

6.3 COSTING METHODS & TECHNIQUES – II

Lecture per Week: 4 hours

Max Marks: 80 (End Sem) + 20 (IA) = 100

Exam Duration: 3 Hours

OBJECTIVES:

1. Study of different methods & techniques of costing
2. Ascertainment of Cost Per Unit & Computation of profits
3. Estimation of Costs
4. Ascertainment of losses and gains in process costing
5. Cost Volume profits Analysis & application of different methods of Costing

Unit	Topics	No. of periods
I	Unit, Job Costing & Contract costing: Unit Costing – Meaning - Costing procedure – Cost Sheet – Treatment of Stock – Scrap and By Products , defective products , preparation of tenders or quotations. Job Costing: Meaning, Objectives and application of job orders –Job Cost Sheet. Contract costing – Meaning – Objectives – Estimates – Use of special plant and its depreciation – Valuation of work -in – progress – Treatment of profit on incomplete contract.	10
II	Operating Costing : Meaning of operating costing – Classification of operating costs, Transport Costing; Passenger and Goods transport	10
III	Process Costing: Meaning – features - Accounting procedure – process losses and wastages- Sale of scrap and / or By - products – Accounting of Joint products and By - products 10 Hours	10
IV	Marginal Costing Technique : Definition and Meaning - Characteristics- Advantages and Disadvantages – Treatment of semi Variable costs – Contribution and marginal cost equation – BEP analysis – Profit- Volume Ratio and Margin of Safety . Application of marginal costing (Problems of Key Factor, selection of a profitable product mix Decision to make or buy, decision to accept a bulk order)	10
V	Reconciliation of Profits : Reasons and Significance of Reconciliation of profits between financial accounting and cost accounting – procedure of Reconciliation	10

SUGGESTED REFERENCES:

1. Jain & Narang : Principles & Practice of Cost Accounting Kalyani Publishers,Ludhiana
2. Maheshwari.S.N : Cost & Management Accounting - Sultan Chand & Sons New Delhi
3. Saxena & Vashist: Cost Accounting - Sultan Chand & Sons New Delhi
4. P.T. Pattanashetty & V.A.Patil: Cost Accounting
5. Dr. G. B. Baligar, Elements of Costing and Costing Methods & Techniques, Ashok Prakashan, Hubli.

6. Dr. B. B. Kalatippu & Dr. G. G. Karalatti : Methods & Techniques of Cost Accounting, Siddalingshwar Prakashan Gulbaraga.