

Teaching Lesson Plan

Semester-V

MJ 9: COST ACCOUNTING

Lecture hours: 60

OBJECTIVES: To develop understanding among learners about contemporary cost concept and rational approach towards cost systems and cost ascertainment. The course also aims to provide knowledge about various methods of cost determination under specific situations and to acquire the ability to use information determined through cost accounting for decision making purpose.

SN	Subject and Objectives	Lectures Hrs	Methodology	Evaluation Mode
Unit-I	Concept and Nature of Cost Accounting	12Hrs		
	<ol style="list-style-type: none"> 1. Concept of cost and costing, Importance and features of costing, Cost classification, Concept of cost unit, cost center, meaning of 'unit' from the view point of producer, Establishment of an ideal cost accounting system, Cost Reduction, Cost Control. 2. Installation of Costing System, Application of IT in Cost Accounting. 3. Preparation of Cost Sheet for manufacturing and service sector. 4. Material Cost - Direct and indirect material, Valuation of materials, Principles of valuation of material as per AS2/ Ind AS- 2; CAS- VI, Material control, purchases, Objectives and functions of purchase department, Inventory control: Meaning and techniques including latest techniques like Just in Time (JIT) Inventory Management, Kanban, Kaizen, Determination of Economic Order Quantity (EOQ). 5. Treatment of waste, scrap, spoilage, defective and obsolesce. 	12	PPT, Illustrations	Q & A, Assignments
Unit-II	Employee Cost and Overheads	12Hrs		
	<ol style="list-style-type: none"> 1. Meaning and classification of employee cost, Requisite of a good wage and incentive system, Time and piece rate plans, Profit sharing, Employee productivity and cost. Labor cost control – techniques, Employee turnover, Remuneration and Incentive schemes (Rowan & Halsey Plan only). 2. Definition and classification, Production overheads – allocation and apportionment of cost, Meaning and Methods of cost 	12	PPT, Illustrations	CIA

	absorption, Treatment of over- absorption& under absorption of overheads, Administration and selling & distribution overheads – methods of ascertainment, Treatment of Research & Development cost in Cost Accounting.			
Unit-III	Methods of Costing: Job Costing, Batch Costing and Process Costing	12Hrs		
	<ol style="list-style-type: none"> 1. Meaning of Job Cost, its application and accounting, Preparation of Job cost sheet. 2. Meaning of Batch Cost and its application in today's industry. 3. Meaning and application of process costing, Methods of determination of cost in process costing, Normal and abnormal loss and gain, inter process costing and profit ascertainment. 4. Choice between process and job costing. 	12	PPT, Illustrations	Q & A, Assignments
Unit-IV	Methods of Costing: Contract Costing and Service Costing	12Hrs		
	<ol style="list-style-type: none"> 1. Meaning, features and types of contracts, Methods of cost determination in contract costing, Escalation clause and cost-plus contract. 2. Meaning and scope of service costing, Factors in ascertaining service cost, Ascertainment of service cost of following services: 3. i) Transport ii). Hospital iii). Canteen iv). Toll v). Education institution vi). IT industry vii. Hotel 4. Any other contemporary service industry. 	12	PPT, Illustrations	Q & A, Assignments
Unit-V	Activity Based Costing (ABC)	12Hrs		
	Concept, significance, and salient features; Stages and flow of costs in ABC; Basic components of ABC - resource drivers and cost drivers; Application of ABC in a manufacturing organisation and service industry.	12	PPT, Illustrations	Q & A, Assignments

Reference Books:

1. Banarjee, B. (2014). Cost Accounting – Theory and Practice. New Delhi: PHI Learning Pvt. Ltd.
2. Kishor, R. M. (2019). Taxman's Cost Accounting. New Delhi: Taxmann Publication Pvt. Ltd.
3. Lal, J., & Srivastava, S. (2013). Cost Accounting. New Delhi: McGraw Hill Publishing Co.
4. Mowen, M. M., & Hansen, D. R. (2005). Cost Management. Stanford: Thomson.
5. J Sonar, K A N Shah-deo & M. Kumar, Agra (U.P.), Shiksha Sagar Publisher and Distributors.

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