SEMESTER V

COST AND MANAGEMENT ACCOUNTING

Major 1: Methods of Costing

(100 Marks – 75 Lecture)

AIM: To provide basic conceptual & working knowledge of various methods of cost accounting

Unit I- Unit costing – Preparation of cost sheet, Estimated cost sheet and quotations

 (20 Marks – 15 lectures)

Unit II- Job Costing, Batch costing (Economic Batch Quantity only) & Contract costing – Estimated contract Accounts, Cost plus contracts – with

 Balance sheet, calculation of work uncertified

(30 Marks - 20 Lectures)

Unit III- Operation Costing, Service Costing – Transport, Electricity, Entertainment and Hotel. (Problems on Transport Costing only)

(20 Marks – 15 lectures)

Unit IV- Process costing –Features & Application of Process costing, Elements of Production cost, Abnormal process loss & gain, Normal loss, Inter-process profits, meaning of Equivalent Production, (including opening and closing stock) (20 Marks – 15 Lecture)

Unit V Joint-products and By-product costing. (10 Marks – 10 Lectures)

Books for Study and Reference:

1. S.P. Jain and K.L. Narang Cost Accounting Principles and practice-
	1. Kalyani Publishers, Ludhiana.
2. B.K. Bhar – Cost Accounting
3. Ravi M. Kishore – Cost Accounting
4. S.P. lyenger – Cost Accounting
5. M.L. Agarwal – Practical Problems in Cost Accounting

SEMESTER V

COST AND MANAGEMENT ACCOUNTING

Major -2:(Techniques of Costing)

(100 Marks -75 Lectures)

AIM: To provide in-depth study of techniques of costing.

Unit I: Management Accounting (20 Marks - 10 Lectures)

Definition, scope, objectives, functions and limitations of Management Accounting, system and techniques of Management Accounting, Management Accountant – his role, functions and responsibilities.

Unit II: Uniform Costing – (20 Marks - 15 Lectures)

meaning, scope, need, objectives, requisites for installation of uniform costing system, uniform costing manual, Advantages & Limitations of Uniform costing system, Inter-firm comparison – meaning, need, requirements and types of comparison.

Unit III: Budgeting & Budgetary Control- (40 Marks - 30 Lectures)

Classification of Budgets, Preparation of functional budgets – sales budget, production budget, cost of Production budget – Direct Material, Direct Labour and Overhead budget, cash Budget, Flexible budget and Master budget. (Practical problems to be based on sales budget, production budget, cost of production budget cash budget , flexible budget, direct material budget and direct labor budget)-

 Unit IV: Capital Budgeting– ( 20 Marks- 20 Lectures)

Meaning, Methods and Evaluation of projects, traditional Methods :- PBP/ ARR (practical), Scientific methods / Discounting rates-(Theory Only), IRR, NPV,PI , NTV (Net terminal Value)

Books for Study and Reference:-

1. S.P. Jain and K.L. Narang Cost Accounting Principles and practice- Kalyani Publishers, Ludhiana.
2. B.K. Bhar – Cost Accounting
3. Ravi M. Kishore – Cost Accounting
4. S.N. Maheshwari, Management Accounting & Financial Control
5. M.G. Patkar, Management Accounting.
6. Drury & Taxmann, Management & Cost Accounting.

SEMESTER V

COST AND MANAGEMENT ACCOUNTING

Major 3: (COST AND MANAGEMENT AUDIT)

(100 Marks – 75 Lectures)

Objectives: To provide in-depth study of the body of knowledge comprising of the techniques and methods of planning and execute a cost and management audit assignment.

UNIT I: INTRODUCTION TO COST AUDIT (20 Marks - 12 Lectures )

Meaning, nature, objectives and scope of cost audit. The concepts of efficiency audit. Propriety audit, management audit and social audit. Comparative studies between cost audit and financial audit. Advantage of Cost Audit.

UNIT II: THE COST AUDITOR (30 Marks - 25 Lectures )

Appointment of cost auditor-his rights and responsibilities, status, relationship and duties liabilities-professional and legal under the companies act 1956 and the cost and the Works accountants Act 1959 (Section-1 and 23 of respective acts) special penal provision for cost auditors-professional ethics and code of conduct.

UNIT III: PLANNING THE COST AUDIT (30 Marks 26 Lectures )

Familiarization with the industry, the organization, the production

process, the system, and procedure – list of records and reports, preparation of the audit program, audit notes and working papers, techniques of cost audit, procedure , meaning and importance

UNIT IV:COST AUDIT AND COMPANIES ACT (20 Marks - 12 Lectures )

Important sections relating to Cost Audit – Section 209 proper books of accounts, Section 224 to Section 233B of Companies Act relating to Cost Audit (Qualification, disqualification, ceiling on number of cost audit, section 350 depreciation) ,Recent Ammendments to be included

Books for Study and Reference:

1. Cost and Management Audit by A.R. Ramnathan, Tata McGraw Hill Publishing Company.
2. Cost and Management Audit by Saxena and Vashist, Sultan Chand and Sons, New Delhi.
3. Cost and Management Audit by J.G. Tikha, ENCOMS BOMBAY.
4. Cost and Management Audit by Datta Chowdary.

SEMESTER VI

COST AND MANAGEMENT ACCOUNTING

Major 1: (Income Tax)

(100 Marks-75 Lectures)

Objective: To provide basic conceptual & working knowledge of Income tax

Unit I – Definitions: (10 Marks – 5 Lectures)

Assessee

Assessment

Assessment year

Company

Income

Person

Gross Total Income

Previous year

Unit II – Scope of Total Income & Residential status of individuals

 (10 Marks – 6 Lectures)

Scope of total income

Apportionment of Income between spouses governed by the Portuguese civil code.

Residential status in India.

Unit III- Exemptions (10 Marks – 7 Lectures)

Agricultural Income

Receipt by a member from a HUF

Share of Profit from Partnership firm

Leave Travel Concession in India

Gratuity

Compensation received at the time of voluntary retirement

Amount received under Life Insurance Policy

House Rent Allowance

Dividends & Interest on Units.

Special allowances:

Transport allowances

Education allowances

Hostel allowances

Unit IV – Computation of Income from Salaries section 15, 16 and 17 Inclusive of allowances (exclusive of valuation of perquisites) (Practical problems) (15 Marks – 12 Lectures)

Unit V – Computation of Income from House Property Sections 22, 23, 24, 25 (AA), 25(B) (only theory) (10 Marks – 7 Lectures)

Unit VI- Computation of Profit & Gains of Business OR Profession (Practical problems under section 28 to 44) (15 Marks – 15 Lectures)

Unit VII- Computation of Income from other sources (only theory)

 Section 56, 57& 58 (10 Marks – 9 Lectures)

Unit VIII – Permissible deductions and computation of total Income of Individuals (Section 80C, 80CCB, 80CCC, 80D, 80E & 80 U )

(Problems based on income from salaries and business / profession)

 (20 Marks – 14 Lectures)

Books for Study and Reference:

1. Direct Taxes – law & Practice by Vinod K. Singhania & Kapil Singhania.
2. Students Guide to Income-Tax by Vinod Singhania
3. Income Tax-Law & Pratic by Dr. H.C. Meherotra.

SEMESTER VI

COST AND MANAGEMENT ACCOUNTING

Major 2: (Techniques of Costing)

(100 Marks -75 Lectures)

 Objective: To provide in- depth study of Techniques of Costing

Unit I : Marginal costing – (40 Marks - 30 Lectures )

Marginal cost statement, Profit Planning – P/V Ratio, Break – Even Analysis – B.E.P., Margin of Safety, Marginal Costing & Decision- Making – Key factor, pricing decision, product decision, market decision. (Practical problem on calculation of P/V Ratio, BEP Margin of safety, sales, profit etc. and problems related to decision making such as profit planning Key factor, sales mix, make or buy decision)

Unit II: Standard Costing – (40 Marks - 30 Lectures )

 Variance analysis, Different types of variances- Material, Labour and overhead variances, sales variances (practical problems to be based on material variance, labour variance and sales value Variance-overhead variance (to be covered for theory only)

Unit III: Management control – (20 Marks - 15 Lectures )

Responsibility Accounting, Performance budgeting, Transfer Pricing, Management Reporting – General principles of reporting, classification of Reports.

Books for Study and Reference:

S.P. Jain & K.L. Narang, Cost Accounting – Principles & practices.

B.K. Bhar, Cost Accounting

Ravi M. Kishore, Cost Accounting

S.N. Maheshwari, Management Accounting & Financial Control

M.G. Patkar, Management Accounting.

N.K. Prasad – Principles and Practice of Cost Accounting.

Hiagorani, Ramanathan & Grewal, Management Accounting.

U.K. Saxena & C.D. Vashist, Advanced Cost & Management Accounting

Drury & Taxmann, Management & Cost Accounting.

S.P. Iyengar, Cost Accounting.

 SEMESTER VI

COST AND MANAGEMENT ACCOUNTING - Major 3

(COST AND MANAGEMENT AUDIT)

(100Marks -75 Lectures)

OBJECTIVES : To provide in-depth study of the body of knowledge comprising of the techniques and methods of planning and execute a cost and management audit assignment.

UNIT I: INTERNAL CONTROL (20 Marks - 15 Lectures )

Meaning, objectives Internal check, Internal audit – Distinction between Internal control – Internal Audit – Internal Check- Verification of records and report, sampling techniques, judgmental samplings and statistical sampling verification of performance, evaluation of control system-budgetary control, capacity utilization, inventory control, management information system, assessment of the adequacy of the internal audit function.

UNIT II: COST ACCOUNTING & RECORDS RULES AND REVIEW OF COST AUDIT (REPORT) RULES. (45 Marks - 35 Lectures )

Cost Accounting Record Rules-meaning-list of cost accounting records-essential records and statistical record-application of CAAR and maintenance of record important cost accounting records such as Raw Materials ,Wages, overheads, depreciation production records, sales records consumable stores& spares R&D expenses Benefits derived from cost accounting records preservation of cost accounting records

 Cost Audit Report Rules-contents-annexure to cost audit report types of report- distinctions between notes and qualifications to the report. Report and opinion, special emphasis on Cost auditors observation Necessity of cost audit, End use of Cost Audit Report. Cost audit as an aid to management special penal provision for cost auditors

UNIT III: MANAGEMENT AUDIT (35 Marks - 25 Lectures )

Meaning, nature and scope of management audit, organizational need for management audit, comparison of financial cost and managerial audits, the audit of the management process and function such as objective, organization structure, planning, organization, Control, Uses of management audit, preliminaries to management audit, conducting of management audit, management audit procedure, evaluation of Corporate image, developing of corporate image, management auditor and corporate report.

Social cost benefit analysis-meaning, procedure technique, difficulties social auditing types of social audit

Books for Study and Reference:

1. Cost and Management Audit by A.R. Ramnathan, Tata McGraw Hill Publishing Company.
2. Cost and Management Audit by Saxena and Vashist, Sultan Chand and Sons, New Delhi.
3. Cost and Management Audit by J.G. Tikha, ENCOMS BOMBAY.
4. Cost and Management Audit by Datta Chowdary.