

IMPC3002 COST ACCOUNTING (3-0-0)

Course Objectives:

1. To develop the understanding about cost accounting system
2. To familiarize the students about recording and treatment of material, labour & overheads in an organization
3. To understand the relevance of cost accounting in cost reduction and cost control

Module-I:

Cost Accounting: Meaning and definition, limitations of financial accounting, Development of Cost Accounting, Functions, Objectives, Advantages and Limitations of Cost Accounting, Importance of Cost Accounting to Business Concern. Relationship between Cost Accounting, Financial Accounting, and Management Accounting; Installing a Cost Accounting System, Essentials of a good Cost Accounting System. Cost concepts and classification; Method & Techniques of Costing, Cost Centre, Cost Unit, Profit Centre, Investment Centre, Preparation of cost sheet.

Module –II

Material Cost Management: Proper Purchase Procedure, Fixation of Stock Levels, ABC Analysis, Stores Ledger Account, Methods of Pricing of Material Issues. Practical Problems on Fixation of Stock Levels and Methods of Pricing of Material Issues (FIFO and LIFO only)

Labour Cost Management: Meanings of Time Keeping, Time Booking, Idle Time and Labour Turnover. Methods of Wage Payments-Time Rate System, Piece Rate System; Incentive Plans- Halsey Plan, Rowan Plan and Taylor's Differential Piece Rate System and Practical Problems on above methods.

Module –III

Overheads: Measuring and importance, production overheads, Primary Distribution and secondary distribution, allocation and apportionment of cost, absorption by production units; Machine Hour Rate

Cost Reduction and Cost Control: meaning of cost control, cost control process; importance cost control; meaning cost reduction; importance of cost reduction, techniques of cost reduction; distinction between cost control and cost reduction.

Contract costing, Process Costing: Process losses and inter process profit, simple equivalent production, Joint Product and By Products

Course Outcomes:

- CO-1: Acquire fundamentals knowledge relating to cost accounting (types & elements of cost) and identify expenses which are part of the total cost of a product or service.
- CO-2: Interpret the process of purchasing and storing materials, management and appraisal of labour force and allocation and apportionment of other expenses.
- CO-3: Learn different methods and techniques of ascertainment and control of costs in manufacturing and service industry.
- CO-4: Assimilate the concepts and applications of different cost management tools.

Reference Book:

1. Cost Accounting, Principle and Practices – Jain & Narang, Kalyani
2. Cost Accounting, Principle and Practices – Manash Dutta , Pearson
3. Cost Accounting, Principle and Practice- M. N. Arora , Vikas
4. Cost Accounting: An Introduction- Nigam & Jain , PHI