



ARSD College, University of Delhi

Model Course Handout/Lesson Plan

Course Name : B.Com. (H)						
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
IV	22411401	BCH 4.1: Cost Accounting	5	1	0	6
Teacher/Instructor(s)		Dr. Manika Jain				
Session		2021-22				

Course Objective

To provide an in-depth study of the cost accounting principles for identification, classification and analysis of cost components and cost ascertainment in different industries using various costing methods.

Course Learning Outcomes

After completing the course, the student shall be able to:

CO1: 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.

CO2: understand the accounting and control of material and labour cost.

CO3: develop ability to understand classification, allocation, apportionment and absorption of overheads in cost determination; under and over absorption of overheads; treatment of various item of overheads

CO4: develop ability to calculate the cost of products, jobs, contracts, processes and services after understanding the basic concepts and processes involved in them.

CO5: understand cost accounting book keeping systems and reconciliation of cost and financial account profits

Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
1.	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	1-8	Meaning, scope, objectives and advantages of cost accounting; Difference between financial and cost accounting. Cost concepts and classifications Overview of elements of cost and Cost sheet. Role of a cost accountant in an organisation. Introduction to Cost Accounting Standards & Cost Accounting Records and Audit Rules
2.	Understand the accounting and control of material and labour cost.	9-18	<i>(a) Materials:</i> Material/inventory control techniques. Accounting and control of purchases, storage and issue of materials. Inventory systems, Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard Cost; Physical Verification, Accounting treatment and control of losses— Wastage, scrap, spoilage and defectives
		19-24	<i>(b) Labour:</i> 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 Incentive schemes- Halsey, Rowan, Taylor's differential piece wage.
3.	Develop ability to understand classification, allocation, apportionment and absorption of overheads in cost determination; under and over absorption of overheads; treatment of various item of overheads	25-35	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 costing.
4.	Develop ability to calculate the cost of products, jobs, contracts, processes and services after understanding the basic concepts and processes involved in them	36-39	Unit costing,
		40-41	Job costing,
		42-46	Contract costing,

		47-51	Process costing (including process losses, valuation of work-in-progress, joint and by-products).
		52-55	Service costing (only transport).
5.	Understand cost accounting book keeping systems and reconciliation of cost and financial account profits.	56-60	Integral and non-integral systems; Reconciliation of cost accounting records with financial accounts.

Evaluation Scheme:

No.	Component	Duration	Marks
1.	Internal Assessment	Continuous Assessment	25
	• Quiz		
	• Class Test		
	• Attendance		
	• Case Study		
	• Assignment		
2.	End Semester Examination	3 hours	75
	TOTAL		100

Details of the Course

Unit	Contents	Contact Hours
I	<p><u>Unit 1: Introduction</u></p> <p>Meaning, scope, objectives and advantages of cost accounting; Difference between financial and cost accounting. Cost concepts and classifications, Overview of elements of cost and Cost sheet. Role of a cost accountant in an organisation. Introduction to Cost Accounting Standards & Cost Accounting Records and Audit Rules</p>	8
II	<p><u>Unit II: Elements of Cost: Material and Labour</u></p> <p><i>(a) Materials:</i> Material/inventory control techniques. Accounting and control of purchases, storage and issue of materials. Inventory systems, Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard Cost; Physical Verification, Accounting treatment and control of losses— Wastage, scrap, spoilage and defectives</p> <p><i>(b) Labour:</i> 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 Incentive schemes- Halsey, Rowan, Taylor's differential piece wage.</p>	16

III	<u>Unit III: Elements of Cost: Overheads</u> 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 costing.	11
IV	<u>Unit IV: Methods of Costing</u> Unit costing, Job costing, Contract costing, Process costing (including process losses, valuation of work-in-progress, joint and by-products). Service costing (only transport).	20
V	<u>Unit V: Cost Accounting Book-Keeping Systems</u> Integral and non-integral systems; Reconciliation of cost accounting records with financial accounts.	5
	Total	60
Suggested Books:		
Sl. No.	Name of Authors/Books/Publishers	Year of Publication/Reprint
1	Arora, M.N. Cost Accounting-principles and practice. Vikas Publishing House, New Delhi.	2021
2	Jhamb, H. V. Fundamentals of Cost Accounting. Ane Books Pvt Ltd, New Delhi	2011
3	Lal, Jawahar., and Srivastava, Seema. Cost Accounting. McGraw Hill Publishing Co., New Delhi.	2019
4	Jain, S.P., and Narang, K.L. Cost Accounting: Principles and Methods. Kalyani Publishers, Jalandhar.	2016
Mode of Evaluation:	Class participation, Presentation, class tests, assignments, End Semester Exam	