

## LESSON PLAN

2018-2019 ODD SEMESTER

BACHELORS OF COMMERCE

C1 15 MC 502

ADVANCED COST ACCOUNTING

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)

UNIT/ SESSION/ HOURS  (TIME REQUIRED)	TOPICS FOR STUDENT  PREPARATION  (INPUT)	PROCEDURE  (PROCESS)	LEARNING OUTCOME  (OUTPUT)	ASSESSMENT
<b>Module – 1 :</b> <b>Process</b> <b>Costing /</b> <b>10 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><li>• Working out Problems</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:</b> <b>Marginal</b> <b>Costing and</b> <b>Absorption</b> <b>Costing /</b>	Absorption Costing – Meaning, advantages and disadvantages, Profit ascertainment.  Marginal Costing –	<ul style="list-style-type: none"><li>• Lecture with the help of power Point presentation</li><li>• Discussion</li><li>• Working out</li></ul>	To interpret the significance of Marginal and Absorption Costing to the firm and to learn how to:	Evaluation through MCQs and

<p><b>8 Hours</b></p>	<p>Meaning, advantages and disadvantages, profit ascertainment.</p> <p>Income determination under marginal and absorption costing.</p>	<p>Problems</p>	<ul style="list-style-type: none"> <li>Ascertain profit under absorption and marginal costing.</li> </ul>	<p>tests.</p>
<p><b>Module-3:</b></p> <p><b>Cost, Profit and Volume Analysis</b></p> <p><b>7 Hours</b></p>	<p>Marginal Cost Equations, Cost Profit Volume Analysis, Break even point, Break even chart, Margin of safety, Profit Volume Chart, Applications of Marginal Costing – Make or Buy Decision, Key Factor or Limiting Factor, Accepting or Rejecting an Export offer, Pricing Decisions, Selecting suitable product mix, Introduction of new product, Operate or Shut down decisions.</p>	<ul style="list-style-type: none"> <li>Lecture with the help of power Point presentation</li> <li>Discussion</li> <li>Working out Problems</li> </ul>	<ul style="list-style-type: none"> <li>To understand the importance of Break even point in Units and Value and to calculate them.</li> <li>Apply Marginal costing techniques in a firm's decision making process such as: Make or Buy Decision, Key Factor or Limiting Factor, Accepting or Rejecting an Export offer, Pricing Decisions, Selecting suitable product mix, Introduction of new product, Operate or Shut down decisions.</li> </ul>	<p>Evaluation through MCQs and tests.</p>
<p><b>Module-3:</b></p> <p><b>Relevant Costing /</b></p> <p><b>5 Hours</b></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study</li> <li>Discussion</li> </ul>	<p>To grasp the meaning and concept of relevant cost with other types of cost concepts.</p> <p>To learn to find out the relevant costs and benefits in business decisions.</p>	<p>Evaluation through case study and tests.</p>

<p><b>Module-4:</b> <b>Budgetary Control /</b> <b>10 Hours</b></p>	<p>Meaning- Need – Objectives and functions – Advantages and disadvantages – Classification – Preparation of budgets – Raw consumption, Purchase, Labour hour, Overhead, Cash, Master, Fixed and Flexible Budget.</p>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Case Study</li> <li>• Discussion</li> </ul>	<p>To understand the concept of budgetary control and its significance in business decisions.</p> <p>To distinguish between the different kinds of budgets.</p> <p>To understand the dynamisms of the kinds of budgets.</p>	<p>Evaluation through MCQs, group activity and tests</p>
<p><b>Module-5:</b> <b>Standard Costing /</b> <b>20 Hours</b></p>	<p>Meaning – Definitions – Advantages – Steps involved in Standard Costing – Analysis of Variances – Material Variance – Labour Variance – Overhead Variance – Preparation and interpretation of Variance Reports.</p>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Discussion</li> <li>• Case study</li> </ul>	<p>To understand the benefits of using standard costing in daily decision making process.</p> <p>To master the concepts of different kinds of variances.</p> <p>To discern the ways of preparing and interpreting variance reports.</p>	<p>Evaluation through MCQs and tests</p>

**LESSON PLAN PREPARATION HOURLY WISE**

**Subject Name: ADVANCED COST ACCOUNTING**

## Subject Code: C15 MC 502

**LECTURE HOURS: 60**

**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>• <b>Process Costing, types of losses and Gain.</b></li> <li>• <b>Inter process profits and equivalent production.</b></li> <li>• <b>Joint and by products.</b></li> </ul>	<b>10</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 Normal Loss, Abnormal Loss and Abnormal Gain	2	Problems	Illustrations
4.	Preparation of Comparative Cost statement	1	Lecture and Problems	Illustrations
5.	Introduction to inter process profit, unrealized profit on unsold stock, with and without opening stock in processes.	2	Problems	Illustrations
6.	Equivalent production, when there is normal loss, abnormal loss, opening work-in-progress.	1	Lecture and Problems	Question and Answer
7.	Equivalent production under FIFO and Average Method	1	Problems	Question and Answer
8.	Revision	1	Discussion	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> <ul style="list-style-type: none"> <li>Ascertains profit under absorption and marginal costing.</li> </ul>	8	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study/ Discussion</li> </ul>	Evaluation through Illustrations, tests and MCQs
1.	Absorption Costing – Meaning, advantages and disadvantages, Profit ascertainment.	2	Lecture and Discussion	Question and Answer
2.	Marginal Costing – Meaning, advantages and disadvantages, profit ascertainment.	2	Lecture and Problems	Question and Answer
3.	Income determination under marginal and absorption costing.	3	Lecture and Problems	Illustrations
4.	Revision	1	Lecture and Discussion	Illustrations
<b>MODULE 3</b>	<u><b>COST VOLUME AND PROFIT ANALYSIS:</b></u> <b>To understand the concept of:</b> <b>Marginal Cost Equation, Cost Profit Volume Analysis, Application of Marginal Costing Techniques to make managerial decisions.</b>	7		
	Problems on Marginal Cost Equations, Cost Profit Volume Analysis	2	Lecture and Problems	Illustrations
	Calculation of Break-even point, Break even chart, Margin of safety,	2	Lecture and Problems	Illustrations
	Profit Volume Chart, Applications of Marginal Costing – Make or Buy Decision, Key Factor or Limiting Factor, Accepting or Rejecting an Export offer, Pricing Decisions, Selecting suitable product mix, Introduction of new product, Operate or Shut	3	Lecture and Problems	Illustrations

	down decisions.			
<b>MODULE 4</b>	<b>RELEVANT COSTING:</b> <ul style="list-style-type: none"> <li>To grasp the meaning and concept of relevant cost with other types of cost concepts.</li> <li>To learn to find out the relevant costs and benefits in business decisions.</li> </ul>	5	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study/ Discussion</li> </ul>	Evaluation through case study and tests.
1.	Concept of relevant and irrelevant costs, its applications and limitations	2	Lecture	Question and Answer
2.	Sums on relevant costs	2	Lecture and Problems	Illustrations
3.	Revision	1	Discussion	Question and Answer
<b>MODULE 5</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>	10	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Study/ Discussion</li> </ul>	Evaluation through Illustrations, tests and MCQs
1.	Introduction to Budgetary control and classification	1	Lecture and Illustrations	Question and Answer
2.	Flexible Budget	2	Lecture and Problems	Illustrations
3.	Cash Budget	2	Lecture and Problems	Illustrations
4.	Sales Budget	1	Lecture and Problems	Illustrations
5.	Production Budget	1	Lecture and Problems	Illustrations

6.	Raw Materials Budget	1	Lecture and Problems	Illustrations
7.	Master Budget	1	Lecture and Problems	Illustrations
8.	Revision	1	Group Activity/ Presentations	Question and Answer
<b>MODULE 6</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>	20	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Case Study/ Discussion</li> </ul>	Evaluation through MCQs and tests
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.

Prepared by:

Dr. Augustin Amala Das

Mr. Jayakumar Nair

Approved By: