

Course: Major
Title of the Course: Material Costing

Semester: II	Credits: 4	Subject Code: CMAJCWA223114	Lectures: 60
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Course Outcomes:

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

- CO1 – Enumerate the basic concepts relating to Material as an element of cost.
- CO2 – Recognize the Current trends in relation to Inventory Management.
- CO3 – Explain the theoretical concepts in the course.
- CO4 – Identify the significance of Cost pertaining to Inventory Management for a given business entity.
- CO5 – Calculate the relevant costs through numerical problems.
- CO6 – Illustrate various facets of procurement and storage of Material as an element.

Unit 1: Material as an element of Cost	15
<ul style="list-style-type: none"> ● Introduction, Importance of material cost as an element of cost ● Cost Reporting- CAS 6- Material Cost; Constituents of Material Cost ● Need and Essentials of Control of Material Cost ● Rationalizing Material Procurement Process-Traditional Functions of Purchase Department, Purchase Procedure, Purchase Documentation (Purchase Requisition, Quotation, Purchase Order) ● Procurement Management and its Significance ● Comparison of Public and Private Sector Procurement ● Assignment: Case Study Analysis to compare the policies and procedure of Public and Private Sector material procurement process 	
Unit 2: E-Procurement of Material	15
<ul style="list-style-type: none"> ● Introduction and Benefits of E-Procurement ● Implementation of an E- Procurement System ● Elements of E Procurement System ● E- Procurement Value Chain - E- Informing; E- Tendering; E- Auctioning; Vendor Management; Catalogue Management; E- Invoicing; E- Payments ● Challenges of E-Procurement ● Current Trends in E- Procurement - E Procurement Software's and Platforms, Big Data Analytics, Internet of Things 	



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Unit 3: Material Storage	15
<ul style="list-style-type: none"> ● Stores Location and Stores Layout – Meaning, significance and implications on material cost ● Classification and Codification of Stores Material ● Stores Material Records: Bin Card and Store Ledger ● Valuation of Material Movement -Pricing Methods of Issue of Material by FIFO, LIFO, Simple Average and Weighted Average method ● Computerized Stores Accounting- Introduction to Microsoft Stores Management System ● Losses in Material Storage and Usage- Waste, Scrap, Defectives and Spoilage ● Accounting for Waste, Scrap, Defectives and Spoilage ● Control of Waste, Scrap, Defectives and Spoilage (Theory and Numerical) 	

Unit 4: Material (Inventory) Control	15
<ul style="list-style-type: none"> ● Meaning, Need and Importance of Inventory Control ● Inventory Control Strategies - Pull and Push Strategy ● Techniques of Inventory Control- Perpetual and Periodic Inventory Control: Meaning and applicability, Stock Levels- Meaning, significance and calculations of Stock Levels, Economic Order Quantity (EOQ)- Meaning, significance and calculation of EOQ, ABC Analysis: Meaning, application and implementation, VED Analysis: meaning and application ● Inventory Turnover Ratio- Meaning, application and calculation of inventory turnover ratios ● Transition from Inventory Control to Inventory Management (Theory and Numerical) 	

Recommended Text Books:

- M N Arora. *A Text Book of Cost and Management Accounting*. 10th Edition, S Chand Publishers: New Delhi; 2019.
- Manash Dutta. *Cost Accounting: Principles and Practice*. 1st Edition, Pearson: New Delhi; 2003.
- A. Murthy & S. Gurusamy, *Cost Accounting*. Vijay Nicole Imprints Private Limited:Chennai;2014.



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Reference Books:

- M N Arora. *Cost Accounting Principles and Practice*. Twelfth Edition, Vikas Publishing House Pvt. Ltd.: New Delhi; 2013.
- V.Rajasekaran & R. Lalitha. *Cost Accounting*. Pearson: New Delhi; 2011.
- S.P. Jain & K.N. Narang. *Cost Accounting*. 23rd Revised Edition, Kalyani Publishers: New Delhi; 2012.
- Bhar B.K. *Cost Accounting Methods & Problems*. 16th Edition, Academic Publishers: Kolkata; 2005.
- B.S. Khanna & I.M. Pandey. *Practical Costing*. S. Chand & Company Ltd. New Delhi; 1999.

Journal Articles:

- Ganeshan A et al. (2021) "Stores Management System" International Journal of Creative Research Thoughts, Vol.9, Issue 12

Websites:

- <https://icmai.in/icmai/>
- <https://icmai.in/icmai/news/209.php>
- <https://msme.gov.in/public-procurement-policy>
- https://www.startupindia.gov.in/content/sih/en/public_procurement.html

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