

**SPPU, Pune**  
Revised Syllabi (2019pattern) for three years B.Com. **T.Y. B.Com.**

Degree Course CBCS

Semester VI

**Subject Name :- Cost and Works Accounting. Special Paper II**

**Course Code :- 365 – E**

**Subject Title :- Methods of Costing**

**Objectives:**

1. To provide knowledge about the various methods of costing.
2. To understand the applications of different methods of costing in manufacturing and service industries.
3. To enable students to prepare cost statements under different types of manufacturing industries and Service Industries
4. To build the applicability of cost accounting standards in the method of costing.

<b>Unit No.</b>	<b>Unit Title</b>	<b>Contents</b>	<b>Skills to be developed</b>
1	<b>Methods of Costing</b>	1.1. Introduction to Methods of Costing.  1.2 Job Costing Meaning, Features, Advantages and Limitations ( Simple problems Only)  1.3 Introduction of Batch costing- (theory Only)	a. Lerner will understand the various methods of costing  b. Develop the ability to prepare a job cost sheet

2	<b>Contract Costing</b>	<p>2.1 Meaning and Features of Contract Costing</p> <p>2.2 Work-Certified and Uncertified, Escalation clause, Retention Money, Cost Plus contract, work-in-progress</p> <p>2.3 Profit on incomplete contract</p>	<p>a. It will help the learner to understand the concept of contract costing</p> <p>b. learners will understand the process of calculation of profit on incomplete contracts</p>
3	<b>Process Costing</b>	<p>3.1 Meaning and features of process costing</p> <p>3.2 Preparation of process accounts including normal and abnormal loss/gain</p> <p>3.3 Joint Products and By Products [Theory and Simple problems]</p> <p>3.4 Cost Accounting Standard 19: Joint Cost</p>	<p>a. Students will get an idea of how to prepare process accounts.</p> <p>b. Understand the basic concept of CAS 19: Joint cost</p>
4	<b>Service Costing</b>	<p>4.1 Meaning, Features and Applications of service costing</p> <p>4.2 Cost Unit-Simple and Composite</p> <p>4.3 Cost Sheet for Transportation Service</p> <p>4.4 Cost Statement for Hospital and Hotel Organization</p> <p>4.5 Cost Accounting Standard 13: Cost of service cost center</p>	<p>a. The student will be enabled to understand the concept of service costing</p> <p>b. Learners will be able to prepare a cost sheet for transportation services, hospital and hotel organisation.</p> <p>c. Understand the basic concept of CAS13:service cost center</p>

## Teaching Methodology

Unit No.	Total Lectures	Innovative Methods to be used	Films Shows and AV Applications	Practical	Expected Outcome
1	10	Powerpoint Presentations,	Relevant Youtube Links	Group Discussion	Understand the basic methods of costing.
2.	14	Quiz		PPT	Develop the ability to calculate the profit of an incomplete contract.
3	12	Group Discussion		Study of process costing by visiting various process industries	The student will be able to prepare Process Account
4	12	Invite the tour operators, accountants of hotels & hospitals to provide practical exposure for ascertaining the cost thereof.		Visit transportation, hospital & hotel undertakings to find out the methodology applied in cost ascertainment.	Development of knowledge about cost sheets in service Industries.

### Method of Evaluation

Subject	Internal Evaluation	External Evaluation	Suggested Add-On Course
Unit I	Multiple Choice Questions, Written Test, Internal Examination, Powerpoint Presentations, Orals, Assignments, Tutorials etc.	SPPU	Two industrial visits and subsequent reports on the visits.
Unit II			
Unit III			
Unit IV			

### References

Sr. No	Title of the Book	Author	Publisher	Place
01	Practice in Advanced costing and Management Accounting.	Prof. Subhash Jagtap	Nirali Prakashan	Pune
02	Advanced Cost Accounting and Cost Systems	Ravi Kishor	Taxman's Allied Service Pvt. Ltd.	New Delhi
03	Cost Accounting Principles and Practice.	S.P. Iyengar	Sultan Chand & Sons Accounting, Taxman's	New Delhi
04	Students Guide to Cost	Ravi Kishor	Taxman's, New Delhi.	New Delhi

	Accounting			
05.	Cost Accounting Principles and Practice	M.N. Arora	Vikas Publishing House Pvt. Ltd.	New Delhi.
06	Cost Accounting, Theory and Problems,	S.N. Maheshwari and S.N. Mittal	Mahavir book Depot	New Delhi
07	Theory and Techniques of Cost Accounting.	B.L. Lall and G.L. Sharma	Himalaya Publishing House	New Delhi.
08	Cost Accounting – Textbook.	V.K. Saxena and Vashista	Sultan Chand and Sons	New Delhi.
09	Cost Audit and Management Audit.	V.K. Saxena and Vashista	Sultan Chand and Sons	New Delhi
10	Cost Accounting Principles and Practice.	Jain and Narang	Kalyani Publishers	Kolkata
11	Principles and Practice of Cost Accounting	N.K. Prasad	Book Syndicate Pvt. Ltd.	Kolkata
12	Advanced Cost Accounting	N.K. Prasad	Book Syndicate Pvt. Ltd.	Kolkata

	Syndicate Pvt Ltd., Calcutta.			
13	Practical Costing.	R.K. Motwani	Pointer Publisher	Jaipur
14	Cost Accounting.	R.S.N. Pillai and V. Bhagavati	Sultan Chand and Sons	New Delhi.
15	Advanced Cost Accounting	Dr. D. M. Gujarathi	Idol Publication	Pune

### Web References

Sr. No	Lectures	Films	PPTs	Articles	Others
For all the units.	Guest Lectures by Field Personnel such as working executives from industries and of practising Cost and Management Accountants.	YouTube films showing the working of different industries.	Relevant PowerPoint presentations are available on all these topics.	Articles from professional Journals such as The Management Accountant, The Chartered Accountant, The Chartered Secretary, The Institute of Chartered Financial Analyst of India	<a href="https://icmai.in">https://icmai.in</a>  <a href="http://www.globalcma.in">www.globalcma.in</a>  <a href="http://eclm.unpune.ac.in">eclm.unpune.ac.in</a>

**Notes: The breakup of marks in the Examination will be as follows:**

- 50 % of the marks for Theory & 50 % of the marks for Practical Problems (Simple Problem Only)

**Areas of practical problems**

- ▶ Job Costing - Preparation of job cost sheet
- ▶ Contract Costing - Preparation of Contract Account & Contractee Account [without B/s] Simple Problem without an Escalation clause
- ▶ Process Costing Simple Problems on Process Costing, Joint Products and By Products [Where there is no work in process].
- ▶ Service Costing - Cost Sheet for Transportation, Hotel and Hospital Service.