

III. CORE COURSE -C 11:

(Credits: Theory-05, Tutorial-01)

Marks : 25 (MSE: 1Hr) + 75 (ESE: 3Hrs)=100**Pass Marks (MSE + ESE) =40*****Instruction to Question Setter for******Mid Semester Examination (MSE):***

There will be two group of questions. Group A is compulsory and will contain five questions of very short answer type consisting of 1 mark each. Group B will contain descriptive type six questions of five marks each, out of which any four are to answer.

End Semester Examination (ESE):

There will be two group of questions. Group A is compulsory and will contain two questions. Question No.1 will be very short answer type consisting of ten questions of 1 mark each. Question No.2 will be short answer type of 5 marks. Group B will contain descriptive type six questions of fifteen marks each, out of which any four are to answer.

Note: *There may be subdivisions in each question asked in Theory Examinations.*

COST AND MANAGEMENT ACCOUNTING**Theory: 75 Lectures; Tutorial:15 Lectures****Objectives:**

To acquaint the students with the basic concepts used in cost and management accounting and various methods involved in cost ascertainment systems

Unit I:

Introduction: Meaning, Objectives and Advantages of Cost Accounting, Difference between financial, cost and management accounting, Cost concepts and classifications, Role of cost accountant in an organization.

Lectures: 6**Unit II:**

Elements of Cost:

- a. Materials: Material/Inventory control – concept and techniques, Accounting and control of purchases, storages and issues of materials, Methods of pricing of material issues – FIFO, LIFO, Simple Average, Weighted Average, Replacement, Standard treatment of material losses.
- b. Overhead: Classification, Allocation, Apportionment and Absorption of overhead.

Lectures: 14**Unit III:**

Method of Costing: Unit Costing- Preparation of statement of Cost, Cost Sheet and quotations, Contract Costing, Process Costing- Process losses, Joint and by-products, Reconciliation of cost and financial accounts.

Lectures: 15**Unit IV:**

Budgeting and Budgetary Control: Concept of Budget and budgetary control, objectives, merits and limitations, Types of Budget – Sales Budget, Production Budget, Material Budget and Cash Budget, Fixed and Flexible Budget.

Lectures: 15

Session 2019-22 onwards

Unit V:

Standard Costing and Variance Analysis: Meaning of standard cost and standard costing, advantages, limitations and applications, Variance analysis – material and labour.

Lectures: 10

Unit VI:

Absorption versus Variable Costing: Distinctive features and income determination, Cost-Volume – Profit analysis: Break-even analysis, contribution/ sales ratio, Margin of safety, Angle of Incidence. Decision making – Shut down or open, Import or Production, Price determination, Key Factor – Material, Make or Buy.

Lectures: 15

Suggested Readings:

- Horngreen, Charles t. George Foster and Srikant M. Dattar, Cost Accounting : A Managerial Emphasis, Prentice Hall of India Ltd., New Delhi
 - Horngreen, Charles T., Gary L. Sandem, Introduction to Management Accounting, Prentice Hall.
 - Jain, S.P. and K.L. Narang, Cost Accounting : Principles and Methods, Kalyani Publishers, Jalandhar.
 - Lal, Jawahar, Cost Accounting : Tata McGraw Hill Publishing Co., New Delhi.
 - Nigam, B.M. Lall and I.C. Jain, Cost Accounting : Principles and Practice, Prentice Hall of India Ltd., New Delhi
 - 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 Mahabir Book Depot, New Delhi
 - Singh, S.K. and Gupta Lovleen, Management Accounting: Theory and Practice, Pinnacle Publishing House
 - Usry, Milton E. And Lawrence H. Hammer, Cost Accounting: Planning and Control, South Western Publishing House
 - Lucey, T. ,Costing, ELST London
 - Garrison H. Ray and Eric W. Noreen , Managerial Accounting, McGraw Hill
 - Drury, Colin, Management and Cost Accounting, Cengage Learning
 - Lal, Jawahar, Advanced Management Accounting- Text and Cases, S. Chand & Co., New Delhi
 - Khan, M.Y. and P.K. Jain, Management Accounting, Tata McGraw Hill, New Delhi
 - Hansen, Managerial Accounting, Cengage Learning
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