

B.COM 4TH SEMESTER

COM-HC-4016: COST ACCOUNTING

Marks: 100

Credit: 6

Lectures: 65

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

CONTENTS:

Unit 1: Introduction 12

Meaning, objectives and advantages of cost accounting; Difference between cost accounting and financial accounting; Cost concepts and classifications; Elements of cost and preparation of Cost Sheet; Installation of a costing system; Role of a cost accountant in an organisation

Unit 2: Elements of Cost: Material 14

Material/inventory control techniques. Accounting and control of purchases, storage and issue of materials. Methods of pricing of materials issues — FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard Cost. Treatment of Material Losses, Stores ledger, EOQ, levels of Inventory

Unit 3: Elements of Cost: Labour: 14

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 the Incentive schemes- Halsey, Rowan, Taylor's Differential piece wage.

Unit 4: Elements of Cost: Overheads 14

Classification, allocation, apportionment and absorption of overheads; Under- and over-absorption; Calculation of Machine Hour Rate;

Treatments interest on capital, depreciation, packing expenses, bad debts, research and development expenses.

Unit 5: Methods of Costing 14

Unit costing, Job costing, Contract costing, Process costing (including treatment of process losses, valuation of work in progress).

Integral and non-integral systems; Reconciliation of cost and financial accounts.

Suggested Reading:

Charles T. Horngren, Srikant M. Datar, Madhav V. Rajan , ***Cost Accounting: A Managerial Emphasis***, Pearson Education.

Drury, Colin. *Management and Cost Accounting*. Cengage Learning.

Jawahar Lal, *Cost Accounting*. McGraw Hill Education

Nigam, B.M. Lall and I.C. Jain. *Cost Accounting: Principles and Practice*. PHI Learning

Rajiv Goel, *Cost Accounting*. International Book House

Singh, Surender. *Cost Accounting*, Scholar Tech Press, New Delhi.

Jain, S.P. and K.L. Narang. *Cost Accounting: Principles and Methods*. Kalyani Publishers

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

Maheshwari, S.N. and S.N. Mittal. *Cost Accounting: Theory and Problems*. Shri Mahavir BookDepot, New Delhi.

Iyengar, S.P. *Cost Accounting*. Sultan Chand & Sons

H.V. Jhamb, *Fundamentals of Cost Accounting*, Ane Books Pvt. Ltd.

Note: Latest edition of text books shall be used.