

**ST. JOSEPH'S COLLEGE OF COMMERCE (AUTONOMOUS)**

**LESSON PLAN 2015-2016 EVEN SEMESTER**

**BACHELORS OF COMMERCE**

**C1 12 401: COST AND MANAGEMENT ACCOUNTING II**

**COURSE / SUBJECT OBJECTIVES:** To acquire in depth knowledge for effective decision making in firms and their business applications.

**PREPARATION OF LESSON PLAN FRAMEWORK (Module wise)**

<b>UNIT/ SESSION/ HOURS (TIME REQUIRED)</b>	<b>TOPICS FOR STUDENT PREPARATION (INPUT)</b>	<b>PROCEDURE (PROCESS)</b>	<b>LEARNING OUTCOME (OUTPUT)</b>	<b>ASSESSMENT</b>
<b>Module - 1 : Process Costing/ 15 hours</b>	Process Costing – Normal Loss – Abnormal Loss – Gain – Joint and by products (including inter process profits and equivalent production) preparation of process accounts and joint and by products.	<ul style="list-style-type: none"> <li>Lecture with the help of power Point presentation</li> <li>Discussion</li> </ul>	To understand the importance of: <ul style="list-style-type: none"> <li>Process Costing, types of losses and Gain.</li> <li>Inter process profits and equivalent production.</li> <li>Joint and by products.</li> </ul>	Evaluation through MCQs and tests
<b>Module-2: Marginal Costing and Absorption Costing/ 18 Hours</b>	Absorption Costing – Meaning, advantages and disadvantages, Profit ascertainment. Marginal Costing – Meaning, advantages and disadvantages, profit ascertainment. Income determination under marginal and absorption costing. Marginal cost equations. Applications of marginal costing.	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study</li> <li>Discussion</li> </ul>	To interpret the significance of Marginal and Absorption Costing to the firm and to learn how to: <ul style="list-style-type: none"> <li>Ascertain profit under absorption and marginal costing.</li> <li>Calculate with the help of marginal costing equations.</li> <li>Apply Marginal costing in a firm's decision making process.</li> </ul>	Evaluation through MCQs and tests.
<b>Module-3: Relevant Costing/ 8 Hours</b>	Analysis of relevant cost with other cost concepts – relevant benefits – sunk cost – future cost. Further benefits – relevant costs and relevant benefits for business decisions – Case study method.	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study</li> <li>Discussion</li> </ul>	To grasp the meaning and concept of relevant cost with other types of cost concepts. To learn to find out the relevant costs and benefits in business decisions.	Evaluation through case study and tests.
<b>Module-4: Budgetary Control/ 14 Hours</b>	Meaning- Need – Objectives and functions – Advantages and disadvantages – Classification – Preparation of budgets – Raw consumption,	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study</li> <li>Discussion</li> </ul>	To understand the concept of budgetary control and its significance in business decisions. To distinguish between the different kinds of budgets. To understand the	Evaluation through MCQs, group activity and tests

	Purchase, Labour hour, Overhead, Cash, Master, Fixed and Flexible Budget.		dynamisms of the kinds of budgets.	
<b>Module-5: Standard Costing/ 20 Hours</b>	Meaning - Definitions - Advantages - Steps involved in Standard Costing - Analysis of Variances - Material Variance - Labour Variance - Overhead Variance - Preparation and interpretation of Variance Reports.	<ul style="list-style-type: none"> <li>Lecture</li> <li>Discussion</li> <li>Case study</li> </ul>	To understand the benefits of using standard costing in daily decision making process. To master the concepts of different kinds of variances. To discern the ways of preparing and interpreting variance reports.	Evaluation through MCQs and tests

### LESSON PLAN PREPARATION HOURLY WISE

Subject Name: COST AND MANAGEMENT ACCOUNTING

LECTURE HOURS: 75

Objective: To acquire in depth knowledge for effective decision making in firms and their business applications.

Sl. No	UNIT & OBJECTIVES	No. of Lecture Hours	Methodology/ Instructional techniques	Evaluation/ learning confirmation
<b>MODULE 1</b>	<b>PROCESS COSTING: To understand the importance of:</b> <ul style="list-style-type: none"> <li>Process Costing, types of losses and Gain.</li> <li>Inter process profits and equivalent production.</li> <li>Joint and by products.</li> </ul>	<b>14+1</b>	<b>Lecture with the help of power Point presentation/ Discussion</b>	<b>Evaluation through Illustrations and MCQs</b>
1.	Introduction of the topic, Meaning and scope of Process Costing. Allotment of Group activities	1	Lecture and Discussion	Question and Answer
2.	Preparation of Process Accounts.	1	Lecture and Problems	Illustrations
3.	Calculation of sale of normal loss units	1	Problems	Illustrations
4.	Normal Loss, Abnormal Loss and Abnormal Gain	1	Lecture and Problems	Illustrations
5.	Preparation of Comparative Cost statement	3	Problems	Illustrations
6.	Introduction to inter process profit, unrealized profit on unsold stock, with and without opening stock in processes.	2	Lecture and Problems	Question and Answer
7.	Equivalent production, when there is normal loss, abnormal loss, opening work-in-progress.	2	Problems	Question and Answer
8.	Equivalent production under FIFO and Average Method	3	Problems	Illustrations
9.	CIA	1	Test	Illustrations and MCQs
<b>MODULE 2</b>	<b>MARGINAL COSTING AND ABSORPTION COSTING: To interpret the significance of Marginal and Absorption Costing to the firm and to learn how to:</b>	<b>17+1</b>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study/ Discussion</li> </ul>	<b>Evaluation through Illustrations , tests and</b>

	<ul style="list-style-type: none"> <li>• Ascertain profit under absorption and marginal costing.</li> <li>• Calculate with the help of marginal costing equations.</li> <li>• Apply Marginal costing in a firm's decision making process.</li> </ul>			MCQs
1.	Marginal Costing – Theory and Formulae	1	Lecture and Discussion	Question and Answer
2.	Problems using Marginal costing Formulae	3	Lecture and Problems	Question and Answer
3.	Break-Even Point Chart and Profit Volume Chart	2	Lecture and Problems	Illustrations
4.	Fixation of selling price	3	Lecture and Problems	Illustrations
5.	Make or Buy Decisions	2	Lecture and Problems	Illustrations
6.	Plant shut down decisions	2	Lecture and Problems	Illustrations
7.	Product Mix decisions with limiting factor	2	Lecture and Problems	Illustrations
8.	Adding or dropping a product line decision	1	Lecture and Problems	Illustrations
9.	Difference between Absorption and Marginal Costing	1	Lecture and Problems	Illustrations
10.	Revision for Mid Semester Examination	1	Lecture and Discussion	Question and Answer
<b>MODULE 4</b>	<b>BUDGETARY CONTROL: To understand the concept of budgetary control and</b> <ul style="list-style-type: none"> <li>• Its significance in business decisions.</li> <li>• To distinguish between the different kinds of budgets.</li> <li>• To understand the dynamisms of the kinds of budgets.</li> </ul>	<b>13+1</b>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Case Study/ Discussion</li> </ul>	<b>Evaluation through Illustrations , tests and MCQs</b>
1.	Introduction to Budgetary control and classification	1	Lecture and Illustrations	Question and Answer
2.	Flexible Budget	3	Lecture and Problems	Illustrations
3.	Cash Budget	2	Lecture and Problems	Illustrations
4.	Sales Budget	2	Lecture and Problems	Illustrations
5.	Production Budget	2	Lecture and Problems	Illustrations
6.	Raw Materials Budget	1	Lecture and Problems	Illustrations
7.	Master Budget	2	Lecture and Problems	Illustrations
8.	CIA	1	Group Activity/ Presentations	Question and Answer
<b>MODULE 3</b>	<b>RELEVANT COSTING:</b> <ul style="list-style-type: none"> <li>• To grasp the meaning and concept of relevant</li> </ul>	<b>7+1</b>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Case Study/</li> </ul>	<b>Evaluation through</b>

	<b>cost with other types of cost concepts.</b> <ul style="list-style-type: none"> <li>To learn to find out the relevant costs and benefits in business decisions.</li> </ul>		<b>Discussion</b>	<b>case study and tests.</b>
1.	Concept of relevant and irrelevant costs, its applications and limitations	2	Lecture	Question and Answer
2.	Sums on relevant costs	5	Lecture and Problems	Illustrations
3.	CIA	1	MCQ Moodle test	Question and Answer
<b>MODULE 5</b>	<b>STANDARD COSTING:</b> <ul style="list-style-type: none"> <li>To understand the benefits of using standard costing in daily decision making process.</li> <li>To master the concepts of different kinds of variances.</li> <li>To discern the ways of preparing and interpreting variance reports.</li> </ul>	<b>19+1</b>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study/ Discussion</li> </ul>	<b>Evaluation through MCQs and tests</b>
1.	Material Variance - Material Cost Variance, Material Price Variance, Material Quantity Variance, Material Mix Variance, Material Yield Variance	5	Lecture	Question and Answer
2.	Labour Variance - Labour Cost Variance, Labour Rate Variance and Labour Efficiency Variance (Idle time , Mix and Yield Variance)	5	Lecture and Problems	Question and Answer
3.	Overhead Variance - Fixed Overhead Variance (Expenditure, volume-efficiency, capacity and calendar), Variable Overhead Variance (expenditure and efficiency)	5	Lecture and Problems	Question and Answer
4.	Sales Variance - Sales Price Variance, Sales Volume Variance (Quantity or sub volume and mix variance)	3	Lecture and Problems	Question and Answer
5.	Revision	2	Lecture and Problems/ CASE STUDY	Question and Answer

**TEXT BOOKS:**

1. S. P. Jain and K. L. Narang: Cost and Management Accounting.
2. Dr. S. N. Maheshwari: Cost Accounting.
3. M. N. Arora: Cost Accounting.

**REFERENCES:**

1. Colin Drury: Management and Cost Accounting.
2. Augustin Amala Das and Mary Amala Shanthi: Corporate Financial Knowledge Integration, Himalaya Publications.
3. Nigam: Theory and Techniques of Cost Accounting.
4. Jawahar Lal: Cost Accounting.

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