

**B. Com (Hons.) (Accounting and Taxation)**  
**CORE COURSE (CC)**  
**SEMESTER IV**  
**(BCB32403T): COST ACCOUNTING**

**MAX. MARKS: 100**

**EXTERNAL: 70**

**INTERNAL: 30**

**PASS: 40%**

**Credits: 6**

**Objective:**

To acquaint the students with basic concepts used in cost accounting, various methods involved in cost ascertainment and cost accounting book keeping systems.

**COURSE OUTCOME**

<b>CO1</b>	Understand thoroughly the conceptual framework of Cost Accounting; identification of differences between different financial and cost accounting; cost concepts and elements of cost; preparation of cost sheet.
<b>CO2</b>	Student learn accounting and control techniques for materials, labour, and overheads, including inventory control, timekeeping, and allocation of overheads.
<b>CO3</b>	Develop ability to calculate the cost of products, jobs, contracts, processes and services after understanding the basic concepts and processes involved in them.
<b>CO4</b>	Understand cost accounting book keeping systems and reconciliation of cost and financial account profits.

**SECTION A**

**Block 1: Introduction**

Meaning, objectives and advantages of cost accounting; Difference between cost accounting and financial accounting; Cost concepts and classifications; Elements of cost; Installation of a costing system; Role of a cost accountant in an organization

**Block 2: Elements of Cost: Material**

Elements of Cost: Materials, Material/inventory control techniques. Accounting and control of purchases, storage and issue of materials. Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard Cost. Treatment of Material Losses

**Block 3: Elements of Cost: Labour**

Labour: Accounting and Control of labour cost. Time keeping and time booking. Concept and treatment of idle time, over time, labour turnover and fringe benefits. Methods of wage payment and the Incentive schemes- Halsey, Rowan, Taylor's Differential piece wage.

**SECTION B**

**Block 4: Elements of Cost: Overheads**

Overheads : Classification, allocation, apportionment and absorption of overheads; Under- and over-absorption; Capacity Levels and Costs; Treatments of certain items in costing like interest on capital, packing expenses, bad debts, research and development expenses; Activity based cost allocation.

**Block 5: Methods of Costing**

Methods of Costing : Unit costing, Job costing, Contract costing.

Process costing (process losses, valuation of work in, progress, joint and by-products), Service costing (only transport).

**Block 6: Cost Accounting Book-Keeping Systems**

Book Keeping in Cost Accounting : Integral and non-integral systems; Reconciliation of cost and financial accounts

**Suggested Reading:**

1. Jawahar Lal, ( 2013) Cost Accounting. McGraw Hill Education
2. Nigam, B.M. Lall and I.C. Jain. (2010) Cost Accounting: Principles and Practice. PHI Learning
3. Jain, S.P. and K.L. Narang.(2021) Cost Accounting: Principles and Methods. Kalyani Publishers
4. Arora, M..N. (2021) Cost Accounting Principles and Practice. Vikas Publishing House, New Delhi.
5. Maheshwari, S.N. and S.N. Mittal.(2009) Cost Accounting: Theory and Problems. Shri Mahavir Book Depot, New Delhi.

**Note: Latest edition of text books should be used.**

**INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:**

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions From the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt Two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any ten questions from this section.
4. The examiner shall give a clear instruction to the candidates to attempt questions only at one place and Only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.
5. The duration of each paper will be three hours.

**INSTRUCTIONS FOR THE CANDIDATES:**

Candidates are required to attempt any two questions each from the sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.