

Subject Code: 204

Subject Name: Elements of Costing

Unit I: Introduction

4 Hrs

Concept of cost , costing and cost accounting
Limitations of Financial accounting
Difference between Financial accounting and Cost Accounting
Cost unit and cost center

Unit II: Elements of cost and cost sheet

16 Hrs

Material, labour and other expenses
Classification of costs and types of costs
Preparation of cost sheet

Unit III: Materials

20 Hrs

Meaning of materials
Objectives of scientific purchasing
Functions of the purchase department
Purchase procedure
Stock level
EOQ
Stores organizations,
Classification and codification
Forms and documents used in stores.
Materials accounting and pricing issues : LIFO, FIFO, Simple average and weighted average.

Inventory control – Periodical Vs Perpetual reconciliation of stock as per record

ABC Analysis

Just in time Method

Materials losses

Unit IV: Labour**8 Hrs**

Importance of labour cost

Times records – Time keeping and time booking

- Methods of remuneration (Incentive Plans not expected, only theory)
- Labour Turnover
- Job Evaluation and Merit Rating

Unit V: Overheads**12 Hrs**

Meaning and classification

Allocation of overheads

- Apportionment of overheads
- Absorption of overheads

Recommended Books

1. Ratnams Costing adviser
2. Owler and Brown – Wholdon's cost Accounting
3. Costing - Dr.P.C.Perdeshi – Nirali Prakashan
4. L.N.Chopade, Dr Choudhary – Sheth Publishers Pvt. Ltd.
5. Systematic approach to Costing - Rakesh C. Agarwal – Bharat.
6. Costing – Khanna, Pandey, Ahuja and Arora