JYOTI NIVAS COLLEGE AUTONOMOUS SYLLABUS FOR 2018 BATCH AND THEREAFTER

Programme: Integrated B.Com. M.Com

Semester: V

METHODS OF COST ACCOUNTING

Course Code: 19IC503

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

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. JawaharLal, Cost accounting, Tata McGraw Hill, 1985(2nd 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: <u>Cost Accounting</u> 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: <u>Cost Accounting</u> Himalaya Publishing House.