

CORE COURSE – VIII - COST ACCOUNTING

Credit Allotted: 5

Max. Marks: 75

Objective: To make the students understand the different cost and its elements.

Unit – I

Cost Accounting – Definition – Scope – Objectives – Merits – Demerits – Elements of Cost – Preparation of Cost Sheet – Quotation

Unit – II

Material Cost – Purchase Procedure – Inventory Control – Objectives – Merits – Demerits – Perpetual inventory system – ABC analysis – Stock Levels – Bin Card – Stores Ledger – Pricing of material Issues – FIFO, LIFO, Simple Average Price, Weighted Average Price.

Unit – III

Labour cost – Labour cost statement – Methods of remuneration – Incentive Schemes – Overtime and Idle time – Labour turnover – Causes – Remedies – Types.

Unit – IV

Overhead – Classification – Primary Distribution of overhead – Secondary Distribution of overhead – Step Ladder Method – Repeated Distribution Method – Equation Method – Computation of machine hour rate – Absorption of overhead – Direct labour hour method – Direct labour cost method – Machine Hour Rate Method - Reconciliation of Cost and Financial Accounting.

Unit – V

Process Costing – Losses – Normal Process loss – Abnormal Loss – Abnormal Gain – Contract Costing.

(Theory: 30 Marks; Problem: 45 Marks)

Reference:

1. Cost Accounting – R. Ramachandran and R. Srinivasan
2. Advanced cost Accounting – Jain and Narang
3. Cost Accounting – S.P. Iyengar
4. Cost Accounting – T.S. Reddy & A. Moorthy
5. Principles and practice of Cost Accounting – N.K. Prasad