



ARSD College, University of Delhi

Model Course Handout/Lesson Plan

Course Name : B.Com.(Hons)						
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
IV	BC 4.3	Cost Accounting	5	1	-	6
Teacher/Instructor(s)		Dr. Ruchika Kaura				
Session		2021-22				

Course Objective:

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

Course Learning Outcomes:

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

- Understand conceptual framework of Cost Accounting.
- Understand in detail the accounting and control of material and labour cost.
- Understand classification, allocation, apportionment and absorption of overheads in cost determination.
- Calculate the cost of products, jobs, contracts, processes and services.
- Have basic understanding of 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.	Introduction	1	Meaning, scope, objectives and advantages of cost accounting
		2	Difference between financial and cost accounting, Role of a cost accountant in an organization
		3	Cost concepts and classifications
		4	Introduction to Cost Accounting Standards & Cost Accounting Records and Audit Rules
		5	Overview of elements of cost and Cost sheet.
		6-8	Practical questions on Cost Sheet
		9	Material/inventory control techniques
		10	Accounting and control of purchases, storage and issue

2.	Elements of Cost: Material and Labour		of materials.
		11	Inventory systems – Periodic & Perpetual
		12-14	Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average.
		15-16	Replacement, Standard Cost; Physical Verification, Accounting treatment and control of losses — Wastage, scrap, spoilage and defectives
		17	Accounting and Control of labour cost.
		18	Time keeping and time booking.
		19	Concept and treatment of idle time, over time,
		20	Labour turnover and fringe benefits.
3.	Elements of Cost: Overheads	21	Meaning and Classification of Overheads
		22	Accounting of Overheads
		23	Allocation and Apportionment
		24	Apportionment of Service Department Costs
		25	Absorption of Overheads
		26-27	Methods of Absorption of Overheads
		28	Under- and over-absorption of overheads
		29	Treatments of certain items in costing like interest on capital, packing expenses, bad debts, research and development expenses
		30	Activity based costing.
		31-34	Practical Questions- Problems and Solutions
4.	Methods of Costing	35	Unit costing- Introduction, cost sheet format
		36-37	Practical Questions- Problems and Solutions of Unit Costing
		38	Job costing- Introduction & Objectives
		39	Practical Questions- Problems and Solutions of Job Costing
		40	Contract costing- Introduction & Objectives
		41	Contract Costing Procedure, Profit on incomplete contracts
		42-44	Practical Questions- Problems and Solutions of Contract Costing
		45	Process costing- Introduction & Objectives
		46	Process Costing Procedure, Process losses & wastages
		47	Valuation of Work-in -Progress
		48-49	Practical Questions- Problems and Solutions of Process Costing
		50	Service costing - Introduction & Objectives
		51-52	Operating Cost Sheet, Practical Questions- Problems and Solutions of Service (Transport) Costing
5.	Cost Accounting Book-Keeping Systems	53-54	Integral and non-integral system of book-keeping
		55	Introduction, Need for Reconciliation
		56	Reasons for Disagreement of Profit or Loss
		57	Method of Reconciliation, Memorandum Reconciliation Account, Reconciliation Statement
		58-60	Practical Questions- Problems and Solutions

Evaluation Scheme:

No.	Component	Duration	Marks
1.	Internal Assessment		25
	• Quiz		
	• Class Test		
	• Attendance		
	• Assignment		
2.	End Semester Examination	3 hr	75

Details of the Course		
Unit	Contents	Contact Hours
1	<u>Introduction</u> 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 organization. Introduction to Cost Accounting Standards & Cost Accounting Records and Audit Rules	8
2	<u>Elements of Cost: Material and Labour</u> (a) <i>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; (b) <i>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.	12
3	<u>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.	14
4	<u>Methods of Costing</u> Unit costing, Job costing, Contract costing, Process costing (including process losses, valuation of work-in-progress but excluding Joint products By Products). Service costing (only transport).	18
5	<u>Cost Accounting Book-Keeping Systems</u> A brief introduction to integral and non-integral system of book-keeping; Reconciliation of cost and financial accounts profit.	8
	Total	60
Suggested Books:		
Sl. No.	Name of Authors/Books/Publishers	Year of Publication/Reprint
1	Jain, S.P., and K. L. Narang. <i>Cost Accounting: Principles and Methods</i> . Kalyani Publishers, Jalandhar.	2022

2	Jhamb, H. V. <i>Fundamentals of Cost Accounting</i> . Ane Books Pvt. Ltd, New Delhi.	2022
3	Arora, M. N. <i>Cost and Management Accounting-Principles and Practice</i> . Vikas Publishing House, New Delhi.	2022
4	Lal, Jawahar & Seema Srivastava. <i>Cost Accounting</i> . McGraw Hill Publishing Co., New Delhi.	2022
5	Maheshwari, S. N., & S. N. Mittal. <i>Cost Accounting. Theory and Problems</i> . Shri Mahabir Book Depot, New Delhi.	2022
Mode of Evaluation:		Internal Assessment / End Semester Exam