

S. Y. B. Com. Accounting and Finance

Semester - III

**COST
ACCOUNTING II**

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**METHODS OF
COSTING**

Syllabus

**Program at Semester III with
Effect from the
Academic Year 2017-2018**

Syllabus Objectives

- To understand various types of cost and costing.
- **To understand format of Cost Sheet and to learn applicability of cost sheet to ascertain pricing of any product.**
- To understand various overheads and its impact to ascertain selling price of the product.
- **To understand reasons and how to reconcile profits of Cost records and financial record.**
- To understand the method of contract costing and its applicability in real life especially in case construction contracts.
- **To understand application of process costing.**

Module I

Classification of Costs and Cost Sheet

Classification of costs, Cost of Sales, Cost Centre, Cost Unit, Profit Centre and Investment Centre Cost Sheet, Total Costs and Unit Costs, Different Costs for different purpose Problems on preparation of cost sheet & Estimated

Module II

Reconciliation of cost and financial accounts

Practical problems based on reconciliation of cost and Financial accounts

Module III

Contract Costing

Progress payments, Retention money, Contract accounts, Accounting for material, Accounting for Tax deducted at source by the contractee, Accounting for plant used in a contract, treatment of profit on incomplete contracts, Contract profit and Balance sheet entries. Escalation clause, practical problems

Module IV

Process Costing

Process loss, Abnormal gains and losses, Joint products and by products. Excluding Equivalent units, Inter-process profit Practical problems Process Costing and joint and by products

Syllabus Outcomes

- **To be able to know various types of cost and costing.**
- **Solve cost sheet problems and acquired skill of application of cost sheet. One of the important techniques to determine prices.**
- **Find reasons of distinction between financial accounting and cost accounting and to solve practical problems.**
- **Apply calculation of pricing of large size contract by contract costing and to solve practical problems.**
- **Apply technique of determination of price at the time of running manufacturing process by process costing in practical manner.**