

LESSON PLAN

SEMESTER II C4 15MC201: COST ACCOUNTING – II

Objectives:

This course helps in understanding application of cost accounting techniques in order to facilitate business decisions and promote efficient and effective use of scarce business resources, appreciating the risks and uncertainty inherent in business and controlling those risks. It also aims at applying appropriate budgeting techniques and methods for planning and control.

Sl. No	UNITS	No. of Lecture Hours	Methodology/ Instructional techniques	Evaluation/ learning confirmation
UNIT I	Module 1: Marginal Costing and Absorption Costing	18 Hrs		
	Absorption Costing - introduction, meaning, advantages and disadvantages of absorption costing, ascertainment of profit under absorption costing	4	PPT, Illustrations	Q & A, Assignments
	Marginal Costing - introduction, meaning, advantages and disadvantages of marginal costing, differences between absorption costing and marginal costing, ascertainment of profit under marginal costing	4	PPT, Illustrations	Q & A, Assignments
	Income determination under marginal costing and absorption costing – marginal cost equations, Cost Volume Profit Analysis, Break Even Point, Margin of Safety, Break even Chart – Profit Volume Chart	4	PPT, Illustrations	Q & A, Assignments
	Applications of Marginal Costing - Make or Buy Decision, Key factor / limiting factor , Accepting or Rejecting the Export Offer, Pricing decisions, Selecting the Suitable Product Mix, introduction of new product, operate or shut down decisions etc	6	PPT, Illustrations	Q & A, Assignments
UNIT II	Module 2 : Relevant Costing	8 Hrs		
	Analysis of relevant cost with other cost concepts	2	PPT	Q & A, Assignments
	Benefits of Relevant Costing sunk cost-future costs, future benefits - Relevant cost and relevant benefits for business decisions	3	PPT, Illustrations	Q & A, Assignments
	Problems and Case study	3	PPT, Illustrations	Q & A, Assignments
UNIT III	Module-3: Budgetary Control	14 Hrs		
	Meaning – Need- Objectives and functions-Advantages and Limitations- Classification	1	PPT	Q & A, Assignments
	Preparation of Budgets - Fixed and Flexible Budget.	3	Illustrations	Q & A, Assignments

	Preparation of Budgets - Raw material consumption, Purchase, labour hour, Overhead	3	Illustrations	Q & A, Assignments
	Preparation of Cash Budget	3	Illustrations	Q & A, Assignments
	Preparation of Master Budget	4	Illustrations	Q & A, Assignments
Unit - IV	Module - 4: Standard Costing	10 Hrs		
	Meaning- Steps involved in Standard Costing – Analysis of Variances	1	PPT	Q & A
	Material Variances	3	Illustrations	Q & A, Assignments
	Labour Variances	3	Illustrations	Q & A, Assignments
	Overhead variances	2	Illustrations	Q & A, Assignments
	Preparation of Variance Reports and interpretation of variance report.	1	Illustrations	Q & A, Assignments
Unit - V	Module 5: Performance Measurement and Control	5 Hrs		
	Performance management information systems - Sources of management information- Management reports	2	PPT	Q & A, Assignments
	Performance analysis in private sector organizations- Divisional performance and transfer pricing	1	PPT, Illustrations	Q & A, Assignments
	Performance analysis in not-for-profit organisations and the public sector	1	PPT, Illustrations	Q & A, Assignments
	External considerations and behavioural aspects	1	PPT, Illustrations	Q & A, Assignments
Unit - VI	Module 6: Contemporary Concepts	5 Hrs		
	Activity based costing	2	PPT, Illustrations	Q & A, Assignments
	Target costing	1	PPT, Illustrations	Q & A, Assignments
	Life-cycle costing	1	PPT, Illustrations	Q & A, Assignments
	Throughput accounting- Environmental accounting	1	PPT, Illustrations	Q & A, Assignments

Books for Reference:

1. ACCA STUDY MATERIAL 2015 of KAPLAN AND BPP
2. Colin Drury: Management and Cost Accounting.
3. Augustin Amaladas and Mary Amala Shanthi: Corporate Financial Knowledge Integration, Himalaya publications
4. Nigam: Theory and Techniques of Cost Accounting.
5. S. P. Jain & K L Narang: Cost and Management Accounting.
6. Dr. S. N. Maheshwari: Cost Accounting.
7. JawaharLal: Cost Accounting.
8. M. N. Arora: Cost Accounting.

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