

**Course: Major**  
**Basics of Cost Accounting**

<b>Semester: II</b>	<b>Credits:4</b>	<b>Subject Code:BBMAJFM223132</b>	<b>Lectures: 60</b>
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**Course Outcomes:**

At the end of this course, the learner will be able to:

- CO1 - Relate to the importance of Cost Accounting as a Branch of Accounting
- CO2 - Identify the relationship between Financial Accounting and Cost Accounting
- CO3 - Describe the Classification of Cost and Apply the skills for computation of total cost for a product
- CO4 - Recognize how the cost is ascertained for Contracts and Process-based industries
- CO5- Explain the relationship between cost, selling price, and volume of output
- CO6 - Examine the importance of various concepts of Marginal Costing in Decision-making.

<b>Unit1:Introduction(Theory)</b>	15
<ul style="list-style-type: none"> <li>• Meaning &amp; Definition of Cost, Costing, Cost Accounting, and Cost Accountancy, Features of Cost Accounting</li> <li>• Objectives, Origin &amp; Development of Cost Accounting, Advantages and Limitations of Cost Accounting</li> <li>• Limitations of Financial Accounting, Financial Accounting, and Cost Accounting</li> <li>• Cost Accounting Terminology – Cost Unit and Cost Centre</li> <li>• Elements of Cost - Material, Labour and Expenses</li> <li>• Overheads – Factory Overheads, Administration Overheads, Selling &amp; Distribution Overheads</li> </ul>	

<b>Unit2: Classification of Cost and Cost Sheet (Theory and Practical Problems)</b>	15
<ul style="list-style-type: none"> <li>• Classification of Cost-Functions, Nature/Behavior, Controllability, Normality, Investment, Time, Managerial Decision-making</li> <li>• Cost Sheet – Meaning, Contents, Uses of Cost Sheet</li> <li>• Preparation of Cost Sheet–a) Simple Cost Sheet b) Cost Sheet with Stock Adjustments. Items to be excluded from the Cost sheet</li> </ul>	

<b>Unit3: Methods of Costing (Theory and Practical Problems)</b>	15
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<ul style="list-style-type: none"> <li>• Contract Costing – Meaning and Features of Contract Costing, Costing Procedure, Works Certified and Uncertified, Escalation Clause, Cost Plus Contract, Working progress, Profit on Incomplete Contract, Practical Problems.</li> <li>• Process Costing – Meaning, Features of Process Costing, Preparation of Process Accounts including Normal and Abnormal Loss/Gain, Practical Problems.</li> </ul>	
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<b>Unit 4: Marginal Costing (Theory and Practical Problems)</b>	15
<ul style="list-style-type: none"> <li>• Marginal Cost, Marginal Costing, Features of Marginal Costing</li> <li>• Marginal Cost Statement, CVP Analysis, Profit Volume Ratio, Fixed Cost, Variable Cost, Contribution, Break-Even Point, Margin of Safety</li> <li>• Advantages and Limitations of Marginal Costing, Practical Problems.</li> </ul>	

**Areas of Practical Problems**

Cost Sheet, Contract Costing Process Costing Marginal Costing

**Allocation of Marks:** Theory - 30%, Practical Problems - 70%

<b>Recommended Text Books:</b>
<ul style="list-style-type: none"> <li>• Dr. Mahesh Kulkarni and Dr. Suhas Mahajan, <i>Basics of Cost Accounting for FYBBA</i> Nirali Prakashan, 2016</li> <li>• P.R. Bhonde and S. Limaye, <i>Introduction to costing for S.Y.B.Com</i> Narendra Prakashan, Pune, 2017</li> <li>• Prof. S Jagtap, Prof. B.B.Pagar, Prof. Dr. N.M. Nare <i>Cost &amp; Works accounting – I.I.K.S. Publication, Pune, 2006</i></li> </ul>

<b>Reference Books:</b>
<ul style="list-style-type: none"> <li>• Satish M. Inamdar, <i>Cost and Management Accounting</i>, Everest Publishing House, 23rd Edition 2013</li> <li>• Murthy &amp; Guruswamy, <i>Cost Accounting</i> Tata McGrawHill 2014</li> <li>• M.N.Arora, <i>Cost Accounting – Principles and Practice</i> Vikas Publishing House Pvt. Ltd. 2012</li> <li>• P.C. Tulsian, <i>Cost Accounting</i> Tata McGrawHill 2007</li> </ul>

<b>Websites:</b>
<ul style="list-style-type: none"> <li>• <a href="https://icmai.in/">https://icmai.in/</a></li> </ul>



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Subject Expert (Outside SPPU)	Ms. Soma Kulshrestha	<i>Soma K</i> 30/5/23
VC Nominee (SPPU)	Dr. Tanuja Devi	<i>Tanuja</i> 30/5/23
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