

**B. Com. – II**

**Group 'D'**

**Paper No. VII: Cost Accounting**

1. Nature, Principles, Objectives, Importance and Limitations of Cost Accounting; Installation of an Ideal Costing System: Steps in installing a Costing System, Difficulties in installing a Costing System.
2. **Material:**
  - a. **Purchase:** Centralized purchasing, Decentralized purchasing, Purchase procedure.
  - b. **Storage of Material:** Stores department, classification and codification, Bin Card, Two Bin System, stores ledger card, Difference between store ledger and Bin Card, treatment of spoilage, wastage and scrap of material.
  - c. **Issue of Material:** Requisition note, Material returned note, Material transfer note, Methods of pricing of Material issued: Cost price methods, Average cost price methods and Notional price method.
  - d. **Control:** Need, responsibility, methods of inventory control: ABC Analysis and EOQ concept, perpetual inventory system, periodic stock taking system.
3. **Labour:** Organisation of Labour Control, Time Keeping and Time Booking, Methods of Time Keeping, Methods of Time Booking, Job Card System, Types of Job Card, Methods of Remunerating Labour, various incentive plans, Group Bonus Scheme, other incentive schemes, Labour turnover, measurement of labour turnover.
4. **Overheads:** Classification; Allocation, Apportionment and Re-apportionment, Principles of apportionment, Methods of Re-apportionment, Absorption of Overheads, Methods of Absorption of Overheads.
5. Single Unit or Output Costing: Cost-sheet, Production Account; Calculation of Tender Price / Quotation Price. Practical Problems.
6. Contract Costing – Practical Problems.
7. Job and Batch Costing - Practical Problems
8. Process Costing: Simple Process Cost Account, Transfer to Warehouse, Abnormal wastage and abnormal efficiency, Normal wastage account, Joint products and By-products; Oil crushing, Refining and Finishing processes, Transfer price – Inter process profits. Practical Problems.
9. Reconciliation of Cost and Financial Accounts – Practical Problems.
10. Operating Costing (only transport and hotel) – Practical Problems.
11. Standard Costing and Variance Analysis (Material and Labour only) – Practical Problems.
12. Budgetary Control, Performance Budgeting and Zero Base Budgeting.