

**SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE (AUTONOMOUS)**



**BOARD OF STUDIES: ACCOUNTANCY & FINANCE**

**PROGRAMME: B.COM**

**SEMESTER: III**

**NOMENCLATURE OF THE COURSE: Cost Accounting -I**

**NEP Vertical: Major**

**Credit: 4**

(As Per Choice Based Credit System (under NEP 2020) with effect from the academic year 2025-26)



<b>Programme:</b>	<b>B.COM</b>
<b>Nomenclature of the Course</b>	<b>Cost Accounting - I</b>
<b>Total Marks</b>	<b>100 marks</b>
<b>Semester:</b>	<b>III</b>
<b>Academic year</b>	<b>2025-26</b>

**LEARNING OBJECTIVES:**

1. To understand the Fundamental Concepts of Cost Accounting
2. To understanding the concept of material cost, identifying the different components of material cost, learning procedures for procuring, storing, and issuing materials.
3. To enable students to understand attendance, payroll procedures, calculation of remuneration and incentive plans in preparation of labour cost statement.
4. To understand the method of collection, allocation, apportionment and absorption of overheads.
5. To understand the different ways costs can be classified and how to prepare and interpret a cost sheet for analysing costs at different stages of production.
6. To develop a clear understanding of what reconciliation between cost and financial statements involves and why it is important for accurate reporting.

**COURSE OUTCOMES:**

1. To identify cost centres, cost units and cost classification by applying various costing techniques and evaluating cost elements and their impact on business decisions.
2. To understand the application of inventory control techniques by performing inventory accounting and valuation.
3. To analyse labour cost and utilization by applying efficiency rating and labour costing techniques.
4. To classify overheads based on function and behaviour and computation of overhead absorption rates.
5. To understand the classification of costs by preparing cost sheet and evaluating the role of costing in business operations.
6. To understand the difference between financial and cost accounting by analysing the need for reconciliation and interpreting reconciliation results for business decisions.

<b>Unit</b>	<b>Course Content</b>	<b>Andragogy</b>	<b>No of Lectures</b>
1	<b>Introduction to Cost Accounting</b> Objectives and Scope of Cost Accounting; Cost Centres and Cost Units; Cost Classification for Stock Valuation; Profit Measurement, Decision Making and Control; Coding Systems; Elements of Cost; Cost Behaviour Pattern; Separating the Components of semi - variable Costs	Theoretical aspects, Live case studies	5
2	<b>Material Cost</b> Procurement Procedures; Store Procedures and Documentation in respect of Receipts and Issue of Stock; Stock Verification; Inventory Control - Techniques of Fixing of Minimum, Maximum and Reorder Levels; Economic Order Quantity; ABC Classification; Stocktaking and Perpetual Inventory; Inventory Accounting; Raw Material Turnover Ratio; Preparation of stock ledger and valuation of inventories, based on FIFO and Weighted average cost	Theoretical aspects, Problem solving, Live case studies	10

3	<p><b>Labour Cost</b> Attendance and Payroll Procedures, Overview of Statutory Requirements, Overtime, Idle Time and Incentives; Utilisation of Labour, Direct and Indirect Labour, Charging of Labour Cost, Identifying Labour Hours with Work Orders or Batches or Capital Jobs; Efficiency Rating Procedures; Remuneration Systems and Incentive Schemes; Preparation of labour cost statement; Remuneration and incentive systems based on Piece work plan, Halsey Premium Plan, Rowan system, Gantt's Task</p>	<p>Theoretical aspects, Problem solving,  Live case studies</p>	10
4	<p><b>Overheads</b> Functional Analysis - Factory, Administration, Selling and Distribution; Behavioural Analysis - Fixed, Variable, Semi Variable Cost 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>	<p>Theoretical aspects, Problem solving, Live case studies</p>	10
5	<p><b>Classification of Costs and Cost Sheet</b> Classification of Costs, Cost of Sales, Cost Centre, Cost Unit, Profit Centre and Investment Centre; Cost Sheet; Total Cost and Unit Costs; Different Costs for different purposes</p>	<p>Theoretical aspects, Problem solving, Live case studies</p>	15
6	<p><b>Reconciliation of cost &amp; financial accounts</b> Reasons for differences in cost &amp; financial accounts; Need for reconciliation of cost &amp; financial accounts; Practical problems on reconciliation of cost &amp; financial accounts</p>	<p>Theoretical aspects, Problem solving, Live case studies</p>	10

### SUGGESTED READINGS

1. Hatfield, L. (2019). Accounting Basics. Amazon Digital Services LLC.
2. Jawaharlal, Shrinivasa, Cost Accounting, MC Grow Hill (Fourth Edition)
3. Abhishek Mittal, Puneet Bhatia, Company accounts, Cost and Management Accounting,
4. Hatfield, L. (2019). Accounting Basics. Amazon Digital Services LLC.
5. Horngren, C. T., Sundem, G. L., Elliott, J. A., & Philbrick, D. (2013). Introduction to Financial Accounting. London: Pearson Education.
6. Siddiqui, S. A. (2008). Book Keeping & Accountancy. New Delhi: Laxmi Publications Pvt. Ltd.
7. Sehgal, D. (2014). Financial Accounting. New Delhi: Vikas Publishing House Pvt. Ltd.
8. Tulsian, P. C. (2007). Financial Accounting. New Delhi: Tata McGraw Hill Publishing Co. Ltd.
9. Mukherji, A., & Hanif, M. (2015). Financial Accounting. New Delhi: Tata McGraw Hill Publishing Co. Ltd.
10. Maheshwari, S. N. & Maheshwari, S. K. (2018). Financial Accounting. New Delhi: Vikas Publishing House Pvt. Ltd.
11. Khan, M.Y. and Jain, P.K. Management Accounting. McGraw Hill Education.
12. Arora, M.N. Management Accounting, Vikas Publishing House, New Delhi

## QUESTION PAPER PATTERN

### (A) FOR CONTINUOUS EVALUATION

20 Multiple Choice Questions of 1 mark each – 20 Marks

### (A-1) RUBRICS FOR CONTINUOUS EVALUATION

**Accountancy- 40 Marks**

Sr No.	Examination Method	Marks
1	Assignment	10
2	Internal Test	20
3	Class Participation / Presentation and Viva-Voce	10

### (B) QUESTION PAPER PATTERN FOR SEMESTER END EXAMINATION

Maximum Marks: 60

Duration: 2 Hours

Question No. 1 is compulsory.

Solve any three Questions from Question Nos. 2 to 5

Question No.	Description	Total Marks
1	Practical Problem	15
2	Practical Problem	15
3	Practical Problem	15
4	Practical Problem	15
5	Short Notes: Answer any 3 out of 5 given (5 marks each)	15

Note: The practical problem of 15 marks each may be split up into two smaller problems carrying 8 marks and 7 marks respectively.

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Syllabus for Approval	BoS meeting held on: <b>22<sup>nd</sup> March,2025</b>	AC meeting held on: <b>4<sup>th</sup> April,2025</b>
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Board of Studies: Accountancy & Finance

Sr. No.	Heading	Particulars
1	Nomenclature of the Course	Financial Accounting II
2	Eligibility for Admission	FYBCOM Pass
3	Passing Marks for eligibility	FYBCOM Pass
4	Regulations	College Regulations on Admission
5	Programme	B.COM
6	Semesters	Semester: III
7	NEP Vertical	Minor
8	Credit	Four (4)
9	Level U.G/PG	UG
10	Pattern	Semester
11	Status (Revised or New) If revised, % of change)	New
12	To be implemented from Academic Year	From the Academic Year: 2025-2026

C.A. HRISHIKESH WANDREKAR

(Chairman, BOS-Accountancy and Finance)

Date: