

COURSE TITLE: COST ACCOUNTING

Semester	Course Type	Course Level	Course Code	Credits	Total Hours
4	DSC	200-299	KU4DSCCOM207	4	60

Learning Approach (Hours/ Week)			Marks Distribution			Duration of ESE (Hours)
Lecture	Practical/ Internship	Tutorial	CE	ESE	Total	
4	-	-	30	70	100	2

Course Description: This course introduces the principles and practices of cost accounting essential for effective business decision-making. It covers cost concepts, material and labour cost accounting, and the treatment and allocation of overheads. The course enables students to classify, record, and analyze costs for planning, controlling, and evaluating organizational performance. It provides a foundational understanding for managerial decision-making based on cost data and insights.

Course Outcomes:

CO No.	Expected Outcome	Learning Domains
1.	1 Explain the fundamental concepts, elements, and classifications of cost accounting and prepare basic cost sheets.	U
2.	2 Apply inventory control techniques and pricing methods for material issues in various business scenarios.	A
3.	3 Compute and analyze labour costs using different wage payment and incentive schemes.	An
4.	4 Allocate, apportion, and absorb overheads using appropriate distribution and absorption methods.	A
5.	5 Evaluate the effectiveness of cost accounting techniques in managerial planning, control, and decision-making.	E

**Remember (R), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create ©*

Mapping of Course Outcomes to PSO

	PSO1	PSO2	PSO3	PSO4	PSO5
CO 1	✓		✓	✓	
CO 2	✓			✓	✓
CO 3	✓		✓		✓
CO 4	✓		✓	✓	
CO 5	✓	✓	✓	✓	✓

COURSE CONTENTS

Contents for Classroom Transactions

Module	Unit	Content	Hrs
I	Introduction to Cost Accounting		10
	1	Limitations of financial accounting - Meaning and concept of cost – Elements of cost – Classifications of costs – Cost center and cost unit – Cost accounting: Meaning and Objectives	
	2	Difference between Cost Accounting and Financial Accounting – Benefits and limitations of cost accounting – Preparation of cost sheet – Ascertainment of profit	
II	Accounting for Material		14
	1	Meaning and types of material cost – Procurement of materials – Purchase procedure – Inventory management and control – Stores department – Techniques of stores control – Classification and codification – Double bin system – Stock level setting – Computation of stock levels – EOQ – Inventory turnover ratio	
	2	Perpetual inventory system – ABC Analysis – VED Analysis – JIT Analysis – Issue of materials – Methods of pricing material issues: FIFO, LIFO, Average cost methods (Simple and Weighted Average) – Material losses and its treatment: scrap, waste, defectives, spoilage	
III	Accounting for Labour		10
	1	Time keeping – Time booking – Payroll – Idle time – Overtime – Labour turnover	
	2	Systems of wage payment: Time wage system, Piece rate system – Taylor's differential piece rate system – Halsey plan – Rowan plan – Emerson's efficiency plan – Co-partnership and profit-sharing schemes	
	Accounting for Overheads		14

IV	1	Meaning and classification of overheads – Collection, allocation, and apportionment of overheads - Primary and secondary distribution – Direct re-distribution method – Step distribution method	
	2	Reciprocal service method – Repeated distribution method - Absorption of overheads – Treatment of under and over absorption – Overheads absorption rates – Machine Hour Rate method	
V	Teacher Specific Module		12
	The teacher shall focus on building a strong conceptual foundation in Cost Accounting by giving activity based problem solutions. Focus shall be placed on practical understanding of ascertainment of cost of a product, cost planning and control. The teacher shall encourage student participation through discussions, case studies and problem-solving exercises.		

Essential Readings:

- 1) Cost Accounting: Principles and Practice – M.N. Arora, Vikas Publishing House
- 2) Cost Accounting – Jawahar Lal & Seema Srivastava, Tata McGraw-Hill
- 3) Cost Accounting – S.P. Jain and K.L. Narang, Kalyani Publishers
- 4) Cost and Management Accounting – Ravi M. Kishore, Taxmann
- 5) Advanced Cost Accounting – V.K. Saxena and C.D. Vashist, Sultan Chand & Sons

Assessment Rubrics:

Evaluation Type	Marks
End Semester Evaluation	70
Continuous Evaluation	30
a) Test Paper	6
b) Test Paper	6
c) Assignment	9
d) Seminar/Viva/Article or Book Review	9
Total	100