

**B.Com III  
Semester V  
Specialisation Group III  
Financial Accounting & Auditing Paper III  
Cost Accountancy  
Computer Code 555315  
4 credits**

**ABOUT THE COURSE:**

Course content focuses on conceptual aspect and application of Cost Accountancy for different commercial organizations.

**External Exam: 75 Marks**

Unit	Topic	Weightage %	Lectures
1	<p><b>Objectives:</b> To enable students to understand the different elements of cost, comparative analysis of cost for each cost centre, cost reduction method and make profitability statement.</p> <p><b>Contents:</b> <b>BASIC CONCEPTS AND UNIT COSTING</b> <b>A. THEORY:</b> Definition, Objective, Importance and Advantage of Costing, Concept of Cost; Elements of Cost, Cost Units; Cost Centers; Difference between Cost Accounting, Financial Accounting and Management Accounting. <b>B.PROBLEMS ON:</b> Preparation of Cost Sheets Including Estimation.</p>	25	15
2	<p><b>Objectives:</b> To enable students to understand basic component of costs of materials, labour, and factory overhead used to process units of production at each process/department, determining the cost of a finished unit</p> <p><b>Contents:</b> <b>PROCESS COSTING:</b> <b>A. THEORY:</b> Meaning and Features. Costing Procedure Normal Loss (Abnormal Loss and Abnormal Gain), Valuation of Work in Progress, Advantages of Process Costing, Joint Products and By- Products. <b>B.PROBLEMS ON:</b> Preparation of Process Accounts.(excluding equivalent production)</p>	25	15
3	<p><b>Objectives:</b> To understand the process of charging overhead costs to different</p>	25	15

	<p>production departments including service departments and reallocation of overheads to production department.</p> <p><b>Contents:</b>  <b>OVERHEADS</b>  <b>A. THEORY:</b> Nature of Overhead, Classification of Overhead such as Variable Semi – Variables and Fixed Overheads, Factory, Office and Selling Overheads, etc, Machine Hour Rate.  <b>B. SIMPLE PROBLEMS ON:</b>  Allocation by Departmental Distribution summary; Apportionment and Reapportionment by Repeated Apportionment Method,</p>		
4	<p><b>Objectives:</b>  To enable the students to understand the reasons behind disagreement in profit calculated as per <b>cost</b> and as per <b>financial accounts</b>.</p> <p><b>Contents:</b>  <b>RECONCILIATION OF COST &amp; FINANCIAL ACCOUNTS:</b>  Practical Problems Based on Reconciliation of Cost And Financial Accounts</p>	25	15

Sr. No	Internal Assignment	Marks
1	Assignment on preparation of Cost Sheet from simulated data/ Reconciliation of Cost And Financial Accounts <b>OR</b> Quiz on components of cost and distribution of overhead.	10
2	Class room assignment	15
	<b>Total</b>	<b>25</b>

**References :**

- B.K.Bhar. 2010, Cost Accounting: Methods and problems Academic Publisher –Mumbai
- Khanna, Pandey , Ahuja&Arora, 2010, Practical Costing , S. Chand & Co. –Delhi
- Manmohan&Goyal, 2012, Principles of Management Accounting, S. Chand & Co. –Delhi
- Minaxi Rachchh, Siddeshwar Gadade , Gunvantrai A. Rachchh & E. A. Patil, 2010, Auditing & Cost Accounting, Pearson education –South Asia
- Nigam & Sharma, 2000, Cost Accounting, Himalaya Publishing House –New Delhi
- S.N. Maheshwari, 2012, Cost Accounting, S. Chand & Co. –Delhi