



<b>Semester: II</b>		
Course name: <b>COST AND MANAGEMENT ACCOUNTING - 1</b>		
Course code: C1BC230221T	Marks: 100	
Course Credits: 4		
No. of Weekly Lectures: 6		
Pedagogy: Classrooms lecture & seminar.		
Course Description: This introductory course aims to develop an understanding of the contemporary cost concepts and the rational approach towards cost ascertainment under specific situations and to acquire the ability to use information determined through cost accounting for decision making purpose.		
Learning Objectives: The course aims to help learners to acquire conceptual knowledge of; LO1. To develop a detail understanding of the concepts associated with cost and costing LO2. To understand the various components of cost of production. LO3. To attain knowledge on the element-wise cost ascertainment with respect to materials (including inventory management and control), employee cost and apportionment of overhead costs using the traditional method and ABC. LO4. To understand how cost computation is done for different industries using job costing, batch costing, contract costing and service costing.		
Course Outcomes: On successful completion of the course, students will be able to: CO1. Understand the fundamental concepts of cost, costing, cost accounting, cost classification, cost unit, and cost centre for establishing an effective cost accounting system CO2. Apply element-wise cost ascertainment techniques for materials, employee cost, and analyze inventory control techniques, labour cost control systems CO3. Valuation of overheads using appropriate methods, allocation, apportionment, and absorption. Activity Based Costing for improving efficiency and cost management. Evaluate the appropriateness of different costing techniques. CO4. Prepare cost sheets and compute costs using job costing, batch costing, contract costing, and service costing methods in different industrial situations		
Unit	Details	No. of classes
<b>1. Introduction to Cost Accounting</b>	Concept of Cost, Costing, & Cost Accounting, Importance and features of Costing Accounting, Cost concepts and classifications, Elements of cost, Concept of cost unit, Cost Centre, Establishment of an ideal cost accounting system, Difference between cost accounting and financial accounting.	<b>6</b>
<b>2. Material Cost</b>	Types of material, Valuation of materials - Principles of valuation of material, purchases - objectives and functions of purchase department, Determination of Economic Order Quantity (EOQ), Inventory control; Just in Time (JIT) Inventory Management, Treatment of waste, scrap, spoilage, defective and obsolescence.	<b>12</b>
<b>3. Employee Cost</b>	Meaning and classification of employee cost, Requisite of a good wage and incentive system, Labour cost control – techniques, Employee turnover, Remuneration – Time rate, Piece rate, Differential plans, and Incentive schemes, Rowan and Halsey Plan.	<b>12</b>



<b>4. Overheads</b>	Definition and classification, Production overheads – allocation and apportionment of cost, Meaning and Methods of cost absorption, Treatment of over – absorption & under -absorption of overheads, Administration and selling & distribution overheads Research & Development cost – methods of ascertainment, Treatment of in Cost Accounting.	<b>12</b>
<b>5. Activity Based Costing (ABC)</b>	Concept, significance and salient features; Stages and flow of costs in ABC; Basic components of ABC - resource drivers and cost drivers.	<b>10</b>
<b>6. Methods of Costing</b>	<ul style="list-style-type: none"><li>• Preparation of Cost Sheet (Job Cost and unit cost)</li><li>• Batch Cost.</li><li>• Contract Costing, features and types of contracts, Methods of cost determination in contract costing, WIP valuation, Escalation clause and cost plus contract.</li><li>• Service costing, Factors in ascertaining service cost, Ascertainment of service cost of Transport sector.</li></ul>	<b>26</b>

*All units will be covered as per the requirements of relevant standards as issued by the ICMAI/ICAI.*

**Suggested Readings/References:**

1. Dr. M. Hanif – “Modern Cost and Management Accounting”, McGraw-Hill Education Pvt. Ltd.
2. Saxena and Vashist - “Cost and Management Accounting”, Sultan Chand and Sons.
3. Ashis Bhattacharya – “Cost Accounting”, Prentice Hall, India.
4. Basu and Das – “Cost and Management Accounting”, Rabindra Library, Kolkata.
5. Banerjee, B - Cost Accounting – Theory and Practice. New Delhi: PHI Learning Pvt. Ltd.
6. Kishore, R. M. - Taxman’s Cost Accounting. New Delhi: Taxmann Publication Pvt. Ltd.
7. Lal, J., & Srivastava, S. - Cost Accounting. New Delhi: McGraw Hill Publishing Co.
8. Mowen, M. M., & Hansen, D. R. - Cost Management. Stanford: Thomson

Course	Unit	Unit Name	CO Statement	Key Action	Cognitive
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Outcome (CO)	No.			Verbs	Level
CO1	1	<b>Introduction to Cost Accounting</b>	Understand the fundamental concepts of cost, costing, cost accounting, cost classification, cost unit, and cost centre for establishing an effective cost accounting system	Describe, Summarize	Understand (K2)
CO2	2,3	<b>Material Cost, Employee Cost</b>	Apply element-wise cost ascertainment techniques for materials, employee cost, and analyze inventory control techniques, labour cost control systems	Implement, Solve	Apply (K3)
CO3	4,5	<b>Overheads, Activity Based Costing (ABC)</b>	Valuation of overheads using appropriate methods, allocation, apportionment, and absorption. Activity Based Costing for improving efficiency and cost management. Evaluate the appropriateness of different costing techniques.	Examine, Judge	Analyze (K4), Evaluate (K5)
CO4	6	<b>Methods of Costing</b>	Prepare cost sheets and compute costs using job costing, batch costing, contract costing, and service costing methods in different industrial situations	Demonstrate, Construct	Apply (K3), Create (K6)