

**K L UNIVERSITY**  
**DEPARTMENT OF COMMERCE**  
**B.Com (Honours) (Accounting & Finance)**  
III - SEMESTER

**Cost Accounting – I**

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**Unit-I: Introduction(Hours : 6 )**

Nature and scope of Cost Accounting – Cost Accounting Vs. Financial Accounting – Advantages and limitations of cost accounting – Installation of costing systems – Cost concepts – Classifications of cost, preparation of cost sheet (including problems).

**Unit – II: Material Cost Control : (Hours : 12)**

Meaning, objectives and significance of material cost control, purchase organization and procedure involved in purchase, evaluation of quotations levels of materials – minimum, maximum render and danger levels of inventories, EOQ – concept assumptions and computation of EOQ, stores control-organisation and methods of pricing issues FIFO, LIFO, average methods, base stock and standard cost, treatment of storage losses.

**Unit-III: Labour Cost Control : (Hours : 12 )**

Meaning, objectives and significance of labour cost control departments involved in labour cost control, methods of time keeping and time booking - Accounting treatment of idletime and overtime wages, wage payment systems – time rate and piece rate, straight piece rate, Taylor’s differential piece rate, Merrick’s multiple piece rate, Gant’s task and bonus plan, incentive plans need and importance – Halsey, Rowan, Emerson’s premium plans, Group bonus scheme.

**Unit-V: Overhead: (Hours : 10 )**

Meaning, objectives and significance of overhead cost control, classification of overheads-nature, elements functions and behavioural-wise, primary and secondary distribution of overheads, Redistribution of service department, overheads to production departments, Absorption of overheads-meaning and labour rate, labour hour and machine hour rate methods of absorption, concepts of under and over absorption of overheads.

**Unit – V Reconciliation (Hours : 5)**

Reconciliation of Costing and Financial Accounts – Need for Reconciliation – Reasons for Disagreement in Profit, Preparation of Reconciliation Statement

**Text Book**

1. S.P Jain and K.L. Narang, Elements of Cost Accounting, Kalyani Publishers,2009, 12<sup>th</sup> Edition, New Delhi.

**REFERENCE BOOKS:**

1. Jawaharlal, Cost Accounting, Tata McGraw Hills, 2008, 2<sup>nd</sup> Edition, New Delhi.
2. Dr.P.C.Tulsian, Cost Accounting, S.Chand Publishers, 2010, 1<sup>st</sup> Edition, New Delhi.
3. Charles T Horngren, Cost Accounting, Prentice Hall, 1999, 10<sup>th</sup> Edition, New Delhi.
4. V.K. Saxena and C.D. Vashist, Cost and Management Accounting, Sulthan Chand & Sons, 2010, Latest Edition, New Delhi.

5. S.P.Gupta, Cost Accounting, VK Global Publications, 2010, Latest Edition, New Delhi