

MBPC1005 COST AND MANAGEMENT ACCOUNTING (3-0-0)

Course Objectives:

1. To understand the concept Cost accounting & Management Accounting
2. To familiarize the students about various methods of costing followed in different organizations
3. To understand and apply the various marginal costing techniques for managerial decision making

Module-I.

Introduction to Cost Accounting and Management Accounting: Basic concepts: Scopes. Types of Cost, Financial Accounting, Cost Accounting and Management Accounting., Methods of Costing, Techniques of Costing, Classification of Costs, Cost Centre, Cost Unit, Profit Centre, Investment Centre, Preparation of Cost Sheet, Total Costs and Unit Costs.

Module-II.

Cost Accounting System: Material Cost Management: Material Cost Valuing material issues and stock, Overheads: Meaning and Importance, production overhead, Primary distribution and Secondary distribution, allocation and apportionment of cost. Absorption by production units, Methods, over and under absorption of overhead.

Module-III.

Methods and Techniques: Job Costing, Contract costing and Process Costing, Joint Product and By Products. Service Costing: Transport, Hospital, Canteen, **Marginal Costing:** Nature and Scope, Marginal Cost Equation, Profit Volume Ratio, Break-even Chart, Application of Marginal Costing Techniques for managerial decision making: Make or Buy decision, selection of Suitable product Mix.

Management Tools: Budgetary Control: Functional budgets, Cost budget, Master Budget, Performance budgeting and Zero based budgeting. Flexible budgets. **Standard Costing:** Standard cost and standard costing, standard costing and budgetary control. Analysis of variances (Material, Labour and Sales), Cost Reduction and Cost Control.

Course Outcomes:

- CO-1: Acquire, describe and explain fundamental knowledge of cost accounting concepts and identify the various elements to calculate the total cost and unit cost of a product or service.
- CO-2: Evaluate and interpret different methods costing to ascertain and control the costs in manufacturing and service industries.
- CO-3: Use costing techniques for short-term decision-making and product cost analysis.
- CO-4: Illustrate and utilize advanced management tools for budgeting, standard setting, locating variances and evaluation of performance.

Books

- A text book on Cost and Management Accounting, M.N Arora, Vikas
- Cost and Management Accounting, S P Jain, K L Narang, Simmi Agrawal, Kalyani
- Cost and Management Accounting, Colin Drury, Cengage Learning
- Morden Cost and Management Accounting, M.Hanif, Tata McGraw Hill End Pvt.Ltd