

**Title of the Course: APPLIED COST ACCOUNTING**

**Course Code: FINMAJ4**

**Nature of the Course: DSE**

**Course Credit:04credits**

**Distribution of Marks:60 (End Sem) +40(In-Sem)**

**COURSE OBJECTIVES:**

This course aims to develop practical understanding of cost determination, control techniques, and decision-making processes used in modern industrial organizations. It enables students to analyze cost behaviour and apply cost accounting principles for managerial planning and control.

UNIT	Contents	L	T	P
<b>Unit 1:</b> Fundamentals of Cost Accounting and Material Costing (15 Marks)	Fundamentals of cost accounting and cost concepts; Objectives, scope, and significance of cost accounting in the modern industrial era; Cost accounting and other branches of accounting; Book-keeping in cost accounting (Integral and Non-integral systems) Cost classification: direct and indirect costs, fixed and variable costs. Cost sheet: preparation of statement of cost analysis; Element of cost: Material cost - control and valuation methods: FIFO, LIFO, weighted average, material purchase, issue, and inventory management techniques.	12	2	
<b>Unit 2:</b> Labour and Overhead Cost (15 Marks)	Elements of cost: Labour cost, direct and indirect labour; Labour remuneration systems – time rate, piece rate, incentive schemes; Labour turnover and its measurement; Labour cost control; Element of cost: Overheads - classification, collection, allocation, apportionment and absorption of overhead costs; Methods of overhead absorption, treatment of over/under absorption	12	3	

<p><b>Unit 3</b> Job and Process Costing, Standard Costing and Variance Analysis (15 Marks)</p>	<p>Job costing: meaning, procedure, and applications; Process costing: elements and features, treatment of losses and gains; Standard costing: meaning, concepts, setting standards; Variance analysis: meaning and concept of variances and variance analysis, calculation of material, labour, overhead, sales variances, and interpretation of variances.</p>	15	2	
<p><b>Unit 4</b> Productivity, Cost Reduction, Value Analysis and Value Engineering (15 marks)</p>	<p>Productivity – concept, measurement, methods and techniques; Cost reduction – meaning, techniques, and areas of application; Role of cost accountant in cost reduction and efficiency planning; Value analysis: concepts, methods, and practical implementation; Value engineering – stages, cost–value relationship, and optimization tools.</p>	12	2	

**MODES OF IN-SEMESTER ASSESSMENT:**

**(40Marks)**

- Two Sessional Examination - 10x2=20 marks
- Other (any two) 10x2=20marks
- Seminar Presentation on any of the relevant topics
- Assignment

**Reference and Books:**

- i) S.P. Jain, K.L. Narang, Simmi Agrawal ‘Cost Accounting’ (Kalyani Publishers).
- ii) M.C. Shukla, T.S Grewal, Dr. M.P. Gupta ‘Cost Accounting – Text and Problems’ (S. Chand Publications).
- iii) M.L. Agarwal, Dr. K.L. Gupta ‘Cost Accounting’ (Sahitya Bhawan Publications).