

Cost and Works Accountancy – II
Cost Accounting-II

Semester: V	Subject Code: C 51714	Lectures: 60
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Objectives:
<ul style="list-style-type: none"> • Acquainting the students with practical application of overhead absorption • Understanding the technique and application of Activity Based Costing • Creating an understanding about reconciliation of Cost and Accounts records • Creating awareness about cost accounting standards related to overheads

Unit 1: Traditional Methods of Overhead Absorption	16
<ul style="list-style-type: none"> • Methods of Overhead Absorption: (Problems) <ul style="list-style-type: none"> Direct Labour Hour Rate Machine Hour Rate Percentage of Direct Material Cost Percentage of Direct Labour Cost Percentage of Prime Cost • Under and Over absorption of overheads • Treatment of special items of overheads in cost accounts [Theory] • Inadequacies of Traditional Methods of Overhead Absorption 	

Unit 2: Modern Method of Overhead Absorption: Activity Based Costing	18
<ul style="list-style-type: none"> • Introduction: Concept and Definition • Stages in ABC • Purpose and Benefits of Activity Based Costing. • Cost Drivers and Cost Pools • Developing an ABC System (problems) 	

Unit 3: Reconciliation of Cost Accounting Records with Financial Accounts	10
<ul style="list-style-type: none"> • Reasons for difference in profits of cost and financial accounts • Items excluded from Cost Accounts • Procedure for Reconciliation • Simple problems 	

Unit 4: Cost Accounting Standards	4
<ul style="list-style-type: none"> • CAS 3: Production and Operation Overheads (revised from 2015) • CAS 11: Administrative Overheads 	

Internal Assignments and Library Assignments

12 Hours

Recommended Text Book:

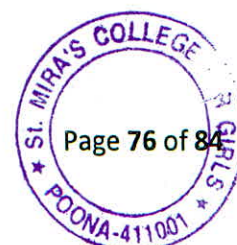
- Patkar M.G. Cost and Works Accounting(Paper II)Overheads and Methods of Costing; Phadke Prakashan, 2011
- Dr. Mahajan S & Dr. Kulkarni M : *Cost & Works Accounting (Paper II) Overheads and Methods of Costing*; 2016, Nirali Prakashan, Pune

Reference Books:

- Jain SP & Narang K L.: "*Cost Accounting -Principles & Practice*", 24th edition, 2014, Kalyani Publishers, New Delhi
- Murthy A, Gurusamy S *Cost Accounting*, 2nd edition, New Delhi, Tata Mc Graw Hill Publishing Company Ltd.2009
- Arora M.N: "*Cost Accounting -Principles & Practice*" ,12th Edition, 2012, Vikas Publishing House, New Delhi
- Lal Jawahar and Seema Srivastava, : "*Cost Accounting*", 5th Edition, 2013, Tata McGraw-Hill New Delhi
- Tulsian P C *Cost Accounting*, New Delhi, Tata McGraw Hill Publishing Company Ltd. 2007
- Dr. Pawan Kumar Oberoi : "*Cost Management*", 2nd Edition, 2015, Global Academic Publishers & Distributors, New Delhi

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Semester VI	Subject Code: C 61714	Lectures: 60
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Objectives:

- Understanding the need & importance of the different methods of costing.
- To acquaint students with the different methods of costing viz. Contract costing, Process costing and Operating costing.

Unit 1 : Methods of Costing

4

- Introduction to methods of costing
- Need for various methods
- Various methods of costing
- Manufacturing Process and Plant Layout of different product manufacturing concerns. **(Theory)**

Unit 2: Contract Costing

14

- Meaning, Definition, Features, Costing Vs. Job Costing
- Terms (Costs) in Contract Costing and their recording
- Contract Costing Procedure: (Important Concepts):
 - Work Certified and Work Uncertified
 - Work- in - Progress
 - Cost Plus Contract
 - Escalation Clause and De -Escalation Clause
 - Profit on Incomplete Contracts
- Preparation of Contract Account **(problems)**

Unit 3: Process Costing

10

- Meaning, Definition, Application, Features
- Preparation of Process Accounts:
 - Normal Loss and Abnormal Loss
 - Inter Process Profit
 - Work -in-Progress [Equivalent Production] **(problems)**

Unit 4: Operating Costing	10
<ul style="list-style-type: none"> • Meaning, Definition, Features • Cost Classification, Cost Unit-simple and composite • Cost sheet for Transport and Canteen. (problems) 	

Unit 5: Strategic Cost Management and New Trends in Strategic Cost Management	10
<ul style="list-style-type: none"> • Strategic Cost Management: <ul style="list-style-type: none"> ○ Meaning and definition ○ Advantages of Strategic Cost Management • New Trends in Strategic Cost Management: Introduction to <ul style="list-style-type: none"> ○ Back Flush Costing ○ Kaizen Costing ○ Socio-Economic Costing 	

Internal Assignments and Library Assignments

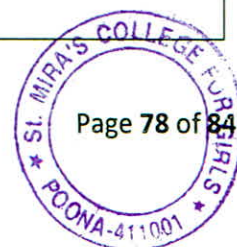
12 Hours

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- Dr. Mahajan S & Dr. Kulkarni M : *Cost &Works Accounting (Paper II) Overheads and Methods of Costing*; 2016, Nirali Prakashan, Pune

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- Tulsian P C *Cost Accounting*, New Delhi, Tata McGraw Hill Publishing Company Ltd. 2007
- Dr. S.N. Maheshwari and Dr.S.N. Mittal, : *Cost Accounting*, 26th Edition, Theory and problems, Mahavir Book Depot, New Delhi, 2015
- Dr. Pawan Kumar Oberoi: "*Cost management*", 2nd Edition, 2015, Global Academic Publishers & Distributors, New Delhi



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