

COSTING PRINCIPLES

1. Costing

- a. Actual Cost and historical Cost and Forecasted Cost
- b. Direct and Indirect Cost
- c. Fixed and Variable Cost
- d. Prime Cost
- e. Conversion Cost
- f. Marginal Cost

2. Elements of Cost

- a. Classification of Costs
- b. Other elements

3. Absorption Costing System and Variable (or Marginal Costing System)

- a. Distinction between absorption costing and variable costing system
- b. Contribution Margin and Gross Margin (or gross Profit)

4. Labour Control and Methods of Remuneration

- a. Objective of labour Control
- b. The importance of labour control
- c. Hiring of labour
- d. Time Keeping
- e. Labour cost – card (Job Card)
- f. Casual workers, Hired labour and out workers

5. Cost Audit

- a. Nature and importance of Cost Audit
- b. Statutory Cost Audit
- c. Power and Duties of Cost Auditors
- d. Authentication
- e. Report
- f. Cost Audit Programme

REFERENCE:

- 1. Principles of Cost Accounting – Ashish k. Bhattacharya
- 2. Cost Accounting – S.P. Jain & K.L. Narang