

B.Com.: Semester-III
BCR303: COST ACCOUNTING

Teaching Scheme	Examination Scheme
Lectures: 3 hrs/Week	Class Test – 12 Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6 Marks
Credits: 4	Attendance – 12 Marks
	End Semester Exam – 70 Marks

Course Objective

To provide an in-depth study of the cost accounting principles for identification, classification and analysis of cost components and cost ascertainment in different industries using various costing methods.

Course Learning Outcomes

After completing the course, the student shall be able to:

- CO1: recognize the importance of Cost Accounting in area of Cost Ascertainment and Cost Control.
- CO2: understand the different Concepts used in Cost Accounting and various methods involved in Cost ascertainment system.
- CO3: apply the different concepts, methods (e.g. Unit Costing, Contract Costing) and techniques of costing while computing and controlling cost of product or services.
- CO4: analyse the impact of application of various methods, tools and techniques applied in Cost Accounting (e.g. preparation Cost Sheets for the purpose of computing cost).
- CO5: explain the flow of costs and the steps that will be used in process costing.
- CO6: evaluate the result of application of various methods, tools and techniques applied in Cost Accounting.

Unit I

Introduction: Nature, scope and advantages of cost accounting, installation of costing system, difference between cost and financial accounting, classification of costs.

Unit II

Material: Purchase, storage and control of material, stock levels, inventory, control techniques. Methods of pricing material issues.

Labour: Meaning and components of labour cost. Concept, accounting and control of idle time and overtime. Methods of wage payment and incentive plans, labour turnover.

Unit III

Overheads: Collection, classification, allocation, apportionment and absorption of overheads (primary and secondary distribution), machine hour rate, preparation of reconciliation statement.

Unit IV

Unit Output Costing: Concept of and need for unit output costing; preparation of cost sheet and tender price.

Unit V

Process Costing: Preparation of process accounts; treatment of normal and abnormal wastage; treatment of joint product and by-product. **Contract Costing:** Preparation of contract account, determination of profit on completed and incompleting contracts.

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Suggested Readings

- Jain S.P. and Narang K.L: Cost Accounting; Kalyani New Delhi.
- Maheshwari S.N: Advanced Problems and Solutions in Cost Accounting; Sultan Chand, New Delhi. (Hindi and English).
- Tulsian P.C; Practical Costing; Vikas, New Delhi.
- Garg A. K.; Cost Accounting: An Analytical Study, Swati Publication, Meerut.
- Horngren, Charles, Foster and Datar: Cost Accounting - A Managerial Emphasis; Prentice-Hall of India, New Delhi.

Note: Latest edition of readings may be used.

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