

**Revised Syllabus of Courses of B.Com. Programme at
Semester V
with Effect from the Academic Year 2018-2019
Elective Courses (EC)
Financial Accounting and Auditing Paper-VIII:
Cost Accounting
Modules at a Glance**

Sr. No.	Modules
1	Introduction to Cost Accounting
2	Material Cost
3	Labour Cost
4	Overheads
5	Classification of Costs and Cost Sheet
6	Reconciliation of cost and financial accounts

DETAILS

1	Introduction to Cost Accounting
	<p>(a) Objectives and scope of Cost Accounting (b) Cost centres and Cost units (c) Cost classification for stock valuation, Profit measurement, Decision making and control (d) Coding systems (e) Elements of Cost (f) Cost behaviour pattern, Separating the components of semi- variable costs</p>
2	Material Cost
	<p>(i) Procurement procedures—Store procedures and documentation in respect of receipts and issue of stock, Stock verification (ii) Inventory control —Techniques of fixing of minimum, maximum and reorder levels, Economic Order Quantity, ABC classification; Stocktaking and perpetual inventory (iii) Inventory accounting Note- Simple practical problems based on Calculation of EOQ, Raw Material Turnover ratio, Preparation of stock ledger and Valuation of Inventories, based on FIFO and Weighted average cost.</p>
3	Labour Cost
	<p>(i) Attendance and payroll procedures, Overview of statutory requirements, Overtime, Idle time and Incentives (ii) Labour turnover (iii) Utilisation of labour, Direct and indirect labour, Charging of labour cost, Identifying labour hours with work orders or batches or capital jobs (iv) Efficiency rating procedures (v) Remuneration systems and incentive schemes. Note-Simple practical problems based on Preparation of labour cost statement Remuneration and incentive systems based on Piece work plan, Haley Premium Plan, Rowan system, Gantt’s Task</p>
4	Overheads
	<p>Functional analysis — Factory, Administration, Selling and Distribution Behavioural analysis — Fixed, Variable, Semi-variable cost Note-Simple practical problems on Departmentalization and apportionment of primary overheads, Computation of overhead rates including Machine overhead rates Basic concepts of treatment of over/under absorption of overheads- Direct Labour method and Prime Cost method</p>
5	Classification of Costs and Cost Sheet
	<p>Classification of costs, Cost of Sales, Cost Centre, Cost Unit, Profit Centre and Investment Centre Cost Sheet, Total Costs and Unit Costs, Different Costs for different purpose Note- Simple practical problems on preparation of cost sheet</p>
6	Reconciliation of cost and financial accounts
	Practical problems based on Reconciliation of cost and Financial accounts.