

Course Code	Course Title	C	H	I	E	T
17U3KMC7	Cost Accounting	4	75	25	75	100
Learning Objectives						
<ul style="list-style-type: none"> • To familiarize the concept of cost accounting and its importance with various classification of cost • To prepare cost sheet independently for various types of industries • To acquire the skills in control of materials cost, labour cost and overhead costs • To understand and ascertainment of cost by using various methods of costing 						
Learning Outcomes: Depth knowledge in Cost Accounting, Methods of Costing & Skill in Preparation of Cost Sheets						

Unit – I Introduction to Cost Accounting

Definitions – Objectives – Nature – Scope – Limitations of Financial Accounting – Financial Accounting Vs Cost Accounting – Installation of Costing system. Cost Classifications – Elements of Cost – Preparation of Cost Sheet.

Unit – II Material

Material Cost – Purchase Procedure – Various stock levels – Economic Order Quantity (EOQ) – FSN – ABC – JIT – Bin Card – Stores Ledger – Methods of Pricing issues – FIFO – LIFO – Base Stock level – Simple Average and Weighted Average method – Treatment of Scrap, Spoilage, Wastage & Defective.

Unit – III Labour and Overheads

Labour costs – Labour Turnover – Methods of Labour turnover – Treatment of Idle time and over time – Methods of wage payment – Time rate – Piece rate – Taylor differential piece rate system- Incentive methods – Halsey and Rowan Plan.

Overhead Costing – Meaning – Classification – Allocation and Apportionment of Overheads – Reapportionment – Methods of Absorption – Calculation of Machine Hour Rate.

Unit – IV Methods of Costing

Job Costing – Batch Costing – Contract Costing (including escalation clause) – Operating Costing (Transport only)

Unit – V Process Costing

Application of Process Costing – Application of Process Costing - Normal Loss – Abnormal Loss – Abnormal Gain – Concept of Equivalent Production – Joint Products and By products. Reconciliation between Costing Profit and Financial Profit.

Note: The Questions should be asked in the ratio of 80% Problems and 20 % for theory

Book for Study

S.P. Jain & K.L Narang, *Cost Accounting*, Kalyani Publishers, Ludhiana.

Books for Reference

1. Dr.A.Murthy & Dr.S.Gurusamy, *Cost Accounting*, Vijay Nicole Imprints Private Limited, Chennai.
2. T.S. Reddy & Y. Hari Prasad Reddy, *Cost Accounting*, Margham Publication, Chennai.
3. Dr. M. Wilson, *Cost Accounting*, Himalaya Publishing House, Mumbai.
4. www.icaai.org.in, www.icmai.in, www.icsi.edu.in, www.investopedia.com, www.edx.org.