



## Sub Committee for Curriculum Development

**Course Name: Introduction to Costing**

**Course Code: T2451**

**(UG/PG): UG**

**Number of Credits: 4**

**Level: 2**

**Learning Objective(s):**

- To understand the subject matter and the essence of costing for Decision-making in various production and service activities.
- To provide practical insights into the applicability of costing concept in reality.

**Pedagogy:**

- Lectures
- Debates and Discussions
- Case Analysis

**Pre-requisites:**

**Course Outline**

<b>Sr. No.</b>	<b>Topics</b>	<b>Hrs</b>
1	<b>Introduction to cost Accounting concepts and Practices.</b> 1.An overview of cost accounting, Financial Accounting and Management accounting.Different types of Costs. Advantages and limitations of Cost Accounting, Concept of Cost Driver, Life cycle costing, Target Costing, Cost Classification, Installation of Costing System.	05
2	<b>Material Analysis –</b> •Direct and indirect material, classification and codification of materials. Purchase procedure and purchase requisition-placing of	10

	<p>order and following up.</p> <ul style="list-style-type: none"> <li>•Store routines-objectives of Store keeping-maximum, minimum.reorder level. Danger level. Supply –Economic order quantity-just in time-receipt and issue of material-Just in Time-store records-bin cards-store ledger-material issue note-material return note-perpetual inventory system-periodic inventory-ABC analysis-pareto analysis. Market Equilibrium.</li> </ul>	
3	<p><b>Material and inventory control –</b></p> <ul style="list-style-type: none"> <li>•Material control, inventory control-techniques of inventory control-valuation of Materils, WIP, and Finished goods-input output Ratio analysis. Material and production Losses like wastage, scrap, spoilage, and defective work.Identifiable cost method-FIFO-LIFO-base stock Method-pricing of Material returned to vendors.</li> </ul>	09
4	<p><b>Labour–</b></p> <ul style="list-style-type: none"> <li>•Classification of labour cost-direct, indirect labour-controllable and uncontrollable labour-time keeping and its methods-Job evaluation-merit rating. Method of Remuneration-time rate system-piece rate scheme-Taylor scheme-Gantt Task scheme-Emerson System-Bedaux system-halsey plan, rowan plan, Barth sharing plan-group bonus system.</li> </ul>	12
5	<p><b>Pay roll Accounting Labour cost control –</b></p> <ul style="list-style-type: none"> <li>•Payroll-wage sheet, idle time-overtime-treatment of Overtime cost-holiday and vacation pay-labour turnover-cost of Labour turnover</li> </ul>	03
6	<p><b>Direct expenses-</b></p> <ul style="list-style-type: none"> <li>• Concepts of direct expenses-accounting of direct expenses-direct expenses-Direct materials and overhead expenses.</li> </ul>	02

7	<b>Overheads –</b> <ul style="list-style-type: none"> <li>•Manufacturing and administration overheads-selling and distribution overheads-fixed variable and semi variable overheads. Collection of overheads, distribution and allocation of overheads-primary distribution and secondary distribution. Step method, trial method, reciprocal method. Trail and error method, repeated distribution and simultaneous equation method-overhead absorption.</li> <li>•Method of Absorption-production unit method-direct Labour method-Machine hour method-sales price method-under and over absorption of absorption.</li> </ul>	12
8	<b>Cost Audit and Cost accounting Rules-</b> Concept of cost audit and scope-characteristics-advantages and Disadvantages of Cost audit-Requirements of Cost Auditor-Cost audit Programme-cost audit reports and rules.	07
	<b>Total</b>	<b>60</b>

### **Book Recommended:**

1. Cost & works Accounting – Nirali prakashan – by Dr. Suhas mahajan, Dr. mahesh kulkarni
2. Advanced Management Accounting- S. Chand Publication- by Jahawar Lal.
3. Basics of Cost management- by V.K Saxena and C.D. Vashisht
4. Management Accounting – by Nirali prakshan- by Dr. Sanjay Patankar.

### **Research Papers/Articles recommended for reading:**

### **Suggested Evaluation Methods:**

1. Quizzes
2. Case analysis
3. Written test

### **Parallel/Similar courses the existing curriculum:**

S.No.	Name of the course	Institute where it was offered

Name of Member					
Designation					
Org. / Inst.	SICSR				
Signature					

Name of the Expert:

Signature:

Date: