comparison between Job Costing and Process Costing, advantages and disadvantages of process costing; treatment of process losses and gains in process accounts; preparation of process accounts - problems

Module No.3: Service Costing

12

Introduction to Service Costing; Application of Service Costing; Service Costing v/s Product Costing – Costs and Cost units for different services - Transport Services, Hospital and Educational institutions- Problems on preparation of Service Cost Statements for Transport service only.

Module 4: Marginal Costing

12

Meaning of Marginal Cost, Marginal Costing, Features of marginal costing- terms used in marginal costing – P/V ratio, Margin of Safety, Angle of Incidence, BEP, Break Even Chart. (Only Theory). Problems on BEP (excluding Break even chart problems).

Standard Costing – Meaning, Features, Uses and limitations of Standard Costing; Variance Analysis – Meaning, Types of Variances - Material Variances, Labour Variances and Overhead variances- (Problems on Material and Labour variances only).

Skill Development Activities:

1. Mention the appropriate method of costing with justification for each of the following Industries-Paper Mill, Printing, Sugar Mill, Rice Mill, Hospital, Oil Refinery, Pickle Manufacturing, KSRTC and Hotel.
2. Prepare flexible Budget with imaginary figures
3. Explain the steps involved in Standard Costing System.
4. Draw a BEP chart graphically with imaginary figures.

Books for Reference:

1. S P Jain and K L Narang, Advanced Cost Accounting, Kalyani Publications,
2. Robert S Kaplan and Anthony A Atkinson, Advanced Management Accounting, PHI, New Delhi.
3. Arora, M.N. Methods of Cost Accounting –, Vikas Publishing House, New Delhi.
4. Shank and Govindrajana, Strategic Cost Management, Simon and Schuster, 36 New York.
5. Lin Thomas, Cases and Readings in Strategic Cost Management, McGraw Hill Publications, New York.
6. John K Shank and Vijaya Govindarajana; Strategic Cost Management; Free Press Publication; New York
7. Mariyappa B Methods and Techniques of Costing., HPH.