CONTENTS

1. NATURE AND SCOPE OF COST ACCOUNTING

Meaning—Cost—Costing—Cost Accounting—Cost Accountancy—Financial Accounting and Cost Accounting—Cost Concepts—Cost Centre—Cost Unit—Classification and Elements of Cost—Costing Methods and Techniques—Preparation of Cost Sheet—Tenders and Quotations—Illustrations—Self Evaluation Test.

2. MATERIALS

Meaning of Material Control—Steps in Material Control—Need—Objectives of Material Control—Issue of Materials—Methods of Pricing Material Issues (FIFO, LIFO, Simple and Weighted Average Methods Only)—Illustrations—Self Evaluation Test.

3. LABOUR COST

Meaning of Labour Cost—Idle Time and Over Time—Methods of Remunerating Labour—Time Rate and Piece Rate System—Halsey and Rowan Premium System, Taylor and Merrick's Differential Piece Rate Systems—Miscellaneous—Illustrations—Self Evaluation Test.

4. OVERHEADS

Classification of Overhead Cost—Allocation of Overhead Expenses—Apportionment of Overhead Expenses—Bases of Apportionment—Primary and Secondary Distribution (Repeated and simultaneous Equation Methods only), Absorption of Overheads (Machine Hour Rate only)—Illustrations—Self Evaluation Test.

5. JOB AND BATCH COSTING

Introduction—Industries where job costing is applicable—Feature of job costing—Advantages of job order costing—Disadvantages of job order costing—Production order—Job Ticket—Preparation of job cost sheet—Batch costing: Meaning—Essentials—Economic Batch Costing (EBQ)—Illustrations—Self Evaluation Test.

6. CONTRACT COSTING

Introduction—Meaning—Features—Costing Procedure—Work Certified — Work uncertified—Computation of Profit on Uncompleted contracts—Cost Plus Contract—Escalation Clause—Illustrations—Self Evaluation Test.

7. PROCESS COSTING

Introduction—Features—Process Accounting—Advantages—Limitations —

Normal Wastages—Abnormal wastage—Abnormal gain—Equivalent Production—Defectives—Spoilage—Joint Products and By products—Interprocess Profits—Illustrations—Self Evaluation Test.

8. OPERATING COSTING

Introduction—Features—Transport Costing—Illustrations—Self Evaluation Test.

9. RECONCILIATION OF COST AND FINACIAL ACCOUNTS

Meaning—Reasons for Differences—Preparation of Reconciliation Statement—Illustrations—Self Evaluation Test.

10. INTEGRATED COSTING

Introduction—Meaning—Advantages—Features—Illustrations—Summary—Self Evaluation Test.

11. MARGINAL COSTING

Introduction—Absorption costing—Cost-Volume-Profit (CVP) Analysis—Techniques of CVP analysis—Contribution margin concept—Profit Volume (P/V) ratio—Break-even analysis—Advantages of Break-even Analysis—Margin of safety—Assumptions of marginal costing—Uses of marginal costing—Limitations of marginal costing—Illustrations—Self Evaluation Test.

12. STANDARD COSTING

Introduction—Standard Cost Historical Costing—Limitations of historical costing—Standard costing—Advantages and Limitations of Standard Costing—Types of Standards—Setting the standards—Variance Analysis—Computation of variances—Material Variances—Material Cost Variance—Material Usage Variance—Material Mix Variance—Material Yield Variance—Labour Variances—Labour Cost Variance—Labour Rate Variance—Labour Efficiency Variance—Labour Mix Variance—Labour Revised Efficiency Variance—Labour Idle Time Variance—Overhead Cost Variance—Fixed and Variable Overhead Cost Variance—Classification of Volume Variances—Sales Variance—Sales Volume Variance—Sales Quantity Variance—Sales Mix Variance—Profit or Margin Method—Illustrations—Self Evaluation Test.

13. BUDGETARY COSTING

Introduction—Characteristics of Budget Characteristics of Budgetary Control—Objectives of Budgetary Control—Advantages of Budgetary Control—Essentials of Successful Budgetary Control—Limitations of Budgetary Control—Steps required in Budgetary Control—Preliminaries in introducing a Budgetary Control—Key factors in Budget—Types of Budget—Zero based budgeting (ZBB)—Performance budgeting—Illustrations—Self Evaluation Test.

14. ACTIVITY BASED COSTING

Meaning—Concepts—Steps—Cost pools and cost drivers—Activities and cost drivers—Characteristics—Comparison of Traidtional and Activity Based Costing System—Benefits—Conclusion—Self Evaluation Test.