

Cost and Management Accounting

Program in which it is offered: BCom

Course Category: Core

Schedule of Offering: Semester

Course Credit Structure: 4

Course Code: CK160

- **Lecture: 3 hours**
- **Tutorial: 0**
- **Practical: 1 hour**

Contact Hours per week: 4 hours

Instructor: Dr. Vinod R R

1. Introduction

The course is offered as one of the core course, which helps the student to understand the different concepts as well as the process of management accounting. The main aim of this course is to get the students familiarized with the concepts in management accounting. Moreover the emphasis is given to understand and appreciate the role of cost and management accounting in decision making.

2. Objectives

- To provide an overview on the concepts in Cost and Management Accounting
- To understand the process involved in accounting for materials and labour
- To understand the process involved in accounting for overheads
- To understand the book keeping process in cost accounting
- To understand the role of marginal costing in decision making.

3. Learning Outcome

By the end of the course, the student will be able

- To apply the cost and management accounting principles while formulating strategies
- To understand how the mobilization of management accounting principles can become a tool for sustainable value creation

4. Pre-requisites

None

5. Readings

Primary Texts:

1st, 2nd 3rd and 5th Module: Paresh Shah, *Management Accounting* (Second Edition), Oxford University Press

4th Module: Nigam Lall and I.C. Jain, *Cost Accounting Principles and Practise*, PHI Learning Pvt Ltd

References:

6. Module-wise topics

Module 1: Introduction to Cost and Management Accounting – 12 Sessions

Objectives:

- To understand the basic terms and concepts in Cost and Management Accounting

Topics :

- Introduction to Cost Accounting
- Definition of Cost Accountings and its functions
- Financial Accounting vs Cost vs Management Accounting
- Principles of Costing
- Cost Concepts and Classification of costs
- Types of Costing and Cost Sheet

Readings:

Paresh Shah, *Management Accounting* (Second edition), Oxford University Press, pp 1-4; 6; 10; 19-22; 25- 36; 38-41; 43.

Module 2: Elements of Cost- Material and Labour – 12 Sessions

Objectives:

- To understanding the accounting process for material and labour

Topics:

- Introduction and scope of Material Control
- Issue of materials and pricing
- Inventory control techniques
- Stock control level, Economic Order Quantity
- Labour costing, Controlling for Labour cost

- Remuneration systems

Readings:

Paresh Shah, Management Accounting (Second edition), Oxford University Press, pp 47-52; 58-69; 102- 103; 105-108; 111-114; 122-125.

Module 3: Elements of Cost-Overheads – 12 Sessions

Objectives:

- To understand the accounting process for overheads.

Topics:

- Direct and Indirect expenses
- Classification of overheads
- Accounting for overheads
- Departmentalization of Overheads
- Capacity Management
- Absorption of Overheads

Readings

Paresh Shah, Management Accounting (Second edition), Oxford University Press, pp 153-154; 157-160; 164-166; 168; 170-174; 176-183

Module 4: Book Keeping in Cost Accounting – 11 Sessions

Objectives:

- To understand the bookkeeping process followed in cost accounting

Topics:

- Integral and non-integral systems
- Reconciliation of cost and financial accounts

Readings

Nigam Lall and I.C. Jain, *Cost Accounting Principles and Practise*, PHI Learning Pvt Ltd, pp 683-690; 730-737.

Module 5: Marginal Costing – 13 Sessions

Objectives:

- To understand the key concepts in marginal costing.
- To understand the role of marginal costing in decision making.

Topics:

- Marginal Costing
- CVP Analysis
- Managerial application of marginal costing
- Pricing decisions-methods of pricing (excluding transfer pricing)

Readings

Paresh Shah, Management Accounting (Second edition), Oxford University Press, pp 760-764; 782-784;789-790; 802-804; 811;814;815;819-820; 823; 845-846; 849-858.

6. Pedagogy

This course employs class room lectures, quizzing and discussions. Quiz will be conducted at the end of each module. All the students will have to submit an assignment and also should evaluate the assignment of their peers. Only after the submission of his/her assignment, peer-review process starts. Each student is expected to actively participate in the class discussion. Along with these, there will be two written exams

Evaluation Pattern:

Component	%
Quiz	15
Discussion	
Peer-reviewed assignment	15
Mid-term exam (written)	30
End-term exam (written)	40
Total	100