**LESSON PLAN**

**Academic Year 2021-22**

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| Name of the teacher | : Rajat Agarwal |
| Course and Section | : B.Com (Honours); Sec B |
| Semester | : IV |
| Subject | : Paper BCH 4.1 - Cost Accounting |
| Session start date | : 03-Feb-2022 |
| Shared with other teacher | : No |
| No. of lectures per week | : 5 |
| Pedagogy and Teaching Methods | * Google Meet |
| * Microsoft Word and PowerPoint |
| * White Board |
| * Class Discussion and Viva |
| Assessment Details | * Viva and Assignments |
| * Tests |

**Course Objective:**

Course will help students to understand:

* the fundamentals of Cost Accounting;
* classification and analysis of cost components and cost ascertainment;
* various methods of costing

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| **Topics** | **No. of lectures (approx)** | **Learning Outcome** |
| **Unit I: Introduction** | | |
| Meaning and Objectives of Cost Accounting | 3 | understand the objectives and scope of cost accountancy; identification of differences between different financial and cost accounting; understand various preparation of cost sheet |
| Difference between Financial Accounting and Cost Accounting |
| Scope of Cost Accountancy |
| Functions of cost accountant |
| Cost Accounting Standards | 2 |
| Elements of Cost Sheet | 2 |
| Practical Problems of Cost Sheet |
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| **Unit II: Elements of Cost: Material and Labour** | | |
| Meaning and Classification of Materials | 2 | Understand the need and methods of material costing understand various techniques of inventory control Understand the need of abour costing and methods of wage payment |
| Objectives of Material Costing |
| Techniques of inventory control | 3 |
| ABC Technique, Stock Levels (Theory + Practical problems) |
| Economic Order Quantity (EOQ) (Theory + Practical problems) |
| Just-in-time (JIT) Purchasing |
| Inventory Turnover Ratio |
| Purchase procedure of materials, Stores Records, Storekeeping | 1 |
| Periodic and Perpetual inventory system |
| Methods of pricing materials | 2 |
| FIFO |
| LIFO |
| Simple Average Price Method |
| Weighted Average Price Method |
| Replacement Price Method |
| Standard Price Method |
| Material Losses | 1 |
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| Meaning and Classification of Labour | 2 |
| Objectives of Labour Costing |
| Understanding Labour Turnover (Meaning, Causes, Effect, Control, and Measurement) | 2 |
| Practical problems on Labour Turnover Rate |
| Time Keeping and Time Booking (Meaning and Methods) | 1 |
| Treatment of Idle Time, over time, leaves and fringe benefits |
| Methods of Wage Payment (Time Rate System, Piece Rate System, Incentive Schemes | 6 |
| Halsey Plan, Rowan Plan (Theory + Practical problems) |
| Taylor's Differential Piece Rate System (Theory + Practical problems) |
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| **Unit III: Elements of Cost: Overheads** | | |
| Meaning of overheads, Classification of overheads on basis of functions, elements and behaviour | 3 | develop ability to understand classification, allocation, apportionment and absorption of overheads in cost determination;  under and over absorption of overheads;  treatment of various item of overheads |
| Methods of classifying semi-variable costs |
| Steps involved in overhead distribution, Classification and collection of overheads |
| Allocation and Apportionment of overheads (Theory + Practical problems) |
| Re-apportionment of service departmental overheads only to production department, to production and service department | 2 |
| Simultaneous Equation Method, Repeated Distribution Method, Trial and Error Method (Theory + Practical problems) |
| Absorption of overheads (Meaning and Steps) | 5 |
| Methods of absorption of production overheads (Theory + Practical problems) |
| Types of overhead rates (Theory + Practical problems) |
| Capacity utilisation, General Overheads, Selling and Distribution Overheads |
| Under -absorption and Over-absorption of overheads (Theory + Practical problems) |
| Treatments of special items in costing (Theory + Practical problems) |
| Activity Based Costing (Theory + Practical problems) | 2 |
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| **Unit IV: Methods of Costing** | | |
| Meaning of Unit Costing | 1 | develop ability to calculate the cost of products, jobs, contracts, processes and services |
| Treatment of stocks, administrative overheads, and scrap |
| Production Account | 1 |
| Practical Problems based on Cost Sheet and Production Account |
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| Meaning and Objectives of Job Costing | 1 |
| Job Costing Procedure |
| Practical problems based on job costing | 1 |
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| Meaning, features, and procedure of contract costing | 2 |
| Difference between Contract Costing and Job Costing |
| Contract Account and Special adjustments in contract account (Theory + Practical problems) | 1 |
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| Meaning, features, and procedure of process costing | 2 |
| Difference between Process Costing and Job Costing |
| Accounting treatment of Process Losses and wastages | 2 |
| Accounting treatment of work-in-progress |
| Accounting treatment of joint products and by-products |
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| Meaning and features of service costing | 1 |
| Transport Costing - Meaning and Procedure |
| Practical problems based on transport costing | 1 |
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| **Unit V: Cost Accounting Book-Keeping Systems** | | |
| Non-integral system of cost accounting - Meaning and ledgers to be maintained | 1 | understand the difference between integral and non-integral system of cost accounting. Students will also able to understand methods of reconciliation of cost accounts and financial accounts |
| Control Accounts and various principal accounts to be maintained |
| Integral system of cost accounting - Meaning and features | 1 |
| Comparison of accounting entries under integrated and non-integrated system of cost accounting |
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| Reconciliation of Cost and Financial Accounts - Need and Methods of Reconciliation | 1 |
| Memorandum Reconciliation Account (Theory + Practical problems) | 1 |

**Suggested Readings:**

1. Arora, M.N. Cost Accounting-Principles and 1Practice. Vikas Publishing House, New Delhi.
2. Maheshwari SN, and Mittal S N, Cost Accounting, Theory and Problems, Sri Mahabir Book Depot, New Delhi
3. Jhamb, H. V. Fundamentals of Cost Accounting.Ane Books Pvt Ltd, New Delhi
4. Banerjee Bhabatos: Cost Accounting- Theory and Practice. PHI New Delhi
5. Lal, Jawahar., and Srivastava, Seema. Cost Accounting. McGraw Hill Pubishing Co., New Delhi.
6. Jain, S.P., and Narang, K.L. Cost Accounting: Principles and Methods. Kalyani Publishers, Jalandhar.
7. Shukla M C, Grewal T S and Gupta M P: Cost Accounting, Text and Methods, S Chand and Co Ltd , New Delhi