

**UNIVERSITY OF MADRAS**  
**B.Com. (GENERAL) DEGREE COURSE**  
**SYLLABUS WITH EFFECT FROM 2020-2021**

**BGE-CSC13**

**CORE-XIII: ELEMENTS OF COST ACCOUNTING**

Common to BCom(A&F) & BCom(CA)

**Inst.Hrs : 6**

**Credits : 4**

**YEAR: III**

**SEMESTER: V**

**OBJECTIVES:**

To make the students to know the Process of Accounting for Cost Elements.

- To understand the advantages of Costing to the Stakeholders, Workers, Creditors and the Public.

**OUTCOME:**

- At the end of the course students will understand the basic elements of costing.

**UNIT I: Introduction of Cost Accounting**

Definition - Nature and Scope – Principles of Cost Accounting – Cost Accounting and Financial Accounting - Cost Accounting Vs Management Accounting – Installation of Costing System – Classification of Costs – Cost Centre – Profit Centre

**UNIT – II: Cost sheet and methods of costing**

Preparation of Cost Sheet. Reconciliation of Cost and Financial Accounts - Unit Costing- Job Costing.

**UNIT III: Material Costing**

Material Control – Meaning and Objectives – Purchase of Materials – Stock Levels of Materials – EOQ – Stores Records – ABC Analysis – Issue of Materials – Methods of Issue – FIFO – LIFO – HIFO – Base Stock Method – Specific Price Method – Simple and Weighted Average Method – Standard and Inflated Price Method.

**UNIT IV: Labour Costing**

Direct Labour and Indirect Labour – Time Keeping – Methods and Calculation of Wage Payments – Time Wages – Piece Wages – Incentives – Different Methods of Incentive Payments - Idle time – Overtime – Labour Turnover - Meaning, Causes and Measurement.

**UNIT V: Overheads Costing**

Overheads – Definition – Classification – Allocation and Apportionment of Overheads – Basis of Allocation – Absorption of Overheads - Preparation of Overheads Distribution Statement – Machine Hour Rate – Computation of Machine Hour Rate.

**Note:** Questions in Sec. A, B & C shall be in the proportion of 20:80 between Theory and Problems.

**RECOMMENDED TEXTS**

1. Drury – Management and Cost Accounting with CourseMate, New Delhi : CENGAGE
2. Jain,S.P & Narang,K.L.,Cost Accounting, Kalyani Publishers
3. Khanna, B.S. Pandey, I.M-Ahuja, G.K and Arora M.N., Practical Costing, S Chand & Sons

**REFERENCE BOOKS:**

1. MurthyA & Gurusamy S, Cost Accounting, Vijay Nicole Imprints Pvt .Ltd .Chennai
2. Reddy, T.S. and Hariprasad Reddy, Y, Cost Accounting, Margam Publications
3. Prasad, N.K and Prasad, V.K, Cost Accounting, Book Syndicate
4. Saxena and Vashist, Cost Accounting Sultan Chand and Sons, 2014, New Delhi

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**WEB RESOURCE:**

1. [www.accountinglectures.com](http://www.accountinglectures.com)
2. [www.accounting](http://www.accountingcoach.com) coach.com
3. <http://simplestudies.com/accounting-lectures.html>
4. [www.accounting](http://www.accountingstudyguide.com) study guide.com