

## BASICS OF COST ACCOUNTING

Semester II

Subject Code: BB21504

Lectures: 48

### Objectives:

The syllabus aims in equipping students with

- Basic Knowledge about Cost Accounting
- Ability to Understand the importance of Cost Accounting as a Branch of Accounting
- An in-depth insight into difference between Financial Accounting and Cost Accounting
- Understanding difference types of Cost and Cost Classification
- A thorough understanding of preparation of Cost Sheet, Calculation of cost per unit and preparation of Estimated Cost Sheet
- Imbibing knowledge about different methods of costing like Contract Costing, Process Costing and Operating Costing
- The capacity to understand and comprehend the emerging trends in the field of Cost Management with specific reference to Activity Based Costing and Just In Time Technique

### Unit 1: Introduction (Theory)

08  
Lects

1.1 Meaning of Cost, Costing, Cost Accounting and Cost Accountancy, Origin of Cost Accounting	02
1.2 Objectives of Cost Accounting, cost control and cost reduction	02
1.3 Features, Advantages and Limitations of Cost Accounting	02
1.4 Limitations of Financial Accounting, Difference between Financial Accounting and Cost Accounting	02
1.5 Cost Accounting Terminology – Cost Unit and Cost Centre	

### Unit 2: Elements of Cost and Classification of Cost (Theory)

06  
Lects

2.1 Elements of Cost - Material, Labour and Expenses	02
2.2 Overheads – Factory Overheads, Administration Overheads, Selling & Distribution Overheads	02
2.3 Classification of Cost - by Functions, by behavior, by controllability, by normality, by inventory, by time, for managerial decision-making	02

NAME	SIGN	NAME	SIGN
Prof. Mrs. Rekha Kankariya	<i>Rekha</i>	Dr. Yashodhan Mithare	<i>Yashodhan</i>
Dr. Mrs. Deepika Chadda	<i>Deepika</i>	Dr. John Gilbi	<i>John</i>
Prof. Mrs. Minakshi Balkawade	<i>Minakshi</i>	CA Mr. Pramod Gugale	<i>Pramod</i>
		Ms. Anjali Thakur	<i>Anjali</i>



**Unit 3: Preparation of Cost Sheet (Theory & Practical Problems)**

10  
Lects

3.1 Cost Sheet – Meaning, Contents, Uses, Types of Cost Sheet 02  
3.2 Preparation of Cost Sheet – a) Simple Cost Sheet b) Cost Sheet with Stock Adjustments. Items to be excluded from Cost sheet 08

**Unit 4: Methods of Costing (Theory & Practical Problems)**

14  
Lects

**4.1 Contract Costing** – Meaning and Features of Contract Costing, Costing Procedure, Works Certified and Uncertified, Escalation Clause, Cost Plus Contract, Work in progress, Profit on Incomplete Contract 05  
**4.2 Process Costing** – Meaning, Features of Process Costing, Preparation of Process Accounts including Normal and Abnormal Loss/Gain 05  
**4.3 Service Costing** – Meaning, Features and Application, Cost Classification, Cost Unit – Simple and Composite, Preparation of Cost Sheet for Transport Service 04

**Unit 5: Emerging Concepts in Cost Management (Theory)**

10  
Lects.

5.1 Concept of Cost Management, New Concepts & Ideas 02  
5.2 Activity Based Costing-Meaning, Need, Features, Steps to Develop ABC System, Benefits 04  
5.3 JIT – Meaning, Definition, Features, Objectives, Benefits, Effects 04

**Allocation of Marks:**

Theory - 30%

Practical Problems - 70%



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Prof. Mrs. Minakshi Balkawade	<i>Minakshi Balkawade</i>	CA Mr. Pramod Gugale	<i>P. Gugale</i>
		Ms. Anjali Thakur	<i>Anjali Thakur</i>

**Recommended Text Books:**

- 1 Basics of Cost Accounting for FYBBA by Dr. Mahesh Kulkarni and Dr. Suhas Mahajan (Nirali Prakashan)
- 2 Introduction to costing for S.Y.B.Com by P.R.Bhonde and S. Limaye (Narendra Prakashan, Pune)
- 3 Cost & Works accounting – II by Prof. S Jagtap, Prof. B.B.Pagar, Prof. Dr. N.M.Nare (K.S.Publication, Pune)

**Reference Books:**

- 1 Cost and Management Accounting by Satish M. Inamdar (Everest Publishing House)
- 2 Cost Accounting by Murthy & Guruswamy (Tata McGraw Hill)
- 3 Cost Accounting – Principles and Practice by M.N.Arora (Vikas Publishing House Pvt. Ltd.)
- 4 Cost Accounting by P.C.Tulsian (Tata McGraw Hill)
- 5 Advanced Cost Accounting by S.P.Jain, K.L.Narang, Simmi Agarwal (Kalyani Publishers)
- 6 Principles & Practice of cost Accounting by J.C.Varshney (Wisdom Publications, Delhi)
- 7 Cost Accounting by M.Y.Khan and P.K. Jain (McGraw Hill Education (India) Pvt. Ltd.)



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