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CS

Executive Programme
Cost and Management
Accounting

कॉस्ट एण्ड मैनेजमेंट अकाउंटिंग

Paper-2 Module-I

According to New Syllabus

OMR Based Exam

Based on Objective Type Pattern

Bilingual (English & Hindi)

अंग्रेजी एवं हिन्दी भाषा में

Dr. Nirmal Jain

SYLLABUS

Cost and Management Accounting (100 Marks)

LEVEL OF KNOWLEDGE: Working Knowledge

OBJECTIVE: To acquire knowledge and understanding of the concepts; techniques and practices of cost and management accounting and to develop skills for decision making.

CONTENTS

1. Introduction to Cost and Management Account

कॉस्ट एण्ड मैनेजमेन्ट अकाउन्टिंग का परिचय 7-62

- **Cost Accounting:** Evolution, Meaning, Objectives and Scope
- Concepts of Costs, Classifications and Elements of Cost
- Cost Centre and Cost Unit
- Methods and Techniques of Costing
- Cost Accounting Standards
- Installation of a Costing System
- Practical Difficulties in installing a Costing System
- Role of Cost Accountant in Decision Making
- **Management Accounting:** Evolution, Meaning, Objectives and Scope
- Tools and Techniques of Management Accounting
- Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management
- Conflicts in Profit versus Value Maximization Principle
- Role of Management Accountant in Decision Making

2. Material Cost/ मटेरियल कॉस्ट 63-126

- Materials Control - Concept and Techniques .
- Procurement Procedures and Documentation: Methods of Purchasing; Procedure of Purchases Stores and Issue of Material; Stock Verification
- Methods of Pricing of Material: FIFO, LIFO, Simple Average, Weighted Average
- Accounting and Control of Material Losses, Wastage, Scrap, Spoilage and Defectives
- Inventory Management: Techniques of fixing of minimum, maximum and reorder levels, Economic Order Quantity, ABC Analysis; Stock Verification and Perpetual Inventory

3. Labour Cost/ लेबर कॉस्ट	127–167
<ul style="list-style-type: none"> ● Meaning and Classification of Labour Costs ● Accounting and Control of Labour Costs ● Time Keeping and Time Booking ● Attendance and Payroll Procedures, Time Recording, Overtime and Idle Time ● Labour turnover and Remedial Measures ● Efficiency Rating Procedures; Remuneration Systems and Incentive Schemes 	
4. Direct Expenses and Overheads/ प्रत्यक्ष व्यय एवं ओवरहेड्स	169–218
<ul style="list-style-type: none"> ● Direct Expenses: Meaning, Nature, Collection, Classification and Treatment of Direct and Indirect Expenses ● Overheads: Meaning, Nature, Collection and Classification, Functional Analysis: Factory, Administration, Selling, Distribution, Research and Development ● Behavioural Analysis: Fixed, Variable, Semi variable and Step Cost Allocation, Apportionment, Absorption and Control of Overheads ● Preparation of Cost Sheet 	
5. Activity Based Costing (ABC)/ एक्टिविटी बेस्ड कॉस्टिंग	219–236
<ul style="list-style-type: none"> ● Meaning, Importance, Characteristics ● Elements and Steps involved ● ABC vs. Traditional Costing ● Uses and Limitations 	
6. Cost Records/ कॉस्ट रिकॉर्ड्स	237–268
<ul style="list-style-type: none"> ● Cost Ledgers - Integrated Accounts and Non-integrated Accounts ● Reconciliation of Cost and Financial Accounts 	
7. Costing Systems/ कॉस्टिंग सिस्टम	269–400
<ul style="list-style-type: none"> ● Unit and Output Costing ● Job Costing: Job Cost Cards, Collecting Direct Costs, Allocation of Overheads and its Applications ● Batch Costing: Features and Applications ● Contract Costing: Features, Distinction between Job and Contract Costing, Progress Payments, Retention Money, Escalation Clause, Contract Accounts, Accounting for Material, Accounting for Plant Used in a Contract, Contract Profit and Accounting Entries ● Process Costing: Features, Applications and Types of Process Costing, Process Loss, Abnormal Gains and Losses, Equivalent Units, Interprocess Profit, Joint Products, By-Products and Accounting 	

- Service Costing: Features and Applications, Unit Costing and Multiple Costing, Application, identification of Cost Unit and Cost Determination and Control
- 8. Marginal Costing/ मार्जिनल कॉस्टिंग 401-474**
- Meaning, Advantages, Limitations and Applications
 - Breakeven Analysis
 - Cost-Volume Profit Analysis
 - PA/ Ratio and its Significance
 - Margin of Safety
 - Absorption Costing, System of Profit Reporting and Stock Valuation
 - Difference between Marginal Costing and Absorption Costing
 - Income Measurement under Marginal Costing and Absorption Costing
- 9. Standard Costing/ स्टैंडर्ड कॉस्टिंग 475-538**
- Definition, Significance and Applications
 - Various Types of Standards
 - Installation of Standard Costing System-for Material, Labour, and Overhead
 - Variance Analysis for Materials, Labour and Overheads and Accounting Treatment of Variances
 - Benchmarking for Setting of Standards
 - Variance Reporting to Management
- 10. Budget, Budgeting and Budgetary Control**
बजट, बजटिंग एवं बजटरी कंट्रोल 539-587
- Budget Concept, Manual
 - Fixed and Flexible Budgets
 - Preparation and Monitoring of Various Types of Budgets
 - Budgetary Control System: Advantages, Limitations and Installation
 - Zero Base Budgeting
 - Programme and Performance Budgeting
- 11. Cost Accounting Records and Cost Audit**
कॉस्ट अकाउन्टिंग रिकॉर्ड्स एवं कॉस्ट ऑडिट 589-612
- Nature and Scope of Cost Audit
 - Cost Accounting Records and Cost Audit under Companies Act, 1956
 - Purpose, Scope and Advantages of Cost Audit
 - Implementing Authorities of Cost Audit

- Cost Audit Techniques and Programmes
- Cost Audit Report
- Cost Auditor - Appointment, Rights and Responsibilities

12. Analysis and Interpretation of Financial Statements

फाइनेन्शियल स्टेटमेन्ट्स का एनालिसिस एवं इन्टरप्रिटेशन 613-742

- Financial Statements: Nature, Attributes, Objectives, Importance, Limitations
- Recent Trends in presenting Financial Statements
- Financial Statements Analysis: Types, Methods, Objectives, Limitations
- Ratio Analysis: Accounting, Uses, Classification, Advantages, Limitations
- Cash Flow Statement
- Fund Flow Statement
- Difference between Cash Flow and Fund Flow Statement
- Management Reporting

❖ **QUESTIONS PAPER** 743-762

❖ **MODLE TEST PAPER- I** 763-785

❖ **MODLE TEST PAPER- II** 786-807

