

UNDERGRADUATE PROGRAMME IN COMMERCE

SEMESTER IV

PAPER NO - 10: COST ACCOUNTING

Marks: 100 (Theory = 75, Internal Assessment = 25)

Objective: To acquaint the students with basic concepts used in cost accounting and various methods involved in cost ascertainment systems.

Lectures: 48

Unit I: **5 Lectures**

Introduction: Meaning, objectives and advantages of cost accounting, Difference between cost accounting and financial accounting. Cost concepts and classifications, Elements of cost.

Unit II: **8 Lectures**

Accounting and Control of Material Cost: Issue of materials, Methods of pricing of material issues – FIFO, LIFO, Weighted Average. Inventory control- concept and techniques like fixing of stock levels, EOQ, ABC analysis, perpetual & periodic inventory systems.

Unit III: **8 Lectures**

Labour: Accounting and Control of labour cost, time keeping and time booking, concept and treatment of idle time, over time, labour turnover.

Unit IV: **10 Lectures**

Overhead: Classification, allocation, apportionment and absorption of overhead. Under- and over-absorption. Treatments of certain items in costing like interest on capital, packing expenses, bad debts, research and development expenses, Activity – based cost allocation.

Unit V: **13 Lectures**

Methods of Costing: Unit costing, Job costing, Contract Costing, Process costing. Treatment of process losses (excluding valuation of work in progress, joint and by-products). Service costing (only transport).

Unit VI: **4 Lectures**

Accounting Systems, Reconciliation of cost and financial accounts.

READINGS:

Essential Readings:

1. Arora, M.N., *Cost Accounting – Principles and Practice*, Vikas Publishing House, New Delhi.

2. Horngreen, Charles T., Foster, George, and Srikant M. Dattar, *Cost Accounting: A Managerial Emphasis*, Prentice Hall of India Ltd., New Delhi.

Suggested Readings:

1. Lal, Jawahar and Seema Srivastava, *Cost Accounting*, Tata McGraw Hill Publishing Co., New Delhi.
2. Shukla, M.C., Grewal, T.S., and M.P. Gupta, *Cost Accounting: Text and Problems*, S. Chand & Co. Ltd., New Delhi.
3. Maheshwari, S.N. and S.N. Mittal, *Cost Accounting: Theory and Problems*, Shri Mahabir Book Depot, New Delhi.
4. Usry, Milton E. and Lawrence H. Hammer, *Cost Accounting: Planning and Control*, South Western Publishing Co.
5. Barfield, Jesset T., Raibarn, Cecily A., and Michael R. Kinney, *Cost Accounting: Traditions and Innovations*, Thomson Learning.
6. Lucey, T., *Costing*, ELST, London.

Note: Latest edition of text book may be used.