



**Vivekanand Education Society's  
College of Arts, Science and Commerce  
(Autonomous)**

**Sindhi Society, Chembur, Mumbai, Maharashtra-400 071.**

*Accredited by NAAC "A Grade" in 3<sup>rd</sup> Cycle-2017  
Best College Award–Urban Area, University of Mumbai(2012-13) Recipient  
of FIST Grant (DST) and STAR College Grant (DBT)*

**Affiliated to the  
University of Mumbai**

**Syllabus for  
Program:B.Com.**

**(Program code:)**

**With effect from Academic Year 2025-2026**

**T.Y.B.Com SEMESTER V****MAJOR ELECTIVE****COURSE TITLE: COST ACCOUNTING-I****COURSE CODE: -****[CREDITS - 04]****Course Learning Objectives**

To acquaint the learners with:

1. The concept of cost accountancy and its related terms
2. The estimation of material cost, various levels of stock and controlling of material cost
3. The estimation of labour cost, remuneration plans and controlling of labour cost
4. The estimation of overhead cost, ascertainment, allocation, segregation, and absorption of overheads
5. The preparation of cost sheet and statement of reconciliation of profits/losses between Cost Records and Financial Records.

**Course Learning Outcomes**

The learners will be able to:

1. Understand cost, objectives and scope of cost accounting ,cost classification, elements of costs, cost behaviour pattern.
2. Estimation and calculation of different levels and control of material cost.
3. Gain knowledge regarding Labour Turnover, Utilization of Labour, Direct and Indirect Labour, Charging of Labour Cost ,Remuneration and incentive systems.
4. Gain knowledge of methods of allocation, calculation and absorption of overheads.
5. To prepare a cost sheet, with maximum details showing Classification of Costs, Total Costs and Unit Costs for different units of goods.
6. Understand the reasons for difference in the profits/losses shown by financial and cost records and preparation of reconciliation statement for the same.

<b>Module 1</b>	<b>Introduction to CostAccounting</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Objectives and Scope of Cost Accounting</li><li>2. Cost Classification.</li><li>3. Cost Behavior Pattern, Separating the Components of semi-variable Costs.</li><li>4. Elements of Cost.</li></ol>	
<b>Module 2</b>	<b>Material Cost</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Procurement Procedures—Store Procedures and Documentation in respect of Receipts and Issue of Stock, Stock Verification</li><li>2. Inventory Control—Techniques of Fixing of Minimum, Maximum and Reorder Levels</li><li>3. Economic Order Quantity, ABC Classification; Pareto Analysis, Just in Time Purchase Method, Stock taking and Perpetual Inventory</li><li>4. Inventory Accounting Note: Simple practical problems based on various Stock Levels, calculation of EOQ, Preparation of Stock Ledger and valuation of inventories based on First In First Out and Weighted Average Cost Method.</li></ol>	

<b>Module 3</b>	<b>Labour Cost</b>	<b>[10L]</b>
	<ol style="list-style-type: none"> <li>1. Attendance and Payroll Procedures, Overview of Statutory Requirements, Overtime, Idle Time and Incentives</li> <li>2. Labour Turnover</li> <li>3. Utilisation of Labour, Direct and Indirect Labour, Charging of Labour Cost, Identifying</li> <li>4. Labour Hours with Work Orders or Batches or Capital Jobs</li> <li>5. Efficiency Rating Procedures</li> <li>6. Remuneration Systems and Incentive Schemes</li> </ol> <p>Note: Simple practical problems based on Preparation of labour cost statement</p> <p>Remuneration and incentive systems based on Piece work plan, Merrick, Taylor and Emerson's Differential system, Halsey Premium Plan, Halsey-Wier Premium Plan, Rowan system, Gantt's Task</p>	
<b>Module4</b>	<b>Overheads</b>	<b>[10L]</b>
	<ol style="list-style-type: none"> <li>1. Functional Analysis—Factory ,Administration, Selling and Distribution</li> <li>2. Behavioral Analysis—Fixed, Variable, Semi-Variable Cost</li> </ol> <p>Note: Simple practical problems on Separating the Components of semi-variable Costs Departmentalization and Primary Distribution of Overheads</p> <p>Computation of overheads including Machine overhead rates</p> <p>Basic concepts of treatment of over/under absorption of overheads-Direct Labour method and Prime Cost method .</p>	
<b>Module5</b>	<b>Classification of Cost &amp; CostSheet</b>	<b>[10L]</b>
	<ol style="list-style-type: none"> <li>1. Classification of Costs, Prime Cost(Direct Cost),Factory Cost (Work Cost), Cost of Production (Cost of Goods produced and Sold, Cost of Sales</li> <li>2. Cost Sheet, Total Costs and Unit Costs, Different Costs for different purposes</li> </ol> <p>Note :Simple practical problems on preparation of cost sheet</p>	
<b>Module 6</b>	<b>Reconciliation of Cost and Financial Accounts</b>	<b>[10L]</b>
	<ol style="list-style-type: none"> <li>1. Introduction and Need of Reconciliation.</li> <li>2. Causes of disagreement and procedure of preparing Reconciliation Statement</li> </ol> <p>Note: Practical problems based on Reconciliation of Cost &amp; Financial Accounts</p>	

Ref.	<ol style="list-style-type: none"> <li>1. Cost Accounting-A managerial emphasis byHorngren,Charles, Foster and Datar, Prentice Hall</li> <li>2. Management Accounting by Khan and Jain, TataMcGrawHill</li> <li>3. Practical Costing by P CTulsian, VikasNew Delhi</li> <li>4. Advanced problems and solutions in cost Accounting by S N Maheshwari, Sultan Chand New Delhi Cost Accounting (For B. Com4thSem,DelhiUniv) byAroraMN,Vikas Publishing House Pvt. Ltd.</li> <li>5. ATextbookofCostAndManagementAccounting-10thEdnby Arora M N, Vikas Publishing House Pvt. Ltd.</li> <li>6. Cost Accounting :Principles &amp;Practice -12EdnbyAroraMN, Vikas Publishing House Pvt. Ltd.</li> <li>7. Essentials of Cost Accounting by Arora MN, Vikas Publishing House Pvt. Ltd.</li> <li>8. Students Guide to Cost Accounting &amp; Financial Management(Set of 2 Volumes) (CAIPCC) (Group I) by Bhavesh N. Chandarana, Taxmann</li> <li>9. Lectures on Costing by Swaminathan:S.Chandand Company(P) Ltd., New Delhi</li> <li>10. Cost Accounting by C.S.Rayudu,TataMc.GrowHill and Co.Ltd., Mumbai Cost Accounting by Jawahar Lal and Seema Srivastava, Tata Mc.Grow Hill and Co. Ltd.,Mumbai</li> <li>12. Cost Accounting by RaviM. Kishore, Taxmann Ltd., New Delhi</li> <li>13. Principles and Practices of Cost Accounting by N.K.Prasad, Book Syndicate Pvt. Ltd., Calcutta</li> <li>14. Cost Accounting Theory and Practice byB.K.Bhar, TataMc.Grow Hill and Co. Ltd., Mumbai</li> <li>15. Cost Accounting Principle sand Practice by M.N.Arora,Vikas Publishing House Pvt. Ltd., New Delhi</li> <li>16. Advanced Cost and Management Accounting: Problems and Solutions by V.K.Saxena and C.D.Vashist,S.Chand and Company (P)Ltd., NewDelhi</li> <li>17. Cost Accounting byS.P. Jain and K.L. Narang, Kalyani Publishers, Ludhiana Modern Cost and Management Accounting by M. Hanif, Tata McGraw Hill Education Pvt. Ltd., New Delhi Fundamentals of Cost Accounting by Jhamb.H.V.,An eBooks Pvt. Ltd.</li> <li>11. Cost Accounting by Gupta Nirmal, Ane Books Pvt.Ltd.</li> </ol>	
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## Modality of Assessment

The performance of the learners shall be evaluated into two parts. The learner's performance shall be assessed by Internal Assessment with 40% marks in the first part & by conducting the Semester End Examinations with 60% marks in the second part.

**Students will have to score 40% of marks in the Internal Assessment as well as Semester End Examination to pass the course.**

The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:-

**Internal Assessment:** It is defined as the assessment of the learners on the basis of internal evaluation as envisaged in the Credit & Choice Based System by way of participation of learners in various academic and correlated activities in the given semester of the programme.

**Semester End Assessment:** It is defined as the assessment of the learners on the basis of Performance in the semester end Theory/ Written examination.

### A. Theory-Internal Assessment 40%

**40 marks**

Sr. No	Evaluation Type	Marks
1.	Class Test-Objective Questions(MCQs/True or False/Fill in the Blanks/ Match the Columns)	20
2	Project/Assignments/Presentation/Viva Voce/Case Studies	20

### B. Theory - External Examination 60 marks

#### Semester End Theory Assessment

Duration-Each paper shall be of 2hours duration.

1. Question paper pattern:-
  - a. There shall be four questions.
  - b. Each question shall carry 15 marks.

#### Question Paper Pattern

Maximum Marks: 60

Questions to be set: 04

Duration 2 hours

Question No	Particular	Marks
Q-1	Full Length Practical Question	15
	OR Full Length Practical Question	15
Q-2	Full Length Practical Question	15
	OR Full Length Practical Question	15
Q-3	Full Length Practical Question	15
	OR Full Length Practical Question	15
Q-4	a) Theory Question	08
	b) Theory Question	07
	OR	
	Short Notes (To be asked 05 To be answered 03)	15
<b>Note:</b> -Full length question of 15 marks may be divided into two questions of 08 marks and 07 marks each.		



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**B.Com.(NEP)**

**with effect from Academic Year 2025-2026**

**T.Y. B.Com SEMESTER VI****COURSE TITLE: Cost Accounting II (Major Elective)****COURSE CODE:- UMEACS6-311 [CREDITS - 04]****Course Learning Objectives**

To acquaint the learners with:

1. Integrated and non-integrated system of cost accounting, relationships between cost and financial accounting, preparation of various cost ledger accounts.
2. Meaning of contract, different terms used in contract costing and preparation of Contract Accounts in the books of Contractor
3. Process accounting technique, ascertainment of unit cost of different processes, allocation of materials, labour and factory overhead costs to different process cost centers
4. Estimation of cost for various level of production, to ascertain the desirable volume of production, the profit at various level of production, and the differences between sales, revenue and variable cost
5. Variances, Identification of material and labour variances, Use of variances to control cost
6. The Concepts of target costing, life cycle costing, benchmarking, ABC Costing, Various phases of Product life Cycle.

<b>Module 1</b>	<b>Cost Control Accounts</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Introduction, Advantages &amp; Disadvantages of Control Accounts</li><li>2. Cost Control Accounts, Principal Accounts, Subsidiary Accounts to be maintained. Note: Simple practical problems on Preparation of Cost Control Accounts.</li></ol>	
<b>Module 2</b>	<b>Contract Costing</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Progress Payments, Retention Money, Contract Accounts, Accounting for Material, Accounting for plant used in a contract, treatment of profit on incomplete contracts. Contract profit and Balance sheet entries Excluding Escalation Clause Note: Simple practical problems</li></ol>	
<b>Module 3</b>	<b>Process Costing</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Process Loss, Abnormal Gains and Losses. Excluding Equivalent units, Inter-process profit Note - Simple practical Problems Process Costing.</li></ol>	
<b>Module 4</b>	<b>Marginal Costing</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Marginal Costing Meaning, applications, advantages, limitations, Contribution, Breakeven Analysis, Margin of Safety and profit Volume Graph Note: - Simple practical problems based on Marginal Costing excluding decision making</li></ol>	
<b>Module 5</b>	<b>Introduction to Standard Costing</b>	<b>[10L]</b>
	<ol style="list-style-type: none"><li>1. Various Types of Standards, Setting of Standards, Basic Concepts of Material and Labour Variance Analysis Note: Simple Practical Problems based on Material and Labour Variance excluding sub variances</li></ol>	



Module 6	Some emerging concepts of Costing	[10L]
	<ol style="list-style-type: none"> <li>1. Target Costing</li> <li>2. Life Cycle Costing</li> <li>3. Benchmarking</li> <li>4. ABC Costing</li> </ol> <p>Note: No Practical Problems</p>	
<b>Ref:</b>	<ol style="list-style-type: none"> <li>1. Cost Accounting- A managerial emphasis by Horngren, Charles, Foster and Datar, Prentice Hall Management Accounting by Khan and Jain, Tata McGraw Hill</li> <li>2. Practical Costing by P C Tulsian, Vikas New Delhi</li> <li>3. Advanced problems and solutions in cost Accounting by S N Maheshwari, Sultan Chand New Delhi Cost Accounting (For B. Com 4th Sem, Delhi Univ) by Arora M N, Vikas Publishing House Pvt. Ltd.</li> <li>4. A Textbook of Cost And Management Accounting - 10th Edn by Arora M N, Vikas Publishing House Pvt. Ltd.</li> <li>5. Cost Accounting: Principles &amp; Practice - 12 Edn by Arora M N, Vikas Publishing House Pvt. Ltd.</li> <li>6. Essentials of Cost Accounting by Arora M N, Vikas Publishing House Pvt. Ltd.</li> <li>7. Students Guide to Cost Accounting &amp; Financial Management (Set of 2 Volumes) (CAIPCC) (Group I) by Bhavesh N. Chandarana, Taxmann</li> <li>8. Lectures on Costing by Swaminathan: S. Chand and Company (P) Ltd., New Delhi</li> <li>9. Cost Accounting by C.S. Rayudu, Tata Mc. Grow Hill and Co. Ltd., Mumbai</li> <li>10. Cost Accounting by Jawahar Lal and Seema Srivastava, Tata Mc. Grow Hill and Co. Ltd., Mumbai</li> <li>11. Cost Accounting by Ravi M. Kishore, Taxmann Ltd., New Delhi</li> <li>12. Principles and Practices of Cost Accounting by N.K. Prasad, Book Syndicate Pvt. Ltd., Calcutta</li> <li>13. Cost Accounting Theory and Practice by B.K. Bhar, Tata Mc. Grow Hill and Co. Ltd., Mumbai</li> <li>14. Cost Accounting Principles and Practice by M.N. Arora, Vikas Publishing House Pvt. Ltd., New Delhi</li> <li>15. Advanced Cost and Management Accounting: Problems and Solutions by V.K. Saxena and C.D. Vashist, S. Chand and Company (P) Ltd., New Delhi</li> <li>16. Cost Accounting by S.P. Jain and K.L. Narang, Kalyani Publishers, Ludhiana Modern Cost and Management Accounting by M. Hanif, Tata McGraw Hill Education Pvt. Ltd., New Delhi .</li> </ol>	

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**40 marks**



Sr. No	Evaluation Type	Marks
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2	Project/Assignments/Presentation/Viva Voce/Case Studies	20

**B. Theory - External Examination - 60%****60 marks****Semester End Theory Assessment**

Duration - Each paper shall be of 2 hours duration.

1. Question paper pattern:-
  - a. There shall be four questions.
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**Question Paper Pattern**

Maximum Marks:60

Questions to be set: 04

Duration: 2 Hrs.

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	To be asked 05 To be answered 03	
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