

F.Y. Bcom Accounting Finance

SEMESTER I

Cost Accounting

Introduction and
Elements of Cost

TOPICS

NO.OF LECTURES

● Introduction to Cost Accounting	15
● Material Cost	15
● Labour Cost	15
● Overheads	15
Total	60

SYLLABUS OBJECTIVES

- To study comparison between costing and finance
- To know cost structure for production making.
- To understand uses of materials in production and practical calculations
- To understand uses of labours in production and calculations of cost
- To understand bifurcation of overheads with activity
- To study distribution of overheads and overhead rate

1. Introduction to Cost Accounting

- Evolution
- Objectives and Scope of Cost Accounting
- Importance and Advantages of Cost Accounting
- Difference between Cost Accounting and Financial Accounting
- Limitations of Financial Accounting
- Definitions: Cost, Costing and Cost Accounting
- Classification of Cost on Different Bases
- Cost Allocation and Apportionment
- Coding System
- Essentials of Good Costing System

2. Material Cost

- ◉ Material Cost: The Concept
- ◉ Material Control Procedure
- ◉ Documentation
- ◉ Stock Ledger, Bin Card
- ◉ Stock Levels
- ◉ Economic Order Quantity (EOQ)

3.Labour Cost

- ◉ Labour Cost: The Concept
- ◉ Composition of Labour Cost
- ◉ Labour Cost Records
- ◉ Overtime / Idle Time / Incentive Schemes

4. Overheads

- Overheads: The Concept
- Classification of overheads on different bases
- Apportionment and Absorption of Overheads

SYLLABUS OUTCOMES

- Understand the concepts of costing and accounting procedures.
- Study practical adjustments in production with elements of cost
- Study practical approach towards cost structure of labours.
- Understanding formulas for calculation of cost of labours.
- Study practical approach towards overheads in production
- Study per overhead cost and apportion of elements used in production.