|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Program: B.Com(Management and Finance)** | | | | | **Semester : I** | | |
| **Course: Cost and Management Accounting -I** | | | | | **Code :** | | |
| **Suggested Lectures per week** | | | | | **03** | | |
| **Teaching Scheme** | | | | | **Evaluation Scheme** | | |
| **Lecture** | **Practical** | **Tutorial** | **Credits** | | **Theory** | | |
| **Internal**  **40 Marks** | | **External**  **60 Marks** |
| **45** | **Nil** | **Nil** | **03** | |
|  | | | | | | | |
| **Internal Component** | | | | | | | |
| **Class Test (Duration 20 Mins)** | | | | **Projects / Assignments/Presentations** | | **Class Participation** | |
| **20 Marks** | | | | **20 Marks** | | **---** | |
|  | | | | | | | |
| **Learning Objectives:**  1: To understand various elements of cost, classification of cost according to functions and ascertainment of cost.  2: To learn how to prepare cost sheet/statement for production of goods and providing of services  3: To describe Unit costing, Job costing and Batch costing methods  4: To discuss the various inventory control techniques, understand EOQ to determine optimum order quantity and determination of various stock levels | | | | | | | |
| **Course Outcomes:**  After completion of the course, learners would be able to:  **CO1:** Lists the various elements of cost, classify cost according to functions and ascertain cost.  **CO2:** Prepare cost sheet/statement for production of goods and providing of services  **CO3:** Differentiate between Unit Costing, Job Costing and Batch Costing  **CO4:** Apply the various inventory control techniques, compute EOQ and determination of various stock levels. | | | | | | | |
|  | | | | | | | |
| **Pedagogy : Classroom learning , Presentation, Theory Notes, Practical Sums, Assignments, Case Study** | | | | | | | |
|  | | | | | | | |

# MODULES AT GLANCE

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Topics** | **No. of Lectures** |
| **Module 1** | Overview Of Cost and Management Accounting  -Introduction To Cost and Management Accounting  -Elements Of Cost And Preparation Of Cost Sheets   * Methods of Costing   1. Single output/Unit costing   2. Job costing   3. Batch costing | 16 |
| **Module 2** | Material Cost | 10 |
| **Module 3** | Employee Cost | 10 |
| **Module 4** | Recording And Accounting Of Costs | 09 |
|  | **TOTAL** | **45** |

**DETAILED SYLLABUS**

|  |  |  |
| --- | --- | --- |
| **Unit** | **Topic** | **No. of Hours/Credits** |
| **Module 1** | **Overview of Cost and Management Accounting**  (i) Introduction to Cost and Management Accounting   1. Objectives and Scope of Cost and Management Accounting, 2. The users of Cost and Management accounting information- Functions of management accounting. 3. Role of cost accounting department in an organization and its relation with other departments. 4. Installation of Costing System 5. Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management. 6. Cost terms and Concepts 7. Cost Reduction and Cost Control 8. Elements of Costs 9. Cost behavior pattern, separating the components of fixed, variable, semi- variable and step costs. 10. Methods of Costing, Techniques of Costing. 11. Cost Accounting with use of Information Technology.   (ii) Elements of Cost and preparation of Cost Sheets   1. Functional classification and ascertainment of cost 2. Preparation of Cost Sheets for Manufacturing sector and for Service sector   iii) Methods of Costing   1. Single Output/ Unit Costing 2. Job Costing: Job cost cards and databases, collecting direct costs of each job, attributing overheads to jobs, Application of job costing.   Batch Costing: Determination of optimum batch quantity, Ascertainment of cost for a batch, Preparation of batch cost sheet, Treatment of spoiled and defective work. | 16 |
| **Module 2** | **Material Cost**   1. Procurement procedures- Store procedures and documentation in respect of receipts and issue of stock, Stock verification, 2. Valuation of material receipts, 3. Inventory control-  * Techniques of fixing level of stocks- minimum, maximum, re-order point, safety stock, determination of optimum stock level, * Determination of Optimum Order quantity- Economic Order * Quantity(EOQ), * Techniques of Inventory control- ABC Analysis, Fast, Slow moving and Non moving (FSN), High, Medium, Low (HML), Vital, Essential, Desirable (VED), Just-in-Time (JIT)- Stock taking and perpetual inventory system, use of control ratios,   d) Inventory Accounting | 10 |
| **Module 3** | **Employee Cost**  a) Attendance and Payroll procedures-  - Elements of wages- Basic pay, Dearness Allowance, Overtime, Bonus, Holiday and leave wages, Allowances and perquisites.   1. Employee Cost Control 2. Employee Turnover- Methods of calculating employee turnover, causes of employee turnover, effects of employee turnover. | 10 |
|  | 1. Utilization of Human Resource, Direct and indirect employee Cost, charging of employee cost, Identifying employee hours with work orders or batches or capital jobs. 2. Remuneration systems and incentive schemes- Premium Bonus Method (Halsey Plan and Rowan Plan) |  |
| **Module 4** | **Recording and Accounting of Costs**   1. Non-integrated Cost Accounting system-   Ledger under non-integral system   1. Integrated (Cost and Financial) Accounting system- Ledgers under integral system. 2. Difference between the Non- integrated and Integrated Accounting system. 3. Reconciliation of profit as per Cost and Financial Accounts (under Non- Integrated Accounting System) | 09 |

### Essential Reading:

1. Padhuka’s Cost Accounting and Financial Management- A Practical Guide by CA B Saravana Prasath.
2. Study Material for Cost and Management Accounting by ICAI

### Supplementary Reading:

1. Cost Accounting by P C Tulsian- the Mc Graw Hill Companies

**Evaluation Pattern**

The performance of the learner will be evaluated in two components. The first component will be a Continuous Assessment with a weightage of 40 % of total marks per course. The second component will be a Semester end Examination with a weightage of 60 % of the total marks per course. The allocation of marks for the Continuous Assessment and Semester end Examinations is as shown below:

**Details of Continuous Assessment (CA)**

40 % of the total marks per course:

|  |  |  |
| --- | --- | --- |
| **Continuous Assessment** | **Details** | **Marks** |
| **Component 1 (CA-1)** | Class Test | 20 marks |
| **Component 2 (CA-2)** | Assignment / Presentations / Projects | 20 marks |

Three Class test of 10 Marks each out of which best of Two will be considered

**Details of Semester End Examination**

60 % of the total marks per course. Duration of examination will be two hours.

Q1 is compulsory Solve any three out of Q2 to Q5

|  |  |  |  |
| --- | --- | --- | --- |
| **Question Number** | **Description** | **Marks** | **Total Marks** |
| Q1 | Numerical Question (Compulsory) | 15 | 15 |
| Q2 | Numerical / Theoretical Question | 15 | 15 |
| Q3 | Numerical / Theoretical Question | 15 | 15 |
| Q4 | Numerical / Theoretical Question | 15 | 15 |
| Q5 | Short Notes / Case Studies / Short Numerical (Any 3 out of 4) | 15 | 15 |
| **Total Marks** | | | **60** |

Note: If required the Questions can be sub-divided as per length/ difficulty level of the Question

Prepared by Approved by

Faculty/HOD Principal