

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

**Cost Accounting – II**

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**Unit -I Job and Contract Costing: (Hours :8 )**

Objectives and Features of Job Costing, advantages and disadvantages of Job Costing – procedure of Job Costing system. Contract costing, Types of contract, retention money, cost plus contracts, escalation clause and work in progress - Problems on preparing Job Cost sheet. Problems on preparing contract account including ascertainment of profits on incomplete contracts.

**Unit -II Process Costing and Operating Costing: (Hours : 10 )**

Features of process costing - advantages and limitations of process costing - Treatment of normal and abnormal losses - Preparation of process cost accounts (excluding equivalent products and inter process profits). Simple problems on Joint Products and By-Products – operating costing-meaning need and advantages of operating costing - applications, cost unit under operating costing, preparation of operating cost sheet of Transportation, boiler house and canteen organization

**Unit III: Marginal Costing(Hours : 12 )**

Marginal Costing and Break Even Analysis: Concept of Marginal costing – Variable and absorption costing – Benefits and limitations of Cost, Volume and Profit analysis – Break-even point – Margin of safety - Product sales pricing and mix - Limiting factors - Multiple scarce resource problems - Decisions about alternatives such as make or buy, selection of products, etc

**Unit IV: Standard Costing(Hours : 8 )**

Standard Costing and Variance Analysis: Standard costing and Historical costing – Establishment of cost standards – Steps involved in standard costing – Variance analysis – Material variance –Labour variances & Overhead variances (including problems).

**Unit - V: Budgetary Control: (Hours : 7 )**

Introduction, objectives, essentials, organization of budgetary control - Classification of budgets: Production budget, Sales budget, Cash budget, Overheads budget, fixed budget, Flexible Budget – Advantages and limitations of budgetary control. (Including problems)

**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