



<b>Semester III</b>			
<b>Course name: COST AND MANAGEMENT ACCOUNTING - 2</b>			
<b>Course code: C2BC230311T</b>			
<b>Course Credits: 4</b>			
<b>Pedagogy: Classrooms lecture &amp; Seminar.</b>			
<b>Course Description:</b> The course aims to enable the learners in understanding, develop, and apply the tools and techniques of cost and management accounting in financial decision-making with respect to business entities. It seeks to develop students' competence toward cost ascertainment, planning, and control, and managerial decision making.			
<b>Learning Objectives:</b> The course aims to help learners to acquire conceptual knowledge of; LO1. To understand Process Costing, Joint Products, and By-Products. LO2. To develop an understanding of marginal costing and CVP analysis and its applications in short term decision making. LO3. To understand the process of preparing different types of budget. LO4. To compute and analyse variances related to material, labour, overhead and revenue.			
<b>Course Outcomes:</b> On successful completion of the course, students will be able to: CO1. Elucidate the meaning, objectives, nature, and scope of Process costing and the concept of Joint product and By-product. CO2. Understand the meaning of marginal costing along with its components, and difference between Absorption Costing and Variable Costing. CO3. Execute a Cost-volume-profit analysis and a Break-even analysis, compute Profit/Volume Ratio, Angle of Incidence, margin of safety, Key factor(s) and be able to determine cost indifference point. CO4. Clearly understand the concept of relevant information and the use of such information for various short-term decision-making situations, including operational decisions. CO5. Draw up Production Budget, Cash Budget, Fixed and Flexible Budget, Sales Budget and clearly understand Zero-Based Budgets. CO6. Understand the concept of standard costs and be able to execute Variance Analysis with respect to material, labour, and overhead.			
<b>Unit No.</b>	<b>Unit Name</b>	<b>Topics</b>	<b>Nos. of lectures</b>
1	<b>Process Costing, Joint Products, and By-Products</b>	Process cost recording, Process loss, Abnormal gains and losses, Inter-process profit, Equivalent units of production, Valuation of work in process. Introduction to Joint Products and By-Products.	14
2	<b>Marginal Costing and Cost Volume-Profit Analysis</b>	Basic concepts of marginal costing, Determination of cost of a product under marginal costing method, determination of cost of finished goods, Comparison of Marginal costing with absorption costing method - Reconciliation of profit under Marginal costing and Absorption costing methods. Cost-Volume-Profit (CVP) Analysis: CVP assumptions and uses; Break-even Analysis: Break-Even Point and Margin of Safety; Contribution margin, Break-even, and profit	20



		volume charts, Contribution to sales ratio, Angle of Incidence, Multi-product break-even analysis. Consideration of Limiting factor (key factor), Cost Indifference Point.	
3	<b>Application of Marginal Costing techniques to Decision Making</b>	Steps in the decision-making process, Concept of Relevant costs and benefits, Various short-term decision-making relating to: i. Profitable Product-mix, ii. Acceptance or Rejection of special/export offers, iii. Make or buy, Addition or Elimination of a product line, and iv. Operate or shut down.	22
4	<b>Budgetary Control</b>	Meaning of Budget, Essentials of Budget, Budget Manual, Principal or Key budget factors, Preparation of Budget and monitoring procedures. The use of budget in planning and control. Preparation of Functional budget for operating and non-operating functions, Cash budget, Flexible budget, Zero Based Budgeting (ZBB).	10
5	<b>Standard Costing</b>	Setting up of Standards, Types of Standards, Standard Costing as the method of performance measurement, Standard Costing, and Budgetary Control – difference. Calculation of Cost Variances - Material Cost Variance, Employee Cost Variance, Variable Overhead Variance, and Fixed Overhead Variance.	12

**SUGGESTED TEXT BOOKS/ READING MATERIALS:**

- Dr. M. Hanif – “Modern Cost and Management Accounting”, McGraw-Hill Education Pvt. Ltd.
- Saxena and Vashist – “Cost and Management Accounting (Text)”, Sultan Chand and Sons.
- Dr. B. Banerjee – “Cost Accounting”, Prentice Hall, India.
- Ashis Bhattacharya – “Cost Accounting”, Prentice Hall, India.
- Basu and Das – “Cost and Management Accounting”, Rabindra Library, Kolkata
- Mowen, M. M., & Hansen, D. R. - Cost Management. Stanford: Thomson