

Program : Diploma in Commercial Practice	
Course Code : 4142	Course Title: Cost Accounting
Semester : 4	Credits: 3
Course Category: Program Core	
Periods per week: 4 (L:2, T:0, P:2)	Periods per semester: 60

Course Objectives:

- To develop cost accounting skills using different cost concepts, cost accounting principles, methods and techniques of costing.

Course Prerequisites:

Topic	Course code	Course name	Semester
Basic knowledge in Financial Accounting.		Financial Accounting I	1
		Financial Accounting II	2

Course Outcomes:

On completion of the course, the student will be able to:

COn	Description	Duration (Hours)	Cognitive Level
CO1	Identify different methods and techniques of costing.	13	Applying
CO2	Prepare cost sheet and memorandum reconciliation account.	15	Applying
CO3	Apply methods of process costing, job costing and contract costing.	15	Applying
CO4	Apply marginal costing techniques and budgetary control techniques.	15	Applying
	Series Test	2	

CO - PO Mapping:

Course Outcomes	PO1	PO2	PO3	PO4	PO5	PO6	PO7
CO1	3						
CO2			3				
CO3			3				
CO4			3				

3-Strongly mapped, 2-Moderately mapped, 1-Weakly mapped

Course Outline:

Module Outcomes	Description	Duration (Hours)	Cognitive Level
CO1	Identify different methods and techniques of costing.		
M1.01	State the meaning of different terms, objectives, advantages and limitations of cost accounting.	4	Understanding
M1.02	Discover the different methods and techniques of costing.	4	Applying
M1.03	Understand the different classifications of cost.	5	Understanding
Contents: Basic Concepts of Cost Accounting: Meaning and definition of Cost - Costing-Cost Accounting - Cost Accountancy - Objectives of Cost Accounting - Advantages and Disadvantages of Cost Accounting - Difference between Cost Accounting and Financial Accounting - Different methods of costing - Describe Techniques of costing - Cost center and Cost unit - Elements of Cost - Material- Direct and Indirect - Labor-Direct and Indirect-Expenses - Direct - Indirect(Over Heads) Classification of Cost - On the basis of function - Production Cost - Office Cost - Selling Cost - Distribution Cost - On the basis of Element - Material - Labor - Expenses - On the basis of Variability - Fixed - Variable - Semi variable - On the basis of Controllability - Controllable - Uncontrollable - On the basis of Normality - Normal - Abnormal.			
CO2	Prepare cost sheet and memorandum reconciliation account.		
M2.01	Explain the meaning of unit and output costing.	2	Understanding
M2.02	State the meaning and purpose of preparing cost sheet.	2	Understanding
M2.03	Prepare statement of cost and profit.	4	Applying
M2.04	Prepare tenders and quotations.	2	Applying

M2.05	Interpret the reconciliation of cost and financial accounts - Reasons for the disagreements in profits - Procedure for reconciliation.	2	Understanding
M2.06	Preparation of memorandum reconciliation account.	3	Applying
	Series Test - I	1	

Contents:

Preparation of Cost Sheet/Tender/Quotation/Memorandum Reconciliation Statement:

Unit or output costing - Meaning - Suitability - Collection of costs - Cost sheet-Preparation of cost sheet - Various components - Work in Progress - Opening stock - Closing stock - Tenders or quotations - Reconciliation Statement - Meaning - Need. Reasons for disagreement in profits - Preparation of Memorandum Reconciliation Account

CO3	Apply methods of process costing, job costing and contract costing.		
M3.01	Explain the features and areas of process costing.	2	Understanding
M3.02	Compare job costing and process costing.	2	Understanding
M3.03	Prepare process accounts.	5	Applying
M3.04	Prepare process accounts with normal loss, abnormal loss and abnormal gain	3	Applying
M3.05	Interpret contract costing.	3	Understanding

Contents:

Process Costing, Job Costing and Contract Costing: Meaning of Process Costing - Features of Process Costing - Application - Elements - Process Accounts - Process Losses - Normal and Abnormal Process Losses - Abnormal Gain. Job Costing - Difference between Job and Process Costing - Practical Problems relating to Process Accounts. Meaning of Contract costing - Features - Profit on Incomplete contracts - Escalation clause - Cost Plus contract. (Theory Only).

CO4	Apply marginal costing techniques and budgetary control techniques.		
M4.01	State the meaning of marginal cost, marginal costing, marginal cost equation. Limitations of marginal costing.	2	Understanding
M4.02	Explain BEP in Units and value.	2	Understanding
M4.03	State the meaning of PV Ratio - Margin of Safety and Break-Even Chart.	2	Understanding
M4.04	Application of marginal cost control and profit planning.	2	Understanding

M4.05	Solve problems relating to marginal costing.	3	Applying
M4.06	State the meaning and objectives of budgetary control.	1	Understanding
M4.07	Different types of budgets. Preparation of cash budget and flexible budget only.	3	Applying
	Series Test - II	1	

Contents:

Marginal Costing and Budgetary Control: Meaning of Marginal Cost and Marginal costing - Definition - Marginal Cost Equation - Break Even Analysis - Contribution - BEP- Margin of Safety - Break Even Chart - Angle of Incidence - Application of Marginal Costing for decision making (Simple Problems only) - Meaning and Objectives of Budgetary Control - Different types of Budget - Preparation of Cash Budget and Flexible Budget - Simple Practical Problems.

Text / Reference:

T/R	Book Title/Author
T1	S.P Jain and K.L Narang. <i>Cost accounting for B.com Part I and II.</i> Kalyani Publishers Delhi.
R1	S.P Jain and K.L Narang. <i>Advanced Cost accounting.</i> Kalyani Publishers Delhi.
R2	M.C. Shukla. <i>Cost Accounting.</i> Sulthan Chand Delhi.
R3	S.N. Maheswari. <i>Cost Accounting.</i> Sulthan Chand Delhi.
R4	V. Rajasekharan and R. Lalitha. <i>Cost Accounting.</i> Pearson Publication.

Online Resources:

Sl.No	Website Link
1	https://www.investopedia.com/terms/c/cost-accounting.asp
2	https://www.iedunote.com/cost-sheet
3	https://www.accountingnotes.net/cost-accounting/process-costing/process-costing-definition-and-features-cost-accounting/10488
4	https://jkshahclasses.com/images/27%20CHAPTER%20-%20PART%20C.pdf