

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



LESSON PLAN

2017-2018 EVEN SEMESTER

B.Com – BPM Industry Integrated

C3 15 MC 202

Sem 2:Cost Accounting

Prepared by:

Dr. Suganthi P

Tasmiya Hussni

TEACHING LESSON PLAN- B.Com (Travel and Tourism)

4th Semester

SUBJECT: C2 15 MC 401: COST ACCOUNTING

MODULE – 1 : BASIC CONCEPTS

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|--|--|--|---|
| 5Hours Module 1 | <ul style="list-style-type: none"> a) Meaning of Cost Accounting, Costing, Cost Accountancy, Cost and Management Accounting. b) Objectives of Cost Accounting. c) Cost Accounting Vs Financial Accounting. d) Cost Accounting Vs Management Accounting e) Advantages of Cost Accounting f) Methods of Costing g) Techniques or Types of Costing h) Cost Units – Meaning and purpose. i) Cost Centres – Meaning and purpose. j) Cost Accounting Departments k) Brief note on Cost Audit Records and Report Rules | <ul style="list-style-type: none"> a) Explanation of various terms used b) Presentations on various topics given in the module | Knowledge of: <ul style="list-style-type: none"> a) The meaning of various terms: Cost Accounting, Costing, Cost Accountancy, Cost and Management Accounting. b) Objectives of Cost Accounting. c) Cost Accounting Vs Financial Accounting. d) Cost Accounting Vs Management Accounting e) Advantages of Cost Accounting f) Methods of Costing g) Techniques or Types of Costing h) Cost Units – Meaning and purpose. i) Cost Centres – Meaning and purpose. j) Cost Accounting Departments Brief note on Cost Audit Records and Report Rules | <ul style="list-style-type: none"> a) Oral Test b) Written Test c) MCQ d) Activity: List the methods of Costing adopted by industries located in a particular region. |

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|---|--|---|--|
| Module 2 12 Hours | Cost Concepts & Classification a) Meaning of Cost, Expenses and Losses. b) Classification of Costs based on behavior, output, degree of traceability to the product, association with the product, on the basis of functions and on the basis of controllability c) Cost Statement or Cost Sheet d) Meaning of Tenders and quotations – Its preparation. e) Meaning of Job and Batch Costing - Problems on them. | a) Explanation of various terms used in the Module. b) Presentations on the various topics given in the module c) Problems and solutions | Knowledge of: a) The meaning of various terms: Cost, Expenses and Losses. b) Classification of Costs based on behavior, Output, degree of traceability to the product, Association with the product, on the basis of functions and on the basis of controllability c) Preparation of Cost Statement or Cost Sheet d) Meaning of Tenders and quotations – Its preparation. | a) Assignments b) Student working out sums on board. c) Oral Test d) Written Test e) MCQ f) Activity: List of materials consumed in any two organizations of your choice. |

MODULE – 3: MATERIAL CONTROL AND MATERIAL CLASSIFICATION

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|---|---|--|---|
| 10 Hours | <ul style="list-style-type: none"> a) Meaning of Material and Material Control. b) Concepts and Objectives of Material Control. c) Organisation for Material Control. d) Purchasing and Receiving Procedure, Issues in material procurements, stores organization, inventory shortages and overages and Inventory control. e) Calculations of Stock levels and EOQ with or without discount. f) Preparation of Stores Ledger under FIFO, LIFO and Weighted Average Methods. g) Pricing of Materials returned to vendor, Pricing of materials returned to storeroom and selection of a material pricing method. | <ul style="list-style-type: none"> a) Explanation of various terms b) Presentations on the various topics given in the module c) Problems and solutions. | <ul style="list-style-type: none"> a) Knowledge of the various terms used. b) Calculation of Stock Levels and EOQ with or without discount. c) Preparation of Stores Ledger under FIFO, LIFO and Weighted Average. d) Knowledge of Purchasing and Receiving Procedure, Issues in material procurements, stores organization, inventory shortages and overages and Inventory control. e) Pricing of Materials returned to vendor, Pricing of materials returned to storeroom | <ul style="list-style-type: none"> a) Assignments b) Student working out sums on board. c) Oral Test d) Written Test e) Activity: Collection of difference formats of – Material requisition, purchase requisition, bin cards and stores ledger. |

| | | | | |
|--|--|--|---|--|
| | | | and selection of a material pricing method. | |
|--|--|--|---|--|

MODULE – 4: LABOUR COSTS – ACCOUNTING AND CONTROL

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|--|---|---|--|
| 10 Hours | a) Meaning of Direct Labour, Indirect Labour, Incentive wage plans, Work study, Job Evaluation, Merit Rating, Time and Motion Study and Labour Turnover. b) Treatment of Labour cost related items. c) Methods of remunerating labour – Time and Piece Rate System, Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | a) Explanation of various terms b) List of formulae c) Basic Laws d) Presentations on the various topics given in the module e) Problems and solutions. | a) Knowledge of the various terms used. b) To Calculate Learning Curve Ratio. c) Forecasting of cost and its impact on profit using Learning Curve. | a) Assignments b) Student working out sums on board. c) Oral Test d) Written Test e) MCQ f) Activity : Preparation of wage sheet/pay roll with imaginary figures. |

MODULE – 5: OVERHEAD DISTRIBUTION

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|---|---|--|--|
| 10 Hours | a) Meaning of Overheads b) Classification of overheads. c) Collection and codification of overheads. d) Allocation and apportionment of factory overheads. e) Apportionment of Service Department overheads to production departments by Repeated and Simultaneous Equation Method. f) Absorption of factory overheads – Machine hour rate method. | a) Explanation of various terms b) Presentations on the various topics given in the module c) Problems and solutions. | a) Knowledge of the various terms used. b) Allocation and apportionment of factory overheads. c) Apportionment of Service Department | a) Assignments b) Student working out sums on board. c) Oral Test d) Written Test e) MCQ |

| | | | | |
|--|---|--|---|--|
| | <p>g) Selecting an absorption rate.</p> | | <p>overheads to production departments by Repeated and Simultaneous Equations Method.</p> <p>d) Absorption of factory overheads – Machine hour rate method.</p> <p>e) Selecting an absorption rate.</p> <p>f) To solve problems on the above.</p> | |
|--|---|--|---|--|

MODULE – 6: RECONCILIATION OF COST AND FINANCIAL ACCOUNTS

| UNIT/ SESSION/ HOURS (TIME REQUIRED) | TOPICS FOR STUDENT PREPARATION (INPUT) | PROCEDURE (PROCESS) | LEARNING OUTCOME (OUTPUT) | ASSESSMENT |
|--|--|---|--|--|
| 8 Hours | <ul style="list-style-type: none"> a) Need for reconciliation b) Reasons for difference in profits c) Problems on Reconciliation. d) Preparation of Memorandum Reconciliation Account. | <ul style="list-style-type: none"> a) Explanation of various terms d) Presentations on the various topics given in the module b) Problems and solutions. | <ul style="list-style-type: none"> a) Knowledge of the various terms used. b) Need for Reconciliation c) Reasons for differences in profits d) To solve problems on the above. | <ul style="list-style-type: none"> a) Assignments b) Student working out sums on board. c) Oral Test d) Written Test e) MCQ |

Step 2- LESSON PLAN PREPARATION HOURLY WISE

Subject Name: COST ACCOUNTING

Lecture hours: 60

Objective: To familiarize and acquire adequate knowledge with the basic cost concepts required for effective decision making in firms.

| Sl. No | UNIT & OBJECTIVES | No. of Lecture Hours | Methodology/Instructional techniques | Evaluation/learning confirmation |
|------------------|--|----------------------|--------------------------------------|----------------------------------|
| Module I | <u>BASIC CONCEPTS</u> Objective: To understand the Basics of Cost and Management Accounting, its objects, advantages, methods and techniques. | 5 | | |
| 1. | Meaning of Cost Accounting, Costing, Cost Accountancy, Cost and Management Accounting, Objectives of Cost Accounting. | 1 | Lecture | Question and Answer |
| 2. | Cost Accounting Vs Financial Accounting, Cost Accounting Vs Management Accounting, Advantages of Cost Accounting | 1 | Lecture | Question and Answer |
| 3. | Methods of Costing, Techniques or Types of Costing, Cost Units – Meaning and purpose, Cost Centres – Meaning and purpose. | 1 | Lecture | Question and Answer |
| 4. | Cost Accounting Departments, Brief note on Cost Audit Records and Report Rules | 1 | Lecture | Question and Answer |
| 5. | Revision Test | 1 | Revision | Test/ Assignment/ MCQ |
| Module 2: | Cost Concepts and Classification | 12 | | |
| 6 | Meaning of Cost, Expenses and Losses, Classification of Costs based on behavior, output, degree of traceability to the product, | 1 | Lecture | Question and Answer |
| 7 | Classification of cost on the basis of association with the product, on the basis of functions and on the basis of controllability. | 1 | Lecture | Question and Answer |

| | | | | |
|-----------------|---|-----------|---------------------------------|--|
| | Meaning of Cost Statement and its preparation | | | |
| 8 | Problems on Cost Sheet | 9 | Lecture, Problems and Solutions | Question and Answer |
| 12 | Revision | 1 | Lecture, Problems and Solutions | Test/ Assignment/ Students working sums on the board/MCQ |
| Module 3 | <u>MATERIAL CONTROL AND MATERIAL COSTING:</u> Objective: To prepare Stores Ledger under FIFO, LIFO and Weighted Average Method. | 10 | | |
| 1. | Meaning of Material and Material Control, Concepts and Objectives of Material Control, Organisation for Material Control. | 1 | Lecture | Question and Answer |
| 2. | Purchasing and Receiving Procedure, Issues in material procurements, Stores organization, inventory shortages and overages and Inventory control. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 3. | Calculations of Stock levels and EOQ with or without discount. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 4. | Calculations of Stock levels and EOQ with or without discount. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 5. | Calculations of Stock levels and EOQ with or without discount. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 6. | Preparation of Stores Ledger under FIFO, LIFO and Weighted Average Methods. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 7. | Preparation of Stores Ledger under FIFO, LIFO and Weighted Average Methods. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 8. | Preparation of Stores Ledger under FIFO, LIFO and Weighted Average Methods. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 9. | Pricing of Materials returned to vendor, Pricing of materials returned to storeroom and selection of a material pricing method | 1 | Lecture, Problems and Solutions | Question and Answer |
| 10. | Revision | 1 | Revision | Test/ Assignment/ |

| | | | | |
|-----------------|---|-----------|---------------------------------|--|
| | | | | Students working sums on the board |
| Module 4 | <u>LABOUR COSTS: ACCOUNTING AND CONTROL:</u> Objective: To understand the treatment of labour cost related items and the methods of remunerating labour. | 10 | | |
| 1. | Meaning of Direct Labour, Indirect Labour, Incentive wage plans, | 1 | Lecture | Question and Answer |
| 2 | Meaning of Work study, Job Evaluation and Merit Rating, | 1 | Lecture | Question and Answer |
| 3 | Time and Motion Study and Labour Turnover. Treatment of Labour cost related items. | 1 | Lecture | Question and Answer |
| 4 | Methods of remunerating labour – Time and Piece Rate System, Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | 1 | Lecture | Question and Answer |
| 5 | Problems on – Time and Piece Rate System, | 1 | Lecture, Problems and Solutions | Question and Answer |
| 6 | Problems on – Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 7 | Problems on – Time and Piece Rate System, Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 8 | Problems on – Time and Piece Rate System, Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 9 | Problems on – Time and Piece Rate System, Halsey and Rowan Premium systems, Taylor and Merrick's differential piece rate system. | 1 | Lecture, Problems and Solutions | Question and Answer |
| 10 | Revision | 1 | Revision | Test/ Assignment/ Students working sums on the board |
| Module 5 | <u>OVERHEAD DISTRIBUTION:</u> Objective: To understand the meaning of Overhead, | 10 | | |

| | | | | |
|-----------------|--|---|---------------------------------|---------------------|
| | its classification, allocation and apportionment. To allocate and apportion factory overheads, to apportion service department overheads to production departments. | | | |
| 1. | Meaning of Overheads, Classification of overheads, Collection and codification of overheads. | 1 | Lecture | Question and Answer |
| 2. | Allocation and apportionment of factory overheads and Apportionment of Service Department overheads to production | 1 | Lecture | Question and Answer |
| 3. | Problems on allocation and apportionment of factory overheads | 1 | Lecture, Problems and Solutions | Question and Answer |
| 7. | Problems on apportionment of Service Department overheads by Repeated and Simultaneous Equation Method. | 3 | Lecture, Problems and Solutions | Question and Answer |
| 8. | Problems on apportionment of Service Department overheads by Repeated and Simultaneous Equation Method. | 2 | Lecture, Problems and Solutions | Question and Answer |
| 12. | Absorption of factory overheads by Machine hour rate method and Selecting an absorption rate. | 2 | Lecture, Problems and Solutions | Question and Answer |
| Module 7 | <p><u>OPERATING COSTING.</u> <u>RECONCILIATION OF COST AND FINANCIAL ACCOUNTS:</u> <u> </u></p> <p><u>Objective:</u> To know the reasons for differences in profits between Financial Accounting and Cost Accounting, need for reconciliation and preparation of</p> | 8 | | |

| | | | | |
|----|--|---|---------------------------------|--|
| | Reconciliation Statement. | | | |
| 1. | Reasons for differences in profits between Financial Accounting and Cost Accounting and need for reconciliation. | 1 | Lecture | Question and Answer |
| 2. | Preparation of Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 3. | Problems on Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 4. | Problems on Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 5. | Problems on Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 6. | Problems on Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 7. | Problems on Reconciliation Statement | 1 | Lecture, Problems and Solutions | Question and Answer |
| 8. | Revision | 1 | Revision | Test/ Assignment/ Students working sums on the board/MCQ |

TEXT BOOKS:

| Sl. No. | Author's Name | Name of the Textbook |
|---------|----------------------------|--|
| 1 | S. P. Jain and K.L. Narang | Cost and Management Accounting |
| 2 | Colin Drury | Management and Cost Accounting |
| 3 | Nigam | Theory and Techniques of Cost Accounting |
| 4 | Dr. S.N. Maheshwari | Cost Accounting |
| 5 | M.N. Arora | Cost Accounting |
| 6 | Jawahar Lal | Cost Accounting |

REFERENCES:

| Sl. No. | Author's Name | Name of the Textbook |
|---------|-----------------|----------------------|
| 1 | Costing Advisor | P.V. Rathnam |
| 2 | Cost Accounting | Khan and Jain |