

UNIVERSITY OF MADRAS
B.COM. (GENERAL) DEGREE PROGRAMME
SYLLABUS WITH EFFECT FROM 2023-2024

THIRD YEAR – SEMESTER - V

CORE – IX: COST ACCOUNTING – I

(Common to BCom-AF, BM, CA, MM & ISM)

Subject Code	L	T	P	S	Credits	Inst. Hours	Marks		
							CIA	External	Total
346C5A	5				4	5	25	75	100
Learning Objectives									
LO1	To understand the various concepts of cost accounting.								
LO2	To prepare and reconcile Cost accounts.								
LO3	To gain knowledge regarding valuation methods of material.								
LO4	To familiarize with the different methods of calculating labour cost.								
LO5	To know the apportionment of Overheads.								
Prerequisite: Should have studied Commerce in XII Std									
Unit	Contents								No. of Hours
I	Introduction of Cost Accounting Definition-Nature and Scope – Principles of Cost Accounting – Cost Accounting and Financial Accounting - Cost Accounting Vs Management Accounting –Installation of Costing System – Classification of Costs– Cost Centre– Profit Centre.								15
II	Cost Sheet and Methods of Costing Preparation of Cost Sheet - Tenders & Quotations - Reconciliation of Cost and Financial Accounts –Unit Costing-Job Costing.								15
III	Material Costing Material Control – Meaning and Objectives – Purchase of Materials – EOQ –Stores Records – Reorder Levels – ABC Analysis - Issue of Materials –Methods of Issue – FIFO – LIFO – Base Stock Method – Specific Price Method – Simple and Weighted Average Method.								15
IV	Labour Costing Direct Labour and Indirect Labour – Time Keeping – Methods and Calculation of Wage Payments – Time Wages – Piece Wages – Incentives – Different Methods of Incentive Payments - Idle time– Overtime – Labour Turnover - Meaning, Causes and Measurement.								15
V	Overheads Costing Overheads – Definition – Classification – Allocation and Apportionment of Overheads – Basis of Apportionment – Primary and Secondary Distribution - Absorption of Overheads – Methods of absorption Preparation of Overheads Distribution Statement – Machine Hour Rate – Computation of Machine Hour Rate.								15
	TOTAL								75
THEORY 20% & PROBLEMS 80%									

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Course Outcomes	
CO1	Remember and recall the various concepts of cost accounting
CO2	Demonstrate the preparation and reconciliation of cost sheet.
CO3	Analyse the various valuation methods of issue of materials.
CO4	Examine the different methods of calculating labour cost.
CO5	Critically evaluate the apportionment of Overheads.
Textbooks	
1	Jain S.P. and Narang K.L, Cost Accounting. Kalyani Publishers, New Delhi
2	Khanna B.S., Pandey I.M., Ahuja G.K., and Arora M.N., Practical Costing, S. Chand & Co, New Delhi,
3	Dr.S.N. Maheswari, Principles of Cost Accounting, Sultan Chand Publications, New Delhi
4	T.S. Reddy and Y. Hari Prasad Reddy, Cost Accounting, Margham publications, Chennai
5	S.P. Iyengar, Cost Accounting, Sultan Chand Publications, New Delhi
Reference Books	
1	Polimeni, Cost Accounting: Concepts and Applications for Managerial Decision Making, 1991, McGraw–Hill, New York.
2	Jain S.P. and Narang K.L. Cost Accounting, Latest Edition.2013, Kalyani Publishers, New Delhi,
3	V.K.Saxena and C.D.Vashist, Cost Accounting, Sultan Chand publications, New Delhi
4	Murthy A & Gurusamy S, Cost Accounting, Vijay Nicole Imprints Pvt. Ltd. Chennai
5	Prasad.N.K and Prasad.V.K, Cost Accounting, Book Syndicate, Kolkata
NOTE: Latest Edition of Textbooks May be Used	
Web Resources	
1	https://study.com/learn/lesson/cost-accounting-principles-examples-what-is-cost-accounting.html
2	https://www.accountingtools.com/articles/what-is-material-costing.html
3	https://www.freshbooks.com/hub/accounting/overhead-cost

**MAPPING WITH PROGRAMME OUTCOMES
AND PROGRAMME SPECIFIC OUTCOMES**

	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PSO1	PSO2	PSO3
CO1	3	2	3	2	2	2	2	2	3	2	2
CO2	3	2	2	2	2	2	2	2	3	2	2
CO3	3	2	3	2	2	2	2	2	3	2	2
CO4	3	2	2	2	2	2	2	2	3	2	2
CO5	3	2	3	2	2	2	2	2	3	2	2
TOTAL	15	10	13	10	10	10	10	10	15	10	10
AVERAGE	3	2	2.6	2	2	2	2	2	3	2	2

3 – Strong, 2- Medium, 1- Low