



Cost and Works Accountancy
Cost Accounting-III
[Discipline Specific Course]

Semester: V	*Credits: 4	Subject Code: C52209	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Recognize and explain the basic concepts in Marginal Costing and Budgetary Control
- Compute the value of profits or losses for different scenarios using marginal costing techniques
- Analyze and assess the costing information for strategic and operational decision making
- Evaluate and prepare budgets and apply cost control through Total Quality Management

Unit 1: Marginal Costing and Cost Volume Profit Analysis

12

- Marginal Costing: Meaning, Nature and Scope
- Concepts: Fixed cost, Variable costs, Contribution, Profit-Volume Ratio and Margin of Safety.
- Cost-Volume-Profit Analysis
- Break-Even Chart and Assumptions underlying Break-Even Chart
- Advantages and Limitations of Break-Even Chart
- Advantages and Disadvantages of Marginal Costing
- (Theory and Practical)

Unit 2: Application of Marginal Costing and Decision Making

12

- Application of Marginal Costing Techniques:
 - Fixation of Selling Price
 - Make or Buy Decision
 - Maintaining a Desired level of profit
 - Selection of Suitable product mix
 - Key(limiting) factor
 - Effect of change in Selling price
 - Level of Activity Planning
 - Alternative Course of Action
 - Closing down or suspending activities
 (Dealing with Risk and Uncertainty in Decision Making)
- Differential Cost Analysis and Practical Application of Differential cost analysis
- (Theory and Practical Problems)

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Unit 3: Budgetary Control	12
<ul style="list-style-type: none"> • Meaning, Definition and Concepts • Objectives of Budgetary Control • Procedure of Budgetary Control • Essentials of Budgetary Control • Types of budgets- Fixed and Flexible • Functional Budgets-Sales, Production, Purchase, Cash Budget • Advantages and Disadvantages of Budgetary Control • Zero Base Budgeting • (Theory and Practical Problems) 	

Unit 4: Cost of Quality and Total Quality Management	12
<ul style="list-style-type: none"> • Cost of Quality <ul style="list-style-type: none"> ○ Categories of Quality Costs (Prevention Costs, Appraisal Costs, Internal Failure Costs, External Failure Costs) ○ Costs of poor quality • Total Quality Management (Meaning and Principles of TQM) • Praise Analysis in TQM implementation • Six Sigma and TQM • Pareto Analysis in Quality Management 	

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.
***01 credit to be evaluated as a Skill-based Component**

Recommended Basic Reading:

- Maheshwari. S.N and Maheshwari, S.K. *Advanced Accountancy Volume II*. Vikas Publishing House Pvt. Ltd: New Delhi; 2021.
- Murthy A. and Gurusamy S. *Cost Accounting*. Vijay Nicole Imprints Pvt Ltd.: Chennai; 2014.

Recommended Reference Books:

- CA Pasath Saravana, B. *Cost and Management Accounting*. Padhuka's – Wolters Kluwer: Chennai; 2017.
- Khan, M.Y. and Jain, P.K. *Cost Accounting*. McGraw Hill Education: New Delhi; 2014.
- Atkinson, A., Kaplan, R., Matsumura, E. Young, S. and Kumar, A. *Management Accounting Information for Decision Making and Strategy Execution*: Dorling Kindersley (India) Pvt. Ltd; 2014.
- Tulsian, P.C. and Tulsian, B. *Advanced Management Accounting*: S Chand and Company Pvt. Ltd: New Delhi; 2014.

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- Sikka, T.R. *Fundamentals of Cost Accounting*. Viva Books: New Delhi; 2012.

Journals:

- The Management Accountant-The institute of Cost Accountants of India, Kolkata.

Websites:

- <https://www.icai.org>
- <https://icmai.in/>

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Cost Accounting-III
[Discipline Specific Course]

Semester: VI	*Credits: 4	Subject Code: C62209	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Recognize and explain the basic concepts in Standard Costing, Farm costing and Transfer pricing
- Compute the deviations in cost of production for managerial decision making
- Analyze and assess the notional value for transfer of good in a decentralized organization and to find the bottlenecks in production
- Evaluate and develop plans for strategic cost management in Supply Chain and throughput costing

Unit 1: Standard Costing and Variance Analysis	12
<ul style="list-style-type: none"> • Standard Costing <ul style="list-style-type: none"> ○ Definition and meaning of standard cost and standard Costing ○ Types of standards, Setting up of Standards ○ Difference between Standard Costing & Budgetary Control ○ Advantages and Limitations of standard costing ○ Standard Costing and Total Quality Management & Just in Time • Variance Analysis <ul style="list-style-type: none"> ○ Meaning and Types of Variances ○ Significance of Variance Analysis ○ Causes of Material, Labour and Overhead variances ○ Calculation of Material, Labour and Overhead variances • (Theory and Practical Problems) 	

Unit 2: Transfer Pricing	12
<ul style="list-style-type: none"> • Meaning and objectives of Inter Company Transfer Pricing • Methods of Transfer Pricing <ul style="list-style-type: none"> ○ Pricing based on Cost (Actual Cost, Cost Plus, Standard Cost, Marginal Cost) ○ Market price as transfer price ○ Negotiated pricing ○ Pricing based on Opportunity cost • (Theory and Practical Problems) 	

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Unit 3: Farm Costing and Recent Trends in Costing	12
<ul style="list-style-type: none"> • Farm Costing <ul style="list-style-type: none"> ○ Meaning and Features of Farm Costing ○ Advantages & Limitations of Farm Costing ○ (Theory and Practical Problems) • Throughput Accounting <ul style="list-style-type: none"> ○ Meaning and Features of Throughput Costing ○ Reporting Under Throughput Costing • (Theory and Practical Problems) 	

Unit 4: Cost Management in Supply Chain	12
<ul style="list-style-type: none"> • Meaning and Objectives of Supply Chain Costing • Cost Drivers in Supply Chain Management • Tools in Supply Chain Management (Activity Based Costing, Competitive Advantage Analysis, Target Costing, Total Quality Management, Just-In-Time, SWOT Analysis, Benchmarking) • Compositions in Supply Chain Management <ul style="list-style-type: none"> ○ Value Chain Analysis (Life Cycle Costing, Return on Assets, Discounted Cash Flow) ○ Strategic Positioning Analysis • Cost Driver Analysis 	

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Recommended Reference Books:

- Khan, M.Y. and Jain, P.K. *Cost Accounting*. McGraw Hill Education: New Delhi; 2014.
- Arora, M.N. *Cost Accounting Principles and Practices*. VPH: New Delhi; 2012.
- Thukaram Rao, M.E. *Methods and Techniques of Costing*. New Age Publishers: New Delhi; 2011.
- Murthy A. and Gurusamy S. *Cost Accounting*. Vijay Nicole Imprints Pvt Ltd.: Chennai; 2014.
- Sikka, T.R. *Fundamentals of Cost Accounting*, Viva Books, New Delhi; 2012.

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VC Nominee	Dr. Yashodhan Mithare	Yash 12/08/2021
Industry Expert	CA Akshay Oke	Akshay 12/08/2021
Alumni	Mrs. Pratishtha Sharma	Pratishtha 12/08/2021

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