



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

Kot, Bhalwal, Jammu

COURSE HANDOUT

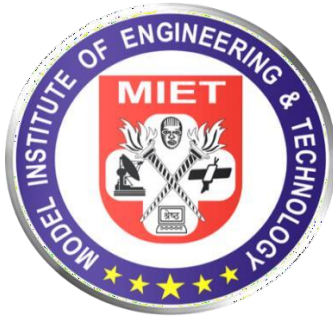
COST ACCOUNTING (BCMMJ-402)

BCOM (H) - 4TH SEMESTER

ACADEMIC YEAR (2023-24)

Mr. Koushik Dhar

Assistant Professor School
of Management- UG



UG School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

www.mietjmu.in



Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



Please Do Not Print Unless Necessary



Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCMMJ-402	Cost Accounting	Major	4	5	0	0	40	60	100

COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Understand the theoretical concepts of Cost Accounting.
CO2	Articulate the elements of cost.
CO3	Apply the methods of absorption of overheads.
CO4	Analyze the process of contract costing and preparation of contract accounts.
CO5	Evaluate process costing and preparation of process accounts.

Unit-I

Theoretical Framework: Cost Accounting- Meaning, Scope, Objectives and limitations; Difference between cost and financial accounting; items excluded from cost accounts; costing as an aid to management.

(10 Hours)

Unit-II

Elements of cost: Meaning and classification of materials; Meaning and objectives of store keeping; Requisitioning for stores – Calculation of re-ordering level and economic ordering quantity (Formula method only) Methods of valuing material issues – FIFO, LIFO.

(09 Hours)

Unit-III

Labor and Overheads cost: Idle time- Meaning and causes; Overheads - Meaning and difference between overhead allocation and apportionment; meaning and causes of under and over absorption of overheads. Methods of absorption of overheads – Direct labor hour rate and machine hour rate.

(10 Hours)

Unit-IV

Contract costing: Meaning and types of contracts; concept of retention money and work in progress and preparation of contract accounts; Reconciliation of cost and financial accounts.

(09 Hours)

Unit-V

Process Costing: Meaning and features; concept of normal and abnormal wastage and abnormal gain, Preparation of process accounts with normal process loss, abnormal process loss and abnormal gain.

(10 Hours)

Textbooks

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Cost and Management Accounting	Ravi M Kishore	Taxmann Publications	6 th (2021)
2.	Cost Accounting	MY Khan and PK Jain	McGraw Hill Education	2 nd (2017)



Reference Books

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Fundamentals of Cost Accounting	William Lanen, Shannon Anderson and Micheal Maher	McGraw Hill	7 th (2023)

COURSE PLAN

Unit-I Theoretical Framework

S.No	Topics	Recommended Books
1	Meaning, scope and Objectives of cost accounting	Book 2, Chapter 1
2	Advantages and limitations of cost accounting	Book 2, Chapter 1
3	Difference between cost accounting and financial accounting	Book 2, Chapter 1
4	Items excluded from cost accounts	Book 2, Chapter 2
5	Costing as an aid to management	Book 2, Chapter 1
Unit-II Elements of cost		
6	Meaning and classification of materials	Book 1, Chapter 3
7	Meaning and objectives of store keeping	Book 1, Chapter 3
8	Requisitioning for stores	Book 1, Chapter 3
9	Calculation of re-ordering level and economic ordering quantity (Formula method only)	Book 1, Chapter 4
10	Methods of valuing material issues – FIFO, LIFO.	Book 1, Chapter 4
Unit-III Labor and Overheads cost		
11	Idle time- Meaning and causes	Book 2, Chapter 4
12	Overheads - Meaning and difference between overhead allocation and apportionment	Book 2, Chapter 4
13	Meaning and causes of under and over absorption of overheads	Book 2, Chapter 4
14	Methods of absorption of overheads	Book 2, Chapter 4
15	Direct labor hour rate and machine hour rate	Book 2, Chapter 4
Unit-IV Contract costing		
16	Meaning and types of contracts	Book 2, Chapter 8
17	Concept of retention money	Book 2, Chapter 8
18	Concept of work in progress	Book 2, Chapter 8
19	Preparation of contract accounts	Book 2, Chapter 8
20	Reconciliation of cost.	Book 2, Chapter 8
21	Reconciliation of financial accounts.	Book 2, Chapter 8
Unit-V Process Costing		
22	Meaning and features of process costing	Book 2, Chapter 9
23	Concept of normal and abnormal wastage	Book 2, Chapter 9
24	Concept of abnormal gain abnormal gain	Book 2, Chapter 9
25	Preparation of process accounts	Book 2, Chapter 9
26	Preparation of process accounts with normal process loss	Book 2, Chapter 9
27	Preparation of process accounts abnormal process loss and abnormal gain	Book 2, Chapter 9



ADDITIONAL WEB RESOURCES

1.	MOOC: Cost Accounting https://onlinecourses.nptel.ac.in/noc20_mg53/preview
2.	COURSERA: Video lectures series on Cost Accounting https://www.coursera.org/specializations/costaccounting

GRADING AND ASSESSMENT

- **Sessional Test:** 20 marks
- **Assignment:** 10 marks
- **Attendance:** 10 marks
- **Final Examination:** 60 marks

COURSE POLICIES

- **Attendance:** Minimum 75% attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submissions:** Assignments and projects must be submitted by the specified timelines.

FACULTY INFORMATION

- **Office Hours**
Monday (12:55 PM - 1:45 PM) to Friday (12:55 PM - 1:45 PM)
- **Contact Information**
Koushik.mba@mietjammu.in